RALLYE

2001 Financial Report

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Consolidated balance sheet as at December 31, 2001

ASSETS

(€ millions)	Notes	Gross	Depreciation	2001	2000	1999
FIXED ASSETS						
Intangible assets	1	4,157	107	4,050	3,937	3,194
Goodwill	2	1,717	205	1,512	1,552	1,048
Property and equipment	3	6,705	2,431	4,274	4,072	3,064
Financial investments	4	1,778	63	1,715	1,480	1,365
Total fixed assets		**14,357**	**2,806**	**11,551**	**11,041**	**8,671**
CURRENT ASSETS						
Inventories	5	2,178	23	2,155	1,935	1,601
Accounts receivable	6	1,751	72	1,679	1,359	820
Marketable securities	7	1,312	28	1,284	768	485
Cash	7	855		855	651	704
Total current assets		**6,096**	**123**	**5,973**	**4,713**	**3,610**
Other assets	8	318		318	234	254
Total assets		**20,771**	**2,929**	**17,842**	**15,988**	**12,535**

LIABILITIES AND SHAREHOLDERS' EQUITY

(€ millions)	Notes	2001	2000	1999
SHAREHOLDERS' EQUITY				
Share capital	9	117	89	85
Share premiums	9	1,282	890	827
Reserves	9	152	221	163
Consolidated net income	9	75	102	54
Group's shareholders' equity		**1,626**	**1,302**	**1,129**
Minority interests	9	3,115	2,571	2,165
Total consolidated shareholders' equity		**4,741**	**3,873**	**3,294**
Bonds redeemable against shares	10	181	19	–
Provisions for contingencies and charges	11	328	392	259
DEBTS				
Borrowing and loans	12	7,523	7,033	5,229
Accounts payable	12	4,777	4,249	3,377
Other debts	12	249	370	331
Total debts		**12,549**	**11,652**	**8,937**
Other liabilities		43	52	45
Total liabilities and shareholders' equity		**17,842**	**15,988**	**12,535**

Consolidated income statment as at December 31, 2001

(€ millions)	Notes	2001	2000	1999
Net sales	**14**	**22,863**	**19,942**	**16,374**
Cost of goods sold	15	(16,894)	(14,906)	(12,200)
Gross margin		**5,969**	**5,036**	**4,174**
Other purchases and external expenses		(2,135)	(1,843)	(1,517)
Taxes		(288)	(237)	(205)
Payroll expenses	16	(2,312)	(1,988)	(1,706)
Net operating depreciation, amortization and provision expenses		(501)	(415)	(295)
Net other operating income		108	73	60
Operating income	**17**	**841**	**626**	**511**
Net interest expenses		(244)	(197)	(91)
Financial income (loss)	**18**	**(244)**	**(197)**	**(91)**
Operating income after interest		**597**	**429**	**420**
Net exceptional depreciation, amortization and provision expenses		53	(21)	(15)
Other net exceptional income (loss)		(46)	52	(3)
Net exceptional income (loss)	**19**	**7**	**31**	**(18)**
Current income tax	20	(222)	(173)	(177)
Deferred tax	20	(14)	(1)	(7)
Net income from fully consolidated companies		**368**	**286**	**218**
Income from companies accounted for by the equity method	21	47	67	22
Net income before amortization of goodwill		**415**	**353**	**240**
Amortization of goodwill	22	(73)	(54)	(26)
Net income		**342**	**299**	**214**
Group's share		**75**	**102**	**54**
Minority interests		267	197	160

(€ per share)	Notes	2001	2000	1999
Net income, per share before dilution	23	2.54	3.66	2.01
Net income, per share after dilution	23	2.17	2.96	1.79

Consolidated cash flows statement

(€ millions)	2001	2000	1999
Cash flows from operating activities			
Net income	368	286	218
Adjustments to eliminate non-cash and non-operating expenses and revenues			
– Depreciation, amortization and provisions [1]	466	463	321
– Change in deferred tax	14	(43)	–
– Capital gains, net of taxes	(17)	(131)	1
Cash flow	**831**	**575**	**540**
Dividends received from companies accounted for by the equity method	32	10	1
Changes in operating working capital requirement			
– Net inventories	(233)	(133)	(70)
– Net accounts receivable	(665)	(283)	(90)
– Net accounts payable	512	432	749
Net cash provided by operating activities (A)	**477**	**601**	**1 130**
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	(1,133)	(1,015)	(1,015)
Sale of property, equipment and intangible assets	165	160	158
Purchase of financial investments	(459)	(360)	(187)
Sale of financial investments	127	195	199
Changes in scope of consolidation	(52)	(806)	(1,335)
Net cash used in investing activities (B)	**(1,352)**	**(1,826)**	**(2,180)**
Cash flows from financing activities			
Dividends paid to the shareholders of the parent company	(48)	(15)	(12)
Dividends paid to minority interests	(101)	(85)	(85)
Cash increase in capital	899	29	154
Debt issuance	3,132	2,272	1,858
Debt redemption	(2,160)	(886)	(569)
Net cash provided by financing activities (C)	**1,722**	**1,317**	**1,346**
Impact of currency fluctuations (D)	5	45	43
Change in cash and cash equivalents (A+B+C+D)	**852**	**137**	**339**
Cash and cash equivalents at beginning of year (E)	889	752	413
Cash and cash equivalents at end of year (F)	1,741	889	752
Change in cash and cash equivalents [2] (F-E)	**852**	**137**	**339**

(1) Excluding provisions on current assets.

(2) The change in cash and cash equivalent for the year 2001 takes into acount the change of presentation, for an amount of €236 million, mainly due to treasury shares previousely recorded in financial fixed assets.

▪ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2001 ▪

Accounting principles and methods

GENERAL PRINCIPLES

The consolidated financial statements of the RALLYE group were prepared in compliance with the laws and regulations prevailing in France, with the exception of the changes in form presented below.

Exceptionally, all income related to securities in the investment portfolio (i.e., more or less long term investments held in a company without intervening in its management) is grouped under financial income, so that all the changes recorded on those shares (provisions, divestments, repayment of funds which may be considered as equivalent to divestments or dividends) are included at the same level in the income statement (see figures in note 18).

Beginning this year, goodwill calculated on the acquisition of foreign subsidiaries is expressed in the currency of the country concerned and converted at the exchange rate for the said currency. It was previously expressed in euros. Amortization for previous years is adjusted in proportion.

The adoption of this new method has led to an increase in equity, as at January 1, 2001, of €40.4 million and has had no significant impact on the income for 2000 or 2001.

Accounting entries are valued with reference to the historical cost method.

COMPARABILITY OF FINANCIAL STATEMENTS

The accounts for the Monoprix group, which were previously consolidated under the equity method, have been integrated under the proportional consolidation method, since July 1, 2000. Since this change in the scope of consolidation did not have a significant impact on the consolidated financial statements in the sense of the recommendation of the COB (*Commission des Opérations de Bourse*, the French securities and exchange commission), pro forma financial statements are not included.

APPLICATION OF REGULATION No. 99-02

As at January 1, 2000, the first application of the new approach to the consolidated financial statements was to bring the rules previously implemented by the group into line with the preferential methods laid down by Regulation No. 99-02, that is, recording deferred tax on the difference between the book and tax values of assets, and in particular, excess of restated assets over historical cost on assets which may be sold individually, reclassifying employee profit-sharing as personnel expenses, spreading issue costs over the life of the loans, and consolidating an ad hoc company. The adoption of these new rules reduced shareholders' equity by €91 million as at January 1, 2000, and had no significant impact on the consolidated income statement.

SCOPE OF CONSOLIDATION

All subsidiaries and holdings placed under the direct or indirect control of the parent company RALLYE (over 50% of voting rights) are consolidated under the full consolidation method. The companies over which RALLYE exercises significant influence (voting rights between 20 and 50%) are consolidated under the equity method. Companies whose shares are held only in view of future sale or for which consolidation would not significantly alter the RALLYE group's accounts are not consolidated.

Changes in the scope of consolidation during the year 2001 were:

- Entry of the following companies: Banque du Groupe Casino, Sodérip, Screeny Média, La Bruyère, Nésitic, Servamsur, Parande Développement, Leader Price Argentina (on January 1st), and Bonuéla (on December 1st);
- Exit of the following companies: SA Chanut (merged into Uranie), SEP, Sport House 2000, Hall des Sports and Disproma (merged with Courir France, the new denomination of the company Go Sport Diversification).

A list of the companies consolidated during the 2001 financial year is included at the end of the notes.

CONSOLIDATION PRINCIPLES

Consolidation is carried out on the basis of the financial statements for the fiscal year ending December 31, 2001. The companies entering or exiting the consolidation structure are consolidated for the period they belonged to the group.

Treasury stock, at acquisition cost, is accounted for by decreasing consolidated retained earnings. Depreciation provisions, if any, and gains or losses from the sale of shares are restated and charged to the consolidated reserves of the group in an amount net of tax. The acquisition costs related to purchasing shares in consolidated companies are included in the cost of shares and increase initial goodwill.

The statements for the company Banque du Groupe Casino, consolidated under the proportional consolidation method since January 1, 2001, are prepared in accordance with the chart of accounts for financial institutions. In the consolidated accounts, classification follows the general chart of accounts.

Thus, customer credit is included under trade receivables and similar accounts, customer credit refinancing is included under trade payables, and income from lending activities is accounted for as sales.

TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The translation of financial statements expressed in foreign currency is made as follows:

– The balance sheet headings are converted at the rate prevailing at year-end;

– The income statement and the cash flows are converted at the average rate for the year.

Translation differences (foreign exchange unrealized gains and losses) resulting from the difference between the beginning and ending values for shareholders' equity and from the difference between the average and the ending rates on the income for the period are posted to "consolidated reserves" under shareholders' equity.

In accordance with the recommendations of the CNC (*Conseil National de la Comptabilité* – the French National Accounting Board), the group translated the financial statements of its Argentine subsidiaries by using an exchange rate based on the first market quotations of January 2002, that is, 1 peso equals €0.7121. This resulted in a financial expense of €4.2 million, and an equity reduction in the amount of €153.1 million.

At this time, there are no other factors which could call into question the group's long term strategy, and consequently, the valuation of assets invested in Argentina, particularly intangible fixed assets held through the Casino group, with a net book value as at December 31, 2001 of €141.4 million.

INTANGIBLE ASSETS

Under intangible assets are included, in particular, allocated goodwill on acquired on-going business, trademarks, market share and store locations.

For the purpose of allocation of initial goodwill between store locations and on-going business, a ratio linked to store revenues is applied. These intangible assets are not amortized, given the stability of their utility value and the widely observed growth in their market value.

The market share measures the increase in the Group's purchasing clout subsequent to the ties to the acquired companies. Its balance sheet value is equal to the capitalization of the annual improvement in purchasing conditions. Market share values are not amortized.

Notwithstanding, the value of intangible assets is assessed regularly. The economic indicator used in this assessment is, for on-going business and store locations, the total sales of the acquired stores (hypermarkets, supermarkets, convenience stores, and cafeterias). For market share assessment, the total sales figure of the newly built network is used. In the retail industry, this business indicator, which is transparent and easily implemented, is highly representative of store chain profitability. An in-depth study showing the strong correlation between trends in sales and profitability is carried out on a regular basis. In the event that the reference sales value deteriorates beyond a threshold of 15% and, in some cases, after a certain time allowance, a provision is punctually set aside as from the first euro to record this depreciation.

The value of trademarks is checked against evaluation criteria based on sales and operating income after interest figures of the company operating the trademarks. A depreciation provision is made if necessary.

In the financial statements for the year 2000 of the American subsidiary Athlete's Foot Group, Inc., intangible assets posted to on-going business, which were previously amortized over a twenty-year period, were the object of an extraordinary amortization that reduced their net book value to zero.

Other intangible assets are amortized, depending on the individual case, within the year, or over a maximum of six years. Software is amortized over 3 or 6 years, depending on its expected useful life.

GOODWILL

Initial goodwill (excess of investment cost over equity interest) prevailing upon a company's entry into the scope of consolidation and which was not posted to a fixed assets account is recorded under goodwill.

Goodwill is amortized over a period consistent with the strategic objectives of the acquisition and with the business of the acquired company, dating from the first year of ownership. It may be amortized, if future cash flows differ on a long-term basis from the cash flows expected at the time of the acquisition. The value of goodwill is checked on an annual basis, by comparison with the present value of future cash flows estimated over the residual amortization period.

Goodwill inherent to Casino shares was valued at €729 million as at December 31, 2001; it is amortized over 40 years. In addition to the normal changes resulting from amortization and from variations in the percent ownership of Casino share capital, it takes the following considerations into account:

- In accordance with Opinion 98 B of the CNC (*Conseil National de la Comptabilité* – the French national Accounting Board) dated July 10, 1998, the cost of repurchase for cancellation of contingent value rights (€10.56 million for the years 1998 and 1999) constitutes an addition to the acquisition price and, therefore, to goodwill in the consolidated financial statements;
- In the event of a repurchase of bonds exchangeable for common or preferred shares, issued in 1998 at the time of the Casino group takeover, the negative difference between the offsetting value in Casino shares on the date of the repurchase and the nominal value of the exchangeable bonds is posted as an increase in goodwill;
- The capital gain resulting from the exchange of the exchangeable bonds, i.e., the difference between the par value of the exchangeable bond and the consolidated book value of the shares exchanged is posted as a change in goodwill.

The increase of goodwill resulting from contingent value rights and from the repurchase of exchangeable bonds is limited to the majority premium assessed by the independent expert, Detroyat Associés, at €802 million.

Contingent value rights on Casino common and preferred shares matured in December 1999 without giving rise to any payment, due to the stock market prices for Casino common and preferred shares during the reference period of the contingent value rights.

SHARE PURCHASE OPTION

During the year, Casino entered into an agreement with a financial institution, according to which agreement, Casino would hold an option to purchase a block of shares representing 42.39% of the capital of the Cora group's holding company. The purchase option may be exercised at any time over a period of five years, for a set exercise price of €850 million, provided that Cora approves the planned transaction, or that there are no contractual provisions between the group and Cora that might stand in the way. If, however, at the end of the five-year period, the Casino group does not exercise this option, then the shares concerned will be auctioned off.

In exchange for this option, the Casino group provides a financial guarantee to the financial institution, in the amount of the €850 million corresponding to the underlying assets, both over the life of the option and at the time of auction, if any. If an auction is held, the group must compensate the financial institution for any negative difference between the auction price and the par value of €850 million. Any positive difference, however, would come to the group. Payment of the option to the finan-

cial institution shall be made in installments spread over time and which, should the option be exercised, would be added to the cost of the shares, or, in the event of an auction, be included in the proceeds from the sale.

The total present value of the amounts disbursed under the option, together with the expenses to be incurred should the operation complete the five-year period, amounts to €252 million.

Despite the legal proceedings taken by Cora, the Casino group is serene as to the reality of the asset value of the costs incurred under the purchase option; accordingly, the accounting treatment to be applied consists in including them as assets under portfolio investments on the balance sheet, as they are paid. As at December 31, 2001, the amount recorded in this way stood at €70 million. The difference between the total theoretical value of €252 million and the amounts actually disbursed at a given moment will be recorded as off-balance-sheet commitments, as well as the nominal value of €850 million contractually assigned to the underlying assets.

The value of the block of 42.39% of total shares, plus that of the option will be subject to regular depreciation tests which may, should an unfavorable event occur, lead to a provision to be charged for all or part of the amounts disbursed.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost. Acquisition costs and interim financial costs incurred during the construction period are included in the cost of property and equipment, net of tax.

Consolidated depreciation is the sum of the depreciation expenses recorded for each company within the scope of consolidation, after making the adjustments necessary for the reconstitution of original values and for the restatement of lease-financing and excess tax depreciation.

Property and equipment are depreciated over different periods, depending on the type of asset:

Type of asset	Depreciation period
Buildings	20 to 40 years
Land fittings and improvements	10 to 20 years
Building fittings and improvements	5 to 10 years
Plant, machinery and equipment	5 to 10 years
Furniture, office and computer equipment	3 to 10 years

LEASING

Assets held by RALLYE under lease contracts or similar arrangements are recorded in the consolidated balance sheet and income statement as if they had been acquired on credit. As a result, the amounts originally financed by a lease financing company are recorded as property and equipment items, with a corresponding "loan" recorded as a liability. These fixed assets are depreciated over their expected lifetimes. The lease annuities are eliminated and replaced by a normal depreciation allowance and by a financial expense corresponding to the loan that resulted from the restatement of the lease operations.

FINANCIAL INVESTMENTS

Shares of non-consolidated companies held by the companies in the group are included under the heading "investment securities" at their acquisition cost. A depreciation provision may be made to adjust the book value to the

current value, if the current value is lower than the acquisition cost. The current value is determined based on several assessment criteria, such as the book value of the shares at year-end, their profitability, their future outlook, their share price if they are listed on a stock market, and their utility value to the group.

INVENTORIES

Inventories are valued at cost, including discounts and allowances, transportation and logistics charges.

Mark-ups included in inventory values of products sold between companies in the group are eliminated. A provision for inventory depreciation is made if the expected sale price of an inventory item is less than cost.

MARKETABLE SECURITIES

Marketable securities are included in the balance sheet at their acquisition cost.

Any provisions are determined by comparing this value with the expected sale price.

ADJUSTMENT ACCOUNTS

Expenses carried forward for future periods consist essentially of debt issuance costs amortized over a period not to exceed the duration of the debt, as well as entry costs for store occupancy, to be amortized over the life of the lease.

PROVISIONS

The group has retirement commitments towards its employees. Under these commitments, an expense provision is included in the consolidated financial statements. Assessment of this provision, using the prospective method, takes into account the associated social security charges.

Some American subsidiaries provide their employees with medical benefits and disability insurance. In accordance with the FAS 106 and FAS 112 accounting standards, a provision is made to cover such costs, both for current and retired employees.

In order to cover the cost of after-sales service on household appliances, televisions, sound systems, VCRs and other equipment sold under warranty, Casino records a contingency provision for the estimated cost of repairs during the warranty period, based on past expense figures. Every year, this provision is decreased in the amount of the actual cost of the service rendered, recorded as an expense.

Other provisions correspond to specifically identified risks and expenses.

SALES

The Sales figure includes sales from stores, restaurants, warehouses and factories, and other services (trade cooperation, rent, etc.).

COSTS BEFORE OPENING AND AFTER CLOSING OF STORES

These costs are recorded as operating expenses for the year in which opening or closing takes place, with the exception of the cost of harmonizing the stores of companies in which the group acquires an interest. In this case, a provision is made when they enter the scope of consolidation of the group.

EXCEPTIONAL INCOME AND LOSS

Exceptional income and loss includes revenues and expenses that, by their very nature, or significant characteristics, do not come under the group's current activities.

CURRENT INCOME TAX

Together with the majority of their subsidiaries, the parent companies RALLYE, Casino and the Groupe Go Sport constitute tax groups, having opted for consolidated tax treatment.

The cumulative current income tax due equals the tax due by the parent companies, as head of their group, plus tax due by all the other companies not included under tax consolidation.

DEFERRED TAX

Deferred tax includes tax considered recoverable, for assets, on temporary differences between the accounting record of income or expense and its inclusion in the tax income of a different year, tax loss carry-forwards, and certain consolidation restatements. Deferred tax was consolidated under a balance sheet approach, and is discounted, when the results of such discounting are significant. In particular, tax deferred on any differences between the value of land recorded on the balance sheet and its tax value are discounted over an unlimited period, since these assets are not intended to be sold by the group. This is the most significant effect of discounting. Deferred tax is calculated according to the variable carry-forward method and includes the incidence of additional corporate tax levies.

The assets of a purchased company that cannot be divested individually (e.g., market share) or that are not intended to be divested separately (e.g., store locations or land) are not included in the calculation of deferred tax.

FOREIGN EXCHANGE AND INTEREST RATE FINANCIAL INSTRUMENTS

The group uses various hedging instruments to reduce its exposure to foreign exchange and interest rate risks.

Gains and losses on interest-rate hedging transactions are recorded on an accrual basis in the income or loss for the fiscal year.

MAJOR EVENTS

The RALLYE group increased its holdings in the company Casino on the occasion of the increase in capital that occurred in January 2001, with an issue of shares with share purchase or subscription warrants attached (ABASA). The RALLYE group subscribed to 67% of this issue, in the amount of €566 million. This was financed in part by an issue of bonds exchangeable for Casino common shares, yielding a gross amount of €460 million.

In January 2002, RALLYE issued a share buyback bid, which enabled it to pay RALLYE shareholders the amount of €300 million, in exchange for the repurchase of 5 million shares, at a unit price of €60.

In early January 2002, this operation was accompanied by the distribution of a dividend advance payment of €0.80 net per RALLYE share, together with the allocation of a bonus issue of new RALLYE share warrants, denominated "A" and "B", and maturing in November 2003 and November 2005.

The exercise of all of the 34,507,263 category A warrants (BSA A), and the 34,507,263 category B warrants (BSA B) would yield 4,847,292 new shares, after cancellation of the warrants attached to the treasury stock.

The characteristics of the A and B warrants are as follows:

– Subject to any necessary adjustments, 14 category A warrants grant the right to subscribe to one RALLYE share, at a subscription price of €60, from February 19, 2002 to June 30, 2003. From July 1, 2003 to November 30, 2003, the price will be 90% of the average initial price registered for the last twenty days listed prior to the 25th of the month preceding the exercise of the warrant. The exercise price may not exceed €60 or be less than €42;

- Subject to any necessary adjustments, 14 category B warrants grant the right to subscribe to one RALLYE share, at a subscription price of €65, from February 19, 2002 to June 30, 2005. From July 1, 2005 to November 30, 2005, the price will be 90% of the average initial price registered for the last twenty days listed prior to the 25th of the month preceding the exercise of the warrant. The exercise price may not exceed €65 or be less than €45.5.

In addition, the RALLYE group consolidated its control over Casino, by obtaining double voting rights in February and March 2002. The RALLYE group henceforth controls 63.5% of Casino's voting rights, up from 58.7% as at December 31, 2001.

Comments on the contents of the consolidated financial statements

NOTE 1 – INTANGIBLE ASSETS

a. Breakdown

(€ millions)	2001	2000	1999
Concessions, patents, trademarks	132	46	40
Market share	858	860	860
On-going business and store locations	3,021	3,040	2,326
Other intangible assets	146	103	90
Gross value of intangible assets	4,157	4,049	3,316
Amortization	(107)	(112)	(122)
Net value of intangible assets	**4,050**	**3,937**	**3,194**

b. Changes

(€ millions)	Gross	Amortization Provision	Net
As at December 31, 1998	**3,088**	**(94)**	**2,994**
Increase	78	(33)	45
Decrease	(24)	5	(19)
Consolidation scope, foreign exchange, transfers	174	–	174
As at December 31, 1999	**3,316**	**(122)**	**3,194**
Increase	99	(24)	75
Decrease	(23)	1	(22)
Consolidation scope, foreign exchange, transfers	657	33	690
As at December 31, 2000	**4,049**	**(112)**	**3,937**
Increase	106	(33)	73
Decrease	(96)	55	(41)
Consolidation scope, foreign exchange, transfers	98	(17)	81
As at December 31, 2001	**4,157**	**(107)**	**4,050**

c. Breakdown of intangible assets by activity and geographic area

(€ millions)	Food/general retail	Sporting goods	Restaurants	Other	Total 2001	Total 2000	Total 1999
France	**3,264**	**43**	**70**	**18**	**3,395**	**3,330**	**2,818**
Other European countries	86	1	–	–	87	76	35
North America	62	–	–	–	62	72	80
South America	182	–	–	–	182	257	142
Asia	324	–	–	–	324	202	119
Total International	**654**	**1**	**–**	**–**	**655**	**607**	**376**
Total 2001	**3,918**	**44**	**70**	**18**	**4,050**	**3,937**	**3,194**
Total 2000	**3,809**	**45**	**69**	**14**	**3,937**		
Total 1999	**3,070**	**55**	**69**	**–**	**3,194**		

NOTE 2 – GOODWILL

(€ millions)	2001			2000	1999
	Gross value	Accumulated amortization	Net value	Net value	Net value
Casino	729	59	670	636	522
Médis	34	18	16	20	23
Libertad	65	9	56	81	63
CBD	389	42	347	372	417
Monoprix	278	21	257	270	–
Géant Polska	54	4	50	44	–
Devoto	53	4	49	53	–
Telemarket	14	14	0	13	–
Other	101	34	67	63	23
Total	**1,717**	**205**	**1,512**	**1,552**	**1,048**

Casino's goodwill progressed as follows over the year 2001:

(€ millions)	Gross	Amortization Provision	Net
As at January 1st, 2001	**675**	**(39)**	**636**
Acquisition of securities	106	–	–
Exchange of bonds exchangeable for common or preferred shares	(52)	–	–
Amortization	–	(20)	–
As at December 31, 2001	**729**	**(59)**	**670**

Goodwill will be amortized as follows over the next three years:

(€ millions)	Net value as at 12/31/2001	Amortization 2002	Amortization 2003	Amortization 2004	Net value as at 12/31/2004	Amortization period
Casino	670	20	20	20	610	40 years
Médis	16	3	3	3	7	10 years
Libertad	56	3	3	3	47	20 years
CBD	347	19	19	19	290	20 years
Monoprix	257	14	14	14	215	20 years
Géant Polska	50	3	3	3	41	20 years
Devoto	49	3	3	3	40	20 years
Telemarket	–	–	–	–	–	10 years
Others	67	7	7	7	46	
Total	**1,512**	**72**	**72**	**72**	**1,296**	

NOTE 3 – PROPERTY AND EQUIPMENT

a. Breakdown

(€ millions)	2001	2000	1999
Land	708	657	571
Buildings	2,955	2,911	2,335
Other property and equipment	3,042	2,575	2,288
Gross value	**6,705**	**6,143**	**5,194**
Depreciation	(2,431)	(2,071)	(2,130)
Net value	**4,274**	**4,072**	**3,064**

b. Changes

(€ millions)	Gross	Depreciation Provision	Net
As at December 31, 1998	**4,237**	**(1,868)**	**2,369**
Increase	719	(316)	403
Decrease	(112)	77	(35)
Consolidation scope, foreign exchange, transfers	350	(23)	327
As at December 31, 1999	**5,194**	**(2,130)**	**3,064**
Increase	863	(395)	468
Decrease	(123)	46	(77)
Consolidation scope, foreign exchange, transfers	209	408	617
As at December 31, 2000	**6,143**	**(2,071)**	**4,072**
Increase	817	(452)	365
Decrease	(149)	96	(53)
Consolidation scope, foreign exchange, transfers	(105)	(5)	(110)
As at December 31, 2001	**6,706**	**(2,432)**	**4,274**

The increase in property and equipment assets in 2001 is due to investments by Casino amounting to €776 million, of which €379 million in domestic assets and €397 million in international assets.

These investments result from:

- The continuing policy of renovating and opening stores in France;
- The opening of 3 hypermarkets and 20 Leader Price stores in Poland, 2 hypermarkets and 3 Leader Price stores in Argentina, 3 hypermarkets in Venezuela, 2 hypermarkets in Taiwan, 6 hypermarkets in Thailand and investments necessary for the store openings planned for 2002 and subsequent years.

The decrease in property and equipment is essentially due to Casino's sale of closed sites and the scrapping of assets resulting from store renovations.

c. Breakdown of property and equipment by activity and geographic location

(€ millions)	Food/general retail	Sporting goods	Restaurants	Other	Total 2001	Total 2000	Total 1999
France	**2,055**	**73**	**73**	**32**	**2,233**	**2,161**	**1,727**
Other European countries	832	17	–	–	849	687	555
North America	260	37	–	–	297	269	240
South America	510	–	–	–	510	563	243
Asia	385	–	–	–	385	392	299
Total International	**1,987**	**54**	**–**	**–**	**2,041**	**1,911**	**1,337**
Total 2001	**4,042**	**127**	**73**	**32**	**4,274**	**4,072**	**3,064**
Total 2000	**3,849**	**120**	**74**	**29**	**4,072**		
Total 1999	**2,858**	**110**	**69**	**27**	**3,064**		

NOTE 4 – FINANCIAL INVESTMENTS

a. Breakdown

(€ millions)	2001	2000	1999
Monoprix	–	–	153
Feu vert	36	30	29
CBD	660	690	432
Exito	202	187	199
Other companies	17	29	15
Shares in equity affiliates	**915**	**936**	**828**
Shares in non-consolidated companies	180	103	111
Other financial investments	683	471	428
Gross value	**1,778**	**1,510**	**1,367**
Depreciation	(63)	(30)	(2)
Net value	**1,715**	**1,480**	**1,365**

The increase in financial investments essentially reflects:

- Disbursements related to the payment of purchase option in GMB, the CORA group holding company, plus €70 million in additional acquisition costs;
- The acquisition of 33.34% of Vindemia for €91 million. The capital increase in the company is effective January 1, 2002. As a result, Vindemia will be consolidated according to the proportional method as of that date.

b. Changes in equity affiliates

(€ millions)	Beginning balance	Net income 2001	Dividend	Changes in scope of consolidation and foreign exchange	Ending balance
Feu vert	30	1	–	5	36
CBD	690	42	(24)	(48)	660
Exito	187	9	(7)	13	202
Other companies	29	(5)	(2)	(5)	17
Total	**936**	**47**	**(33)**	**(35)**	**915**

c. Summary financial statements of the main equity affiliates for fiscal year 2001

(€ millions)	Exito	CBD
Assets		
Intangible assets	81	332
Property and equipment	626	1,472
Financial investments	57	60
Total fixed assets	**764**	**1,864**
Current assets	368	1,693
Total assets	**1,132**	**3,557**
Liabilities and shareholders' equity		
Group's shareholders' equity	761	1,696
Minority interests	1	–
Total shareholders' equity	**762**	**1,696**
Other equity	–	–
Provisions	3	299
Liabilities	367	1,562
Total liabilities and shareholders' equity	**1,132**	**3,557**

d. Breakdown of financial assets by activity and geographic location

(€ millions)	Food/general retail	Sporting goods	Restaurants	Other	Total 2001	Total 2000	Total 1999
France	**367**	**6**	**4**	**364**	**741**	**428**	**355**
Other European countries	21	–	–	–	21	24	65
North America	54	–	–	–	54	90	107
South America	891	–	–	–	891	917	826
Asia	8	–	–	–	8	21	12
Total International	**974**	**–**	**–**	**–**	**974**	**1,052**	**1,010**
Total 2001	**1,341**	**6**	**4**	**364**	**1,715**	**1,480**	**1,365**
Total 2000	**1,165**	**7**	**3**	**305**	**1,480**		
Total 1999	**1,246**	**6**	**3**	**110**	**1,365**		

NOTE 5 – INVENTORIES

(€ millions)	2001			2000	1999
	Gross value	Provisions	Net value	Net value	Net value
Casino	1,974	18	1,956	1,722	1,413
Athlete's Foot Group Inc.	48	–	48	65	67
Groupe Go Sport	152	4	148	144	118
Miscellaneous	4	1	3	4	3
Total	**2,178**	**23**	**2,155**	**1,935**	**1,601**

Inventories mainly consist in merchandise.

NOTE 6 – TRADE AND OTHER ACCOUNTS RECEIVABLE

(€ millions)	2001	2000	1999
Trade and related accounts receivable	930	769	394
Depreciation	(46)	(24)	(27)
Total	**884**	**745**	**367**
Other receivables	705	542	400
Related companies	116	92	59
Depreciation	(26)	(20)	(6)
Total trade and other receivables	**1,679**	**1,359**	**820**
of which portion due in over 1 year (gross) [1]	64	11	20

(1) Amounts due in over five years are negligible and concern only other receivables and accruals.

In 2001, Distribution Casino France sold a portfolio of receivables for €303 million to a bank in the framework provided for under the French Dailly law. The corresponding receivable was recorded under cash and marketable securities.

The sale generated a banker's acceptance with recourse for up to €158 million, with the same amount being held by the bank as a cash security.

NOTE 7 – NET CASH AND MARKETABLE SECURITIES

(€ millions)	2001	2000	1999
Investment and mutual funds, misc.	971	567	282
Treasury stocks	313	201	203
Marketable securities	**1,284**	**768**	**485**
Cash and cash equivalents	855	651	704
Short-term banks borrowings	(398)	(294)	(234)
Net cash and marketable securities	**1,741**	**1,125**	**955**

The investment value of marketable securities is virtually identical to their book value.

Treasury stock mainly includes shares in group companies held for share purchase plans and stock price regulation purposes.

NOTE 8 – OTHER ASSETS

8.1 Deferred tax assets

(€ millions)	As at January 1st	Changes	As at December 31
Temporary differences	90	(5)	85
Tax loss carry-forwards	37	8	45
Consolidation restatements	14	13	27
1999	**141**	**16**	**157**
Temporary differences	85	(82)	3
Tax loss carry-forwards	45	(24)	21
Consolidation restatements	27	33	60
2000	**157**	**(73)**	**84**
Temporary differences	3	(11)	(8)
Tax loss carry-forwards	21	27	48
Consolidation restatements	60	24	84
2001	**84**	**40**	**124**

Deferred tax, considered likely to be collected, is calculated based on the normal corporate income tax rate for the operating companies and on the tax rate for long-term capital gains for the RALLYE Group tax entity. Total tax losses, which have not been recorded as assets, based on prudential principles, amounted to €36 million.

8.2 Prepayments and accruals

(€ millions)	2001	2000	1999
Prepaid expenses	132	84	76
Expenses carried forward to future periods	42	33	15
Bond redemption premiums	7	6	5
Other	13	27	1
Total	**194**	**150**	**97**

NOTE 9 – SHAREHOLDERS' EQUITY AND MINORITY INTERESTS

Main changes	Share capital	Premiums	Translation differences	Shares of the consolidating company	Reserves	Group's share-holders' equity	Minority interests	Total share-holders' equity
As at December 31, 1998	**82**	**786**	**(33)**	**(37)**	**162**	**960**	**1,840**	**2,800**
Capital increases	3	44	–	–	–	47	106	153
Dividends	–	–	–	–	(11)	(11)	(81)	(92)
Translation adjustments	–	–	80	–	–	80	92	172
Changes in scope of consolidation	–	–	–	–	–	–	49	49
Treasury stock	–	–	–	2	–	2	–	2
Misc. changes	–	(3)	–	–	–	(3)	(1)	(4)
1999 consolidated net income	–	–	–	–	54	54	160	214
As at December 31, 1999	**85**	**827**	**47**	**(35)**	**205**	**1,129**	**2,165**	**3,294**
Capital increases	4	63	–	–	–	67	291	358
Dividends	–	–	–	–	(14)	(14)	(81)	(95)
Translation adjustments	–	–	20	–	–	20	24	44
Change in method 99-02	–	–	–	–	(69)	(69)	(22)	(91)
Monoprix revaluation	–	–	–	–	55	55	51	106
Treasury stock	–	–	–	9	–	9	–	9
Misc. changes	–	–	–	–	3	3	(54)	(51)
2000 consolidated net income	–	–	–	–	102	102	197	299
As at December 31, 2000	**89**	**890**	**67**	**(26)**	**282**	**1,302**	**2,571**	**3,873**
Capital increases	28	392	–	–	–	420	374	794
Dividends	–	–	–	–	(48)	(48)	(102)	(150)
Translation adjustments	–	–	(94)	–	–	(94)	(93)	(187)
Change in minority holdings	–	–	–	–	–	–	170	170
Treasury stock [1]	–	–	–	(40)	–	(40)	(68)	(108)
Misc. changes	–	–	–	–	11	11	(4)	7
2001 consolidated net income	–	–	–	–	75	75	267	342
As at December 31, 2001	**117**	**1,282**	**(27)**	**(66)**	**320**	**1,626**	**3,115**	**4,741**

(1) Changes in minority interests mainly reflect the cancellation of 1,004,441 Casino preferred shares.

Increases in group shareholders' equity in 2001 are due mainly to the conversion of RALLYE convertible bonds and to the exercise of share warrants. Increases in minority interests is due to the issue of Casino shares with share purchase or subscription warrants attached.

NOTE 10 – OTHER SHAREHOLDERS' EQUITY

This includes a subordinated perpetual loan contracted by Monoprix, the redemption of which may be exclusively determined by the issuer. It also includes €161 million of subordinated perpetual bonds issued by Nesitic, the redemption of which may be determined exclusively by the borrower.

NOTE 11 – PROVISIONS FOR CONTINGENCIES AND CHARGES

(€ millions)	As at January 1st	Changes	As at December 31
Deferred tax liabilities	24	(8)	16
Provisions for tax contingency	5	1	6
Provisions for networks restructuring	26	(4)	22
Provisions for restructuring	23	(10)	13
Provisions for Casino USA employee benefits	15	4	19
Provisions for after-sale service	19	3	22
Provisions for retirement benefits	50	(6)	44
Provisions for the euro and year 2000	12	(4)	8
Misc. provisions for contingencies and charges	106	3	109
1999	**280**	**(21)**	**259**
Deferred tax liabilities	16	9	25
Provisions for tax contingency	6	(1)	5
Provisions for networks restructuring	22	(2)	20
Provisions for restructuring	13	44	57
Provisions for Casino USA employee benefits	19	2	21
Provisions for after-sale service	22	2	24
Provisions for retirement benefits	44	19	63
Provisions for the euro and year 2000	8	7	15
Misc. provisions for contingencies and charges	109	53	162
2000	**259**	**133**	**392**
Deferred tax liabilities	25	10	35
Provisions for tax contingency	5	–	5
Provisions for networks restructuring	20	(14)	6
Provisions for restructuring	57	(46)	11
Provisions for Casino USA employee benefits	21	3	24
Provisions for after-sale service	24	–	24
Provisions for retirement benefits	63	5	68
Provisions for the euro	15	(13)	2
Misc. provisions for contingencies and charges	162	(9)	153
2001	**392**	**(64)**	**328**

Provisions for contingencies and charges include provisions for losses generated by partnerships (€3 million) and provisions for various legal disputes (€20 million). The remaining provisions are set aside to cover miscellaneous risks.

NOTE 12 – BORROWINGS AND LOANS

12.1 Breakdown of borrowings and loans by type and maturity date

(€ millions)	Issuing company	Interest rate	Maturity	2001	2000	1999
Bonds convertible into RALLYE shares, 02/1998 [1]	RALLYE	3%	2003	203	258	296
Bonds convertible into HMB shares, 06/2000	HMB		2006	150	150	–
Bonds exchangeable for Casino common shares, 02/1998 [2]	RALLYE	4.50%	2005	93	275	276
Bonds exchangeable for Casino preferred shares, 02/1998 [3]	RALLYE	4.50%	2005	46	117	117
€60.9 million bond issue, 06/1998 [4]	RALLYE	1%	2005	61	61	61
€152.4 million bond issue, 07/1998	RALLYE	[8]	2003	152	152	152
€300 million bond issue, 03/1999	RALLYE	4.625%	2006	300	300	300
Bonds exchangeable for Casino common shares, 06/2001 [5]	RALLYE	3.25%	2006	460	–	–
Bonds with share warrants attached, 06/1996 [6]	Casino	4.50%	2001	–	527	527
Zero coupon, 05/1993 [7]	Casino	–	2003	25	36	46
€304.9 million bond issue, 05/1998	Casino	5%	2003	305	305	305
€228.7 million bond issue, 06/1998	Casino	[9]	2001	–	229	229
€22.9 million bond issue, 07/1998	Casino	[9]	2001	–	23	23
€400 million bond issue, 03/1999	Casino	[10]	2001	–	400	400
€500 million bond issue, 07/1999	Casino	4.75%	2006	500	500	500
€550 million bond issue, 04/2000	Casino	[11]	2005	550	550	–
€550 million bond issue, 09/2000	Casino	[11]	2003	550	550	–
€200 million bond issue, 10/2000	Casino	[12]	2002	200	200	–
€46 million bond issue, 10/2000	Casino	[13]	2002	46	46	–
€9 million bond issue, 11/2000	Casino	[14]	2003	9	9	–
€20 million bond issue, 02/2001	Casino	[15]	2003	20	–	–
€50 million bond issue, 03/2001	Casino	[16]	2002	50	–	–
€500 million bond issue, 03/2001	Casino	6%	2008	500	–	–
€200 millions bond issue, 03/2001	Casino	6%	2008	200	–	–
€400 millions bond issue, 03/2001	Casino	6%	2008	400	–	–
€9.2 million bond issue, 11/2001	Casino	[17]	2003	9	–	–
Other convertible bond issues	–	–	–	173	206	246

(€ millions)	Issuing company	Interest rate	Maturity	2001	2000	1999
Accrued interest on bond issues	–	–	–	165	165	101
Borrowings from credit institutions	–	–	–	1,738	1,445	1,212
Leasing contracts and long-term lease commitments	–	–	–	166	171	151
Short-term bank borrowings	–	–	–	398	294	234
Bank debt and other similar liabilities				**7,469**	**6,969**	**5,176**
Misc. financial debts				54	64	53
Total borrowings and loans				**7,523**	**7,033**	**5,229**
Maturity						
- Within one year				1,428	2,177	1,036
- 1-5 years				4,837	3,858	2,725
- Over 5 years				1,258	998	1,468

(1) Issue of bonds convertible on the basis of 1.07 RALLYE shares for one bond, to be redeemed at the latest on January 1, 2003 at 110% of par. The par value of the issue is €344 million. The number of bonds outstanding as at December 31, 2001 was 4,583,948.

(2) Bonds exchangeable for Casino common shares issued by RALLYE in the amount of €340.3 million. Bonds may be redeemed in cash on January 1, 2005 and carry an exchange option, which may be exercised at any time at the choice of the bearer up until January 1, 2005 against 1.17 Casino common shares on hand. The number of bonds outstanding as at December 31, 2001 was 1,557,278.

(3) Bonds exchangeable against Casino preferred shares issued by RALLYE, in the amount of €122.6 million. Bonds may be redeemed in cash on January 1, 2005 and carry an exchange option, which may be exercised at any time at the choice of the bearer up until January 1, 2005, against 1.48 Casino preferred shares on hand. The number of bonds outstanding as at December 31, 2001 was 1,776,533.

(4) The redemption value is indexed on Casino common shares; the bonds issued in June 1998 were the object of an interest rate swap agreement, which included the incidence of the redemption value's indexation. After this transaction, the coupon is based on the three-month Euribor rate.

(5) Bond exchangeable for Casino common shares issued by RALLYE for an amount of €460 million. Bonds may be redeemed in cash on June 30, 2006 and carry an exchange option, which may be exercised at the choice of the bearer from January 31, 2003 up until June 30, 2006 against 1.0196 Casino common shares on hand. The number of bonds outstanding as at December 31, 2001 was 3,382,353.

(6) Bond issue with share warrants attached in the amount of €526.9 million, amortized in full on July 12, 2001.

(7) As part of a private placement in the eurobond market, Casino SA issued ten series of senior zero-coupon bonds, issued at a total price of €92.8 million, with maturities spread annually from May 27, 1994 to May 27, 2003. Each series is made up of 184 securities with a unit par and unit redemption value of €76,224.51.

(8) Three-month Euribor +0.35%.

(9) Three-month Euribor +0.14%.

(10) Three-month Eonia +0.3%.

(11) Three-month Euribor +0.45%.

(12) Three-month Euribor +0.25%.

(13) Three-month Euribor +0.24%.

(14) Three-month Libor GBP.

(15) Three-month Euribor +0.34%.

(16) Three-month Euribor +0.1875%.

(17) Three-month Libor +0.06%.

As at December 31, 2001 RALLYE had confirmed and unused credit lines totaling €1,615 million.

Financial debt is denominated in euro-zone currencies (92%), in US dollars (4%) and zlotys (1%).

12.2 Net financial debt

(€ millions)	2001	2000	1999
Financial borrowings	7,523	7,033	5,229
Marketable securities	(1,312)	(769)	(485)
Cash	(855)	(651)	(704)
Net financial debt	**5,356**	**5,613**	**4,040**
- Fixed rate	2,831	1,682	1,341
- Variable rate	2,525	3,931	2,699

The fixed/variable rate distribution takes into account interest rate hedging operations. Taking these into account, a 1% interest rate increase would result in an additional interest rate expense of approximately €22 million.

12.3 Accounts payable and other debt

(€ millions)	2001	2000	1999
Accounts payable	4,777	4,249	3,377
Other debt	249	370	331
Total	**5,026**	**4,619**	**3,708**
- Due within 1 year	4,971	4,616	3,687
- Due in over one year	55	3	21

NOTE 13 – INFORMATION ON LEASE FINANCING

(€ millions)	2001	2000	1999
Land	44	49	43
Depreciation	(2)	(2)	(2)
	42	**47**	**41**
Buildings	279	363	280
Depreciation	(185)	(191)	(155)
	94	**172**	**125**
Equipment	446	403	385
Depreciation	(291)	(263)	(229)
	155	**140**	**156**
Lease-financed fixed assets	**291**	**359**	**322**

NOTE 14 – NET SALES

Breakdown of 2001 net sales by activity and geographic area:

(€ millions)	Food/general retail	Sporting goods	Restaurants	Misc.	Total 2001	Total 2000	Total 1999
France	**16,084**	**586**	**291**	**158**	**17,119**	**15,079**	**13,206**
Other European countries	818	40	–	–	858	668	396
North America	2,245	233	–	–	2,478	2,360	1,896
South America	1,263	–	–	–	1,263	950	536
Asia	1,145	–	–	–	1,145	885	340
Total International	**5,471**	**273**	**–**	**–**	**5,744**	**4,863**	**3,168**
Total 2001	**21,555**	**859**	**291**	**158**	**22,863**	**19,942**	**16,374**
Total 2000	18,715	856	283	88	19,942		
Total 1999	15,144	728	284	218	16,374		

Food/general retailing (Casino) accounts for around 94% of consolidated net sales.

Casino reported a 15.3% increase in net sales. Exchange rate variations were not significant over the period. The impact of changes in the scope of consolidation resulting mainly from the full-year consolidation of Monoprix, Cativen (Venezuela) and Far Eastern Géant (Taiwan), generates a 5.4% increase in reported Casino net sales, excluding VAT.

Restated for changes in exchange rates and in the scope of consolidation, Casino net sales increased by 9.8%.

NOTE 15 – COST OF GOODS SOLD

(€ millions)	2001	2000	1999
Purchases	17,016	14,997	12,204
Changes in inventory	(122)	(91)	(4)
Cost of goods sold	**16,894**	**14,906**	**12,200**

NOTE 16 – PERSONNEL

Average Group workforce [1]	2001	2000	1999
France	75,776	71,408	61,107
Other European countries	8,071	8,218	7,383
North America	7,052	7,755	6,218
South America	11,287	9,940	5,305
Asia	11,258	10,484	8,749
Group total	**113,444**	**107,805**	**88,762**

(1) Including fully-consolidated companies and companies consolidated under the proportional method.

Compensation paid to RALLYE executives amounted to €0.9 million for the year 2001.

NOTE 17 – OPERATING INCOME

Breakdown of 2001 operating income by activity and geographic location

(€ millions)	Food/general retail	Sporting goods	Restaurants	Other	Total 2001	Total 2000	Total 1999
France	**766**	**54**	**20**	**(28)**	**813**	**574**	**488**
Other European countries	11	(31)	–	–	(20)	12	2
North America	36	(18)	–	–	18	6	6
South America	4	–	–	–	4	11	16
Asia	26	–	–	–	26	23	(1)
Total International	**77**	**(49)**	**–**	**–**	**28**	**52**	**23**
Total 2001	**843**	**5**	**20**	**(28)**	**841**	**626**	**511**
Total 2000	643	4	20	(41)	626		
Total 1999	480	14	23	(6)	511		

NOTE 18 – NET FINANCIAL INCOME (LOSS)

(€ millions)	2001	2000	1999
Financial income from equity investments	35	19	8
Income from other receivables	5	3	11
Other net financial income	178	205	97
Provisions net of reversals	(47)	(18)	(6)
Interest payments on bank loans and bonds	(415)	(406)	(201)
Net financial income (loss)	**(244)**	**(197)**	**(91)**

Financial income from equity investments consist of dividends from non-consolidated companies.

Other financial income in 2001 consisted of discounts from suppliers for early payment or payment in cash (€23 million), capital gains henceforth recorded as net financial income as a result of the application of the new accounting method for income from financial investment securities of the portfolio activity (€16 million), and interest earned on a convertible bond issue by the Brazilian company CBD (€3 million).

NOTE 19 – NET EXCEPTIONAL INCOME (LOSS)

(€ millions)	2001	2000	1999
Income from asset divestments	16	127	25
Amortization of the Athlete's Foot trademark	–	(9)	(22)
Restructuring of Athlete's Foot Inc.	–	(41)	–
Reorganization of Groupe Go Sport	–	(7)	–
Depreciation of assets	(24)	(28)	(2)
Networks restructuring	–	(2)	(7)
Net other exceptional income (expenses)	15	(9)	(12)
Net exceptional income (loss)	**7**	**31**	**(18)**

Net exceptional income for 2001 mainly included exceptional losses from the amortization of €17.5 million of goodwill from Telemarket and €17 million in income from the sale of real estate assets.

NOTE 20 – INCOME TAX

This includes €14 million in deferred taxes and €222 million in corporate income tax.

Reconciliation of statutory and effective income tax:

(€ millions)	2001	2000	1999
Net income from fully consolidated companies before tax	603	460	402
Statutory income tax [1]	220	174	161
Tax rate differences France/other countries	(1)	(2)	1
Losses not recorded as tax assets or recorded at a reduced tax rate	30	45	17
Income subject to a reduced tax rate	–	(2)	–
Expenses (profits) definitively not subject to income tax	(4)	(36)	5
Other miscellaneous transactions	(9)	(5)	–
Income tax effectively recorded	236	174	184
Effective tax rate	39.1%	37.8%	45.8%

(1) 36.43% in 2001, 37.76% in 2000 and 40% in 1999.

NOTE 21 – INCOME FROM COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

(€ millions)	2001	2000	1999
Monoprix	-	3	7
Feu vert	1	1	(1)
CBD	42	50	10
Exito	9	14	1
Other companies	(5)	(1)	5
Total	**47**	**67**	**22**

NOTE 22 – AMORTIZATION OF GOODWILL

(€ millions)	2001	2000	1999
Casino	(20)	(16)	(13)
Médis	(3)	(3)	(4)
Libertad	(5)	(4)	(3)
CBD	(18)	(18)	(5)
Monoprix	(14)	(7)	–
Devoto	(3)	(2)	–
Caly on line	(2)	(1)	–
Other	(8)	(4)	(1)
Total	**(73)**	**(55)**	**(26)**

NOTE 23 – NET EARNINGS PER SHARE

23.1 Net income, group's share, before dilution

	2001	2000	1999
Net income, group's share (€ millions)	75	102	54
Weighted-average shares outstanding	29,474,397	27,885,658	26,747,300
Net earnings per share (in €)	**2.54**	**3.66**	**2.01**

23.2 Net income, group's share, after dilution

	2001	2000	1999
Net income, group's share (€ millions)	75	102	54
Savings on financial expenses related to:			
- 1998 convertible bonds issue	5	6	7
- 1998 share warrants issue	16	21	18
Tax effect [1]	(4)	(6)	(5)
Net income, group's share, adjusted (€ millions)	**92**	**123**	**74**
Weighted-average shares outstanding	29,474,397	27,885,658	26,747,300
Shares to be created, as a result of:			
- 1998 convertible bonds	4,028,832	4,348,739	5,269,593
- 1998 share warrants [2]	8,800,542	9,267,647	9,336,446
Weighted-average shares outstanding, adjusted	**42,303,771**	**41,502,044**	**41,353,339**
Net earnings per share, after dilution (in €)	**2.17**	**2.96**	**1.79**

(1) 20.77% in 2001, 21.53% in 2000 and 20.9% in 1999.
(2) 1998 share warrants exercised in December 2001 are taken into account on a prorata basis in the weighted-average shares outstanding at December 31, 2001. They are included on a full year basis in the weighted-average shares outstanding adjusted.

NOTE 24 – INFORMATION ON OFF-BALANCE-SHEET TRANSACTIONS

24.1 Financial commitments

(€ millions)	2001	2000	1999
Other commitments received	4	29	4
Total commitments received	**4**	**29**	**4**
Other guarantees and securities	163	219	139
Contingent value rights risk	233	233	–
Redemption premium	17	26	30
Other commitments made	893	194	144
Total commitments made	**1,306**	**672**	**313**
Reciprocal commitments	**13,504**	**6,087**	**3,923**

As part of the share exchange offer on Monoprix, Casino issued 4,240,324 contingent value rights that guarantee the difference between €100 and the Casino stock price, in an amount not exceeding €55 per certificate, from June 16, 2003 to June 30, 2003. As at December 31, 2001, the market value of contingent value rights amounted to €78 million, with a maximum theoretical risk of €233 million.

Other commitments consist essentially of €685 million in financing commitments to clients of the Banque du Groupe Casino, and €158 million in recourse on receivables financing.

Reciprocal commitments for 2001 included €9,143 million in interest rate hedging contracts, €3,864 million in commitments to purchase and sell shares. Commitments to purchase Monoprix shares represent €1,130 million. The group also has commitments to purchase shares in Franprix/Leader Price, Vindemia, Disco Uruguay and Exito. Most of these options may be exercised by the beneficiary at any time, except for €509 million in options that expire in one to five years and €182 million in options with undetermined expiration dates.

As at December 31, 2001, reciprocal commitments resulting from the share purchase options described in "Accounting principles and methods" totaled €1,032 million. Following the implementation of the new system, Cora denounced contractual provisions with the Casino group within the Opéra purchasing center and filed a complaint with the Court of Commerce for non-compliance with the above-mentioned contractual provisions, that stated that neither partner could own capital in the other partner. After the closing of the 2001 financial statements, and as part of emergency interim proceedings, the group was ordered to place €61 million in escrow until the court could reach a decision on the substance of the case. The group is confident as to the result of the proceedings and has recorded no provisions to that effect in the financial statements ending December 31, 2001.

The Casino group was subject to a tax audit and required to pay additional taxes on tax loss carry-forwards recorded in 1998 that the tax authorities judged illegitimate. The group has contested the analysis put forward by the tax authorities and has appealed from the decision. The group is confident as to the outcome of these proceedings and has consequently recorded no provisions to that effect.

24.2 Secured claims and debt

The RALLYE group received €36 million in guarantees and pledges securing claims.

As at December 31, 2001, 1,822,021 Casino common shares and 1,149,273 Casino preferred shares were held under escrow to cover demand for common and preferred shares from holders of exchangeable bonds, and 15,798,723 Casino common shares were pledged to financial institutions as collateral for loans and lines of credit.

Similarly, certain Casino borrowings were guaranteed by pledging €21 million in shares.

NOTE 25 – CURRENCY EXCHANGE RATES

	Rate at beginning of year	Average rate over the year	Rate at year-end
US dollar	1.075	1.117	1.135
Polish zloty	0.260	0.272	0.286
Dutch guilder	0.454	0.454	0.454
Argentine peso	1.075	1.117	0.712
Uruguay peso	0.086	0.084	0.082
Taiwan dollar	0.032	0.033	0.032
Thai baht	0.025	0.025	0.026
Colombian peso (1,000)	0.476	0.488	0.485
Brazilian real	0.552	0.475	0.490
Venezuelan bolivar (1,000)	1.524	1.547	1.489
Hungarian forint	–	0.004	0.004

List of companies consolidated as at December 31, 2001

Companies	Countries	% of interest	Method of consolidation
Food and General retailing			
Acos SNC	France	49.23%	Full
Adéquat SNC	France	49.23%	Full
Balcadis	France	49.23%	Full
Groupe Anfilco (Disco)	Uruguay	24.62%	Proportional
Groupe Asinco SA	France	49.23%	Full
Baud SA	France	34.46%	Full
Béguines (Les) SCI	France	49.23%	Full
Bonuela	Venezuela	49.23%	Full
Bourg-en-Bresse SCI	France	47.31%	Full
Groupe Big C PCL	Thailand	33.12%	Full
Cash Corse	France	49.23%	Full
Casiband	France	4.92%	Full
Casino Guichard-Perrachon SA	France	49.23%	Full
Casino Services	France	49.23%	Full
Casino Vacances	France	49.23%	Full
Casino USA Inc.	USA	49.10%	Full
Cativen	Venezuela	28.14%	Full
Groupe CBD	Brazil	12.44%	Equity
Codim 2 SA	France	49.23%	Full
Groupe Cogefisd	France	29.54%	Full
Comacas	France	49.23%	Full
Devoto	Uruguay	24.62%	Proportional
Dinetard SCI	France	49.23%	Full
Distribution Casino France	France	49.23%	Full
Distribution Leader Price SNC	France	34.46%	Full
Distridyn	France	24.62%	Proportional
Domy Towarowe Casino	Poland	49.23%	Full
Dourioux (Le) SCI	France	49.23%	Full
Easydis	France	49.23%	Full
Espace Gdansk	Poland	49.23%	Full
Espace Lodz	Poland	49.23%	Full
Espace Park	Poland	49.23%	Full
Groupe Exito	Colombia	13.45%	Equity
Groupe Feu vert SA	France	18.71%	Equity
Fidis 2 SNC	France	49.23%	Full
Hyper Rocade 2 SNC	France	49.23%	Full
Groupe Figeac	France	29.54%	Full
Far Eastern Géant	Taiwan	24.62%	Proportional
Floréal SA	France	49.23%	Full
Franprix Holding SA	France	34.46%	Full
Géant Argentina	Argentina	49.23%	Full
Géant Polska	Poland	49.23%	Full
Germinal SNC	France	49.13%	Full
Hestia SNC	France	49.23%	Full

Companies	Countries	% of interest	Method of consolidation
Lanin	Uruguay	24.62%	Proportional
Larenco	Uruguay	24.62%	Proportional
L'Immobilière Groupe Casino	France	49.23%	Full
Kerbernard SCI	France	49.23%	Full
King Cross Gdansk	Poland	24.62%	Proportional
Leader Price Holding SA	France	34.46%	Full
Leader Price Argentina	Argentina	49.23%	Full
Groupe Leadis	France	34.46%	Full
Libertad	Argentina	49.23%	Full
Lion de Toga 2 SNC	France	49.23%	Full
Magasins Jean SA	France	99.98%	Full
Mariault SAS	France	49.23%	Full
Médis SA	France	49.23%	Full
Messidor SNC	France	49.13%	Full
Groupe Minimarché	France	34.46%	Full
Groupe Monoprix	France	24.30%	Proportional
Nazairdis	France	49.23%	Full
Nésitic	France	48.74%	Full
Opéra SAS	France	24.62%	Proportional
Pacam	France	49.23%	Full
Poretta	France	49.23%	Full
R.L.P. Investissement SA	France	34.46%	Full
Groupe Retail Leader Price	France	34.46%	Full
Prodis	France	49.23%	Full
RMC 2	France	49.23%	Full
SCI Opéra	France	24.62%	Proportional
Sédifrais SA	France	31.78%	Full
Semafrac	France	49.23%	Full
Serca SA	France	49.23%	Full
Servamsur	Argentina	49.23%	Full
Sibal SA	France	49.23%	Full
Smart & Final Inc. - SFI	USA	29.45%	Full
SNC Espace 49	France	49.23%	Full
Société Générale de Logistique SA	France	34.46%	Full
Groupe Sofigep	France	28.80%	Full
Socodelgrand	France	49.23%	Full
Sodico	France	49.23%	Full
Soderip	France	49.23%	Full
Spice 2000	Brazil	49.23%	Full
Sudéco SA	France	49.23%	Full
Sudis 2 SNC	France	49.23%	Full
Thor SNC	France	49.23%	Full
TPLM Sarl	France	49.23%	Full
Tulipan Lodz	Poland	24.62%	Proportional
Tulipan Park	Poland	24.62%	Proportional

Companies	Countries	% of interest	Method of consolidation
Unigros 2 SNC	France	49.23%	Full
Uranie SA	France	49.23%	Full
Holdings companies			
Alpétrol SAS	France	99.98%	Full
Bergsaar BV	The Netherlands	49.23%	Full
La Bruyère	France	33.99%	Equity
Clearfringe Ltd	Great-Britain	99.98%	Full
Cobivia SA	France	99.98%	Full
Coboop BV	The Netherlands	49.23%	Full
Cuersup	France	49.17%	Full
Euristates Inc.	USA	22.01%	Equity
Géant Foncière BV	The Netherlands	49.23%	Full
Géant Holding BV	The Netherlands	49.23%	Full
Géant International BV	The Netherlands	49.23%	Full
Gelase SA	Belgium	49.23%	Full
H.M.B. SAS	France	99.98%	Full
Kerrous SAS	France	99.98%	Full
Matignon Tours SA	France	59.99%	Full
Miramont Finance & Distribution SA	France	99.98%	Full
Montparnet SAS	France	95.09%	Full
Montech SAS	France	99.98%	Full
O.C.P. SAS	France	96.89%	Full
Pachidis SA	France	49.23%	Full
Paglop	France	49.23%	Full
Parande SAS	France	99.98%	Full
Parande Développement	France	99.98%	Full
Parande Ventures	USA	99.98%	Full
Parantech SAS	France	96.98%	Full
Parantech Expansion SAS	France	96.21%	Full
Parcade SAS	France	99.98%	Full
Plesia SA	France	49.23%	Full
Segisor SA	France	49.23%	Full
Smilodon SA	France	49.23%	Full
Soparin SA	France	96.89%	Full
Sybellia SAS	France	96.89%	Full
Syjiga SAS	France	99.98%	Full
Tevir	France	49.23%	Full
New activities			
Banque Casino	France	25.11%	Proportional
Casino Entreprise SAS	France	49.23%	Full
Imagica SA	France	49.23%	Full
Komogo SA	France	49.23%	Full
Telemarket	France	11.08%	Equity

Companies	Countries	% of interest	Method of consolidation
C'Discount	France	34.13%	Full
Caly on line	France	79.68%	Full
C'mes courses SA	France	79.51%	Full
C'on Line SAS	France	79.68%	Full
Go Sport.com	France	75.49%	Full
Screeny Media	France	23.77%	Equity
Real estate			
Buissières (Les) SAS	France	69.10%	Full
Genty Immobilier SAS	France	95.94%	Full
Iles Cordées (Les) SCI	France	99.98%	Full
Kergorju SCI	France	99.98%	Full
Matignon Commerce	France	38.37%	Equity
Matignon Marne La Vallée SA	France	99.98%	Full
Matignon Meylan SAS	France	99.98%	Full
Matignon Montparnasse SAS	France	99.98%	Full
Matignon Moselle SAS	France	99.98%	Full
Matignon Neuilly SAS	France	99.98%	Full
Matignon Sablons SA	France	99.98%	Full
Matimmob 1 SA	France	99.98%	Full
Périaz SCI	France	99.98%	Full
Perrières (Des) SCI	France	99.98%	Full
Sables (Les) SCI	France	62.48%	Full
Sivigral SCI	France	39.99%	Equity
Production			
Les Chais Beaucairois SA	France	49.23%	Full
Cafeterias			
Casino Cafétéria SAS	France	49.23%	Full
Sports goods retailing			
Athlete's Foot Group Inc.	USA	99.84%	Full
Athlete's Foot Marketing Europe SA	France	99.84%	Full
Club Sports Diffusion	Belgium	68.55%	Full
Delort Sports SARL	France	69.10%	Full
Courir France SAS	France	69.10%	Full
Go Sport France SAS	France	69.10%	Full
Go Sport Hongrie	Hungary	68.41%	Full
Go Sport International SAS	France	69.10%	Full
Go Les Halles SNC	France	68.41%	Full
Go Sport Polska	Poland	69.10%	Full
Grand Large Sport SAS	France	69.10%	Full
Groupe Go Sport	France	69.10%	Full
Limpart Investments BV	The Netherlands	69.10%	Full

Statutory Auditors' Report on the consolidated financial statements of RALLYE

For the year ended December 31, 2001

(Translated from French into English)

In compliance with the assignment entrusted to us by your general meetings, we have audited the consolidated financial statements of the company RALLYE, for the year ended 31 December 2001, as attached to the report.

The 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.

We conducted our audit in accordance with the 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of companies in accordance with the accounting rules and principles applicable in France.

Without questioning the above-mentioned opinion, we draw your attention to the notes to the financial statements regarding the accounting principles and methods under the headline "General Principles" as well as the note 18 of the comments on the contents of the financial statements which set out the changes in presentation of income related to securities in the investment portfolio and their impact on the consolidated financial statements as of January 1, 2001.

We have also verified the information given in the group management report in accordance with the professional standards applicable in France. We have no comments as to its fair presentation and conformity with the consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, May 15, 2002

Statutory Auditors

KPMG Audit
Département de KPMG SA

Gérard RIVIÈRE

BARBIER FRINAULT & AUTRES

Thierry AYMONIER

Balance sheet as at December 31, 2001

ASSETS

(€ millions)	Notes	Gross	Depreciation	2001	2000	1999
FIXED ASSETS						
Intangible assets	1	0.2	0.2	0.0	0.1	0.1
Property and equipment	1	0.9	0.4	0.5	0.6	0.4
Financial investments	2-5	1,235.1	213.9	1,021.2	1,018.6	865.8
Total fixed assets		**1,236.2**	**214.5**	**1,021.7**	**1,019.3**	**866.3**
CURRENT ASSETS						
Accounts receivable	3-5	1,953.7	29.1	1,924.6	1,574.5	1,312.2
Marketable securities	3-5	752.1	10.6	741.5	403.7	402.1
Cash		0.0	0.0	0.0	0.1	0.4
Total current assets		**2,705.8**	**39.7**	**2,666.1**	**1,978.3**	**1,714.7**
Prepaid expenses		0.0	–	0.0	0.1	0.2
Bond redemption premiums	6	0.4	–	0.4	0.5	0.6
Unrealized losses		2.7	–	2.7	0.0	0.0
Total assets		**3,945.1**	**254.2**	**3,690.9**	**2,998.2**	**2,581.8**

LIABILITIES AND SHAREHOLDERS' EQUITY

(€ millions)	Notes	2001	2000	1999
SHAREHOLDERS' EQUITY				
Share capital		116.8	89.5	85.0
Share premiums		1,282.2	889.6	827.5
Reserves		143.5	106.0	75.1
Advance dividend payable		(30.7)	–	–
Net result for the year		6.8	56.5	45.6
Total shareholders' equity	**4**	**1,518.6**	**1,141.6**	**1,033.2**
Provision for contingencies and charges	5	5.2	4.0	5.1
DEBTS				
Borrowings and loans	6	1,918.7	1,689.3	1,425.2
Accounts payable		13.3	4.6	3.9
Other debts	7	233.9	158.5	114.3
Total debts		**2,165.9**	**1,852.4**	**1,543.4**
Deferred income		0.0	0.2	0.1
Unrealized gains		1.2	0.0	0.0
Total liabilities and shareholders' equity		**3,690.9**	**2,998.2**	**2,581.8**

Income statements as at December 31, 2001

(€ millions)	Notes	2001	2000	1999
Net sales		**1.8**	**1.3**	**0.2**
Other purchases and external expenses		(17.1)	(11.4)	(7.5)
Taxes		(0.7)	(0.5)	(3.6)
Payroll expenses		(5.2)	(4.6)	(4.0)
Net operating depreciation, amortization and provision expenses	1-5	5.5	(34.5)	2.9
Net other operating expenses		(0.2)	(0.1)	(0.3)
Operating income (loss)	**8**	**(15.9)**	**(49.8)**	**(12.3)**
Financial income		140.2	105.4	111.0
Financial expenses		(225.6)	(96.1)	(94.3)
Financial income (loss)	**9**	**(85.4)**	**9.3**	**16.7**
Operating income after interest		**(101.3)**	**(40.5)**	**4.4**
Net exceptional provisions		0.4	1.1	(0.5)
Other net exceptional income		91.8	94.6	38.1
Net exceptional income	**10**	**92.2**	**95.7**	**37.6**
Income tax	11	15.9	1.3	3.6
Net income		**6.8**	**56.5**	**45.6**

Cash flows statement

(€ millions)	2001	2000	1999
Cash flows from operating activities			
Net income	6.8	56.5	45.6
Adjustments to eliminate non-cash and non-operating expenses and revenues			
– Depreciation, amortization and provisions [1]	126.1	61.0	32.0
– Capital gains, net of taxes	(94.8)	(94.8)	(37.7)
Cash flow	**38.1**	**22.7**	**39.9**
Changes in operating working capital requirement			
– Net inventories	–	–	–
– Net accounts receivable	(129.7)	(13.8)	1.9
– Net accounts payable	25.0	14.1	0.8
Net cash provided by operating activities (A)	**(66.6)**	**23.0**	**42.6**
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	0.0	(0.3)	(0.2)
Sale of property, equipment and intangible assets	0.0	0.0	0.1
Purchase of financial investments	(473.1)	(109.1)	(96.2)
Sale of financial investments	156.9	22.0	67.3
Net cash used in investing activities (B)	**(316.2)**	**(87.4)**	**(29.0)**
Cash flows from financing activities			
Dividends paid	(51.2)	(14.8)	(12.2)
Cash increase in capital	407.6	30.6	47.7
Debt issuance	493.5	303.6	330.7
Debt redemption	0.0	(2.8)	(71.2)
Current account loans to subsidiaries	(157.5)	251.8	(306.7)
Net cash provided by financing activities (C)	**692.4**	**64.8**	**(11.7)**
Change in cash and cash equivalents (A+B+C)	**309.6**	**0.4**	**1.9**
Cash and cash equivalents at beginning of year (D)	2.6	2.2	0.3
Cash and cash equivalents at end of year (E)	312.2	2.6	2.2
Change in cash and cash equivalents (E-D)	**309.6**	**0.4**	**1.9**

(1) Excluding provisions on current assets.

▪ NOTES TO THE RALLYE PARENT COMPANY FINANCIAL STATEMENTS AS AT DECEMBER 31, 2001 ▪

Accounting principles and methods

The financial statements closed as at December 31, 2001 were prepared and presented in accordance with the French Code of Commerce and the principles and methods laid down in Regulation No. 99-03 of the French Accounting Regulations Committee, with regard to the 1999 General Chart of Accounts approved by the Decree of June 22, 1999, with the exception of the change in presentation below.

Exceptionally, all income realized on securities in the financial investment portfolio (more or less long term investments in companies that the group does not manage), are included under financial income so that all changes recorded on the said shares (e.g., provisions, divestments, reimbursement of funds that may be considered as divestments or dividends) be included at the same level in the income statement.

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.

PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

Property, equipment and intangible assets are recorded for their original value. Fixed asset depreciation is carried out according to the straight-line method, over the periods listed below:

	In years
Software	1 year
Furniture and office equipment	2 to 10 years
Transportation and office equipment	4 years
Fittings and improvements	10 years

FINANCIAL INVESTMENTS

In accordance with Opinion 98 B of the French National Accounting Board on July 10, 1998, the cost of repurchase for cancellation and, if applicable, the cost of exercising the contingent value rights issued by RALLYE under the Casino share exchange offer, is recorded as an addition to the acquisition price of the shares received, within the limits of the majority premium. The majority premium was assessed by Detroyat Associés, an independent expert, at €802 million.

In 1998 and 1999, RALLYE repurchased for cancellation 7,398,875 contingent value rights on Casino common shares in the amount of €10.5 million. Contingent value rights on Casino common and preferred shares matured in December 1999, and did not give rise to any payment, given the market prices of the Casino common and preferred shares during the period of reference.

Financial investments and marketable securities are depreciated whenever their utility value is less than their book value, determined based on net equity, trends in profitability, the utility value of the subsidiary, and the market value of the investment. Stock market prices, when shares are listed, may be used if they are significant. If the subsidiary's equity is negative, the current account with this subsidiary can be depreciated or a contingency provision may be made.

ADJUSTMENT ACCOUNTS

Bond redemption premiums likely to be paid out are recorded as assets and are amortized over the life of the borrowings to which they are attached.

Translation differences representing unrealized gains and losses record the revaluation at the closing exchange rates of foreign-currency denominated receivables and debt. A provision for contingencies and charges may be set aside if the company stands to make a potential loss in this process.

PROVISION FOR CONTINGENCIES AND CHARGES

This item includes provisions for tax reassessment, corresponding to the assessment of levels of financial risks based on the current state of on-going proceedings, and a foreign exchange loss provision. Under retirement commitments, a provision is calculated according to the prospective method, taking into account the associated social security charges.

CORPORATE INCOME TAX

RALLYE has opted for consolidated tax treatment. Under this status, RALLYE acts as tax collector for corporate tax owed by subsidiaries and is alone liable for the payment of this tax to the tax authorities.

Each company in the tax consolidation group calculates the tax burden it would have had to bear if it had filed separately. RALLYE then takes into account the tax saving or expense that results from the difference between the amount of tax each of its subsidiaries would have had to pay if they had filed taxes separately, and the amount of tax actually due, subsequent to the tax consolidation of the group.

FOREIGN EXCHANGE AND INTEREST RATE FINANCIAL INSTRUMENTS

Income and expenses resulting from interest rate risk hedging transactions are included on an accrual basis in the income statement for the period.

MAJOR EVENTS

As part of the January 2001 capital increase, RALLYE increased its interest in Casino by means of the issue of shares with share purchase or subscription warrants attached (ABASA). RALLYE subscribed to 67% of Casino's issue in the amount of €566 million, financed in part by the issue of convertible bonds redeemable in Casino common stock, grossing €460 million. RALLYE directly subscribed 2,660,014 shares with warrants attached (ABASA), in an investment that totaled €263 million, excluding preemptive subscription rights.

In January 2002, RALLYE launched a share buy-back bid (OPRA), which enabled it to return €300 million to shareholders by buying back 5 million shares at €60.

This transaction was accompanied in January 2002 by the distribution of an €0.80 advance dividend payment per RALLYE share (excluding tax credit) and the allocation of a bonus issue of new category A and category B RALLYE share warrants maturing respectively in November 2003 and November 2005.

The exercise of all the 34,507,263 A share warrants (BSA A) and 34,507,263 B share warrants (BSA B) would give rise to the creation of 4,847,292 new shares after elimination of warrants corresponding to treasury stock.

The characteristics of the A and B warrants are as follows:

- Subject to planned adjustments, 14 category A warrants give the right to subscribe to one RALLYE share, at the subscription price of €60, beginning February 19, 2002, and ending June 30, 2003. For the period beginning July 1, 2003 and ending November 30, 2003, the price will be 90% of the average opening price for the last twenty days of listing prior to the 25th of the month preceding the exercise of the warrant. The exercise price may not exceed €60, or be less than €42;
- Subject to planned adjustments, 14 category B warrants give the right to subscribe to one RALLYE share, at the subscription price of €65, beginning February 19, 2002, and ending June 30, 2005. For the period beginning July 1, 2005 and ending November 30, 2005, the price will be 90% of the average opening price for the last twenty days of listing prior to the 25th of the month preceding the exercise of the warrant. The exercise price may not exceed €65, or be less than €45.5.

In addition, the RALLYE group consolidated its control of Casino by obtaining double voting rights in February and March 2002. The RALLYE group henceforth controls 63.5% of Casino voting rights, as against 58.7% on December 31, 2001.

Comments on some items of the parent company financial statements

NOTE 1 – PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

1.1 Breakdown

(€ millions)	2001	2000	1999
Intangible assets	0.2	0.2	0.2
Amortization	(0.2)	(0.1)	(0.1)
Net value	**0.0**	**0.1**	**0.1**
Land	0.1	0.1	0.1
Buildings	0.2	0.2	0.2
Other property and equipment	0.6	0.6	0.4
Gross value	**0.9**	**0.9**	**0.7**
Depreciation	(0.4)	(0.3)	(0.3)
Net value	**0.5**	**0.6**	**0.4**
Net fixed assets	**0.5**	**0.7**	**0.5**

1.2 Changes

(€ millions)	Gross	Amortization provisions	Net
As at December 31, 1998	**0.7**	**(0.3)**	**0.4**
Increase	0.2	(0.1)	0.1
Decrease	0.0	0.0	0.0
As at December 31, 1999	**0.9**	**(0.4)**	**0.5**
Increase	0.4	(0.2)	0.2
Decrease	(0.2)	0.2	0.0
As at December 31, 2000	**1.1**	**(0.4)**	**0.7**
Increase	0.0	(0.2)	(0.2)
Decrease	0.0	0.0	0.0
As at December 31, 2001	**1.1**	**(0.6)**	**0.5**

NOTE 2 – FINANCIAL INVESTMENTS

2.1 Breakdown

(€ millions)	2001	2000	1999
Investment securities	1,206.5	1,101.4	921.3
Depreciation	(213.8)	(83.0)	(55.5)
Net value	**992.7**	**1,018.4**	**865.8**
Other financial investments	28.6	0.2	0.0
Depreciation	(0.1)	0.0	0.0
Net value	**28.5**	**0.2**	**0.0**
Financial investments	**1,021.2**	**1,018.6**	**865.8**

2.2 Changes

(€ millions)	Gross	Provisions	Net
As at December 31, 1998	**839.4**	**(18.7)**	**820.7**
Increase	93.6	(37.0)	56.6
Decrease	(11.7)	0.2	(11.5)
As at December 31, 1999	**921.3**	**(55.5)**	**865.8**
Increase	257.6	(27.6)	230.0
Decrease	(77.3)	0.1	(77.2)
As at December 31, 2000	**1,101.6**	**(83.0)**	**1,018.6**
Increase	192.7	(131.1)	61.6
Decrease	(59.2)	0.2	(59.0)
As at December 31, 2001	**1,235.1**	**(213.9)**	**1,021.2**

Changes in financial investments in 2001 resulted from the acquisition of €13.8 million in Casino shares, the €150 million capital increase in Miramont Finance et Distribution, and the acquisition of €28.3 million in Casino share warrants. Reductions are due to the reallocation of Casino shares among RALLYE subsidiaries.

Changes in 2000 reflected in part the acquisition of €19.2 million in Casino preferred shares, the €61 million increase in Parande capital, and the consequences of the December 27, 2000 merger of Courir and Go Sport, after which the Go Sport shares previously held at €57.3 million were exchanged for €151.4 million worth of Courir shares.

NOTE 3 – CURRENT ASSETS

3.1 Amount and maturity of receivables

(€ millions)	2001	2000	1999
Receivables booked in fixed assets	0.2	0.2	0.0
Current receivables	1,924.6	1,574.5	1,312.2
Prepaid expenses	0.0	0.1	0.2
Net value	**1,924.8**	**1,574.8**	**1,312.4**

Current receivables represent mainly current account advances made by RALLYE to subsidiaries, as part of the group's centralized cash management. They mature in less than one year, and include €1.5 million in accrued income.

3.2 Marketable securities

(€ millions)	2001	2000	1999
Casino shares	401.3	395.7	397.0
Treasury stock	28.6	9.3	6.3
Miscellaneous	322.2	9.6	9.2
Gross value	752.1	414.6	412.5
Depreciation	(10.6)	(10.9)	(10.4)
Net value	**741.5**	**403.7**	**402.1**

Casino shares recorded as short-term marketable securities are common shares and preferred shares held in escrow for holders of exchangeable bonds. As at December 2001, following exchanges and reclassifying undertaken in previous years, these shares comprised:

– 1,822,021 common shares, after the exchange of 3,029,525 RALLYE exchangeable bonds issued in 1998 against 3,485,442 Casino shares and the reclassifying of 34,500 shares as equity interest securities;

– 2,627,378 common shares and 1,642,538 Casino share warrants ultimately covering all of the shares likely to be needed for holders of RALLYE exchangeable bonds issued in 2001;

– 1,149,273 preferred shares, after the exchange of 1,178,483 RALLYE exchangeable bonds issued in 1998, against 1,700,574 Casino shares and the reclassifying of 14,400 shares as equity interest securities.

The 576,219 shares held in treasury are set aside for share purchase plans. The heading "miscellaneous" includes mainly a €300 million short-term certificate of deposit.

The sale price of marketable securities is nearly identical to their book value.

3.3 Net cash position

(€ millions)	2001	2000	1999
Misc. marketable securities	322.2	9.6	9.2
Depreciation	(6.8)	(6.4)	(6.0)
Net value	315.4	3.2	3.2
Cash and cash equivalents	0.0	0.1	0.4
Bank overdrafts	(3.2)	(0.7)	(1.4)
Net cash position	**312.2**	**2.6**	**2.2**

NOTE 4 – SHAREHOLDER'S EQUITY

4.1 Breakdown

(€ millions)	2001	2000	1999
Share capital	116.8	89.5	85.0
Paid-in surplus, merger and contribution premiums	1,282.2	889.6	827.5
Legal reserve	10.7	7.8	5.5
Regulated reserves	54.3	39.1	33.5
Other reserves	–	6.5	12.1
Retained earnings	78.5	52.6	24.0
Advance dividend payable	(30.7)	–	–
Net income for the year	6.8	56.5	45.6
Total	**1,518,6**	**1,141,6**	**1,033,2**

4.2 Trends

Changes in shareholder's equity over the last three years break down as follows:

(€ millions)	2001	2000	1999
As at January 1st	**1,141.6**	**1,033.2**	**955.7**
Capital increase	28.7	4.5	3.5
Paid-in surplus	392.6	63.9	44.2
Capital reduction	–	(1.6)	(3.7)
Dividend	(51.1)	(14.8)	(12.1)
Net income for the year	6.8	56.5	45.6
As at December 31	**1,518.6**	**1,141.6**	**1,033.2**

Subsequent to the conversion of shareholders' equity into euros by way of a reduction of par value to €3 a share, shareholders' equity was reduced by an amount of €1.4 million which was allocated to unavailable reserves, a sub-heading of the "regulated reserves" account.

4.3 Changes in the number of shares outstanding

	2001	2000	1999
Shares outstanding as at January 1st	**29,354,671**	**27,865,980**	**26,726,976**
Exercise of share warrants	9,260,656	609,043	134
Exercise of stock subscription options	–	–	96,235
Cancellation of shares	–	–	(18,581)
Conversion of RALLYE bonds	319,905	879,648	1,061,216
Shares outstanding as at December 31	**38,935,232**	**29,354,671**	**27,865,980**

As at December 31, 2001, shareholders' equity stood at €116,805,696, divided among 38,935,232 shares with a par value of €3.

It should also be noted that, following the February 2002 share buy-back bid, RALLYE repurchased and then cancelled 5,000,000 shares at €60 a share.

4.4 Share equivalents

In February 1998, as part of the share exchange offer on Casino Guichard-Perrachon, RALLYE issued 7,786,814 bonds convertible into RALLYE shares, at €44.21 par value. These were distributed to Casino shareholders who contributed their shares to the offer. The bonds may be converted at any time until January 1, 2003, on the basis of 1.07 shares for one bond. Given that 2,252,624 bonds had already been converted as at December 31, 2001, and given the parity adjustments made, the remaining bonds could lead to the creation of 5,921,583 new shares.

The exercise of all 34,507,263 category A warrants and 34,507,263 category B warrants issued in February 2002 would give rise to the creation of 4,847,292 new shares, after cancellation of the bonds corresponding to treasury stock.

NOTE 5 – PROVISIONS

(€ millions)	Provisions for contingencies and charges				Provisions for depreciation		
	for tax litigation	on sub-sidiaries	on misc. risks	Total	on financial investments	on working capital	Total
As at December 31, 1998	**3.6**	**6.5**	**1.1**	**11.2**	**18.6**	**6.6**	**25.2**
Increase	1.1	0.0	0.3	1.4	37.7	7.0	44.7
Decrease	0.0	(6.5)	(1.0)	(7.5)	(0.9)	(3.1)	(4.0)
As at December 31, 1999	**4.7**	**0.0**	**0.4**	**5.1**	**55.4**	**10.5**	**65.9**
Increase	0.1	–	–	0.1	27.5	34.9	62.4
Decrease	(0.8)	–	(0.4)	(1.2)	(0.1)	(0.1)	(0.2)
As at December 31, 2000	**4.0**	**0.0**	**0.0**	**4.0**	**82.8**	**45.3**	**128.1**
Increase	–	–	1.6	1.6	131.2	21.6	152.8
Decrease	(0.4)	–	0.0	(0.4)	(0.1)	(27.2)	(27.3)
As at December 31, 2001	**3.6**	**0.0**	**1.6**	**5.2**	**213.9**	**39.7**	**253.6**

As at December 31, 2001, depreciation provisions on financial investments consisted essentially of €179.1 million on Miramont Finance et Distribution shares, and €26 million on Parande shares.

NOTE 6 – FINANCIAL DEBT

6.1 Breakdown and maturity of financial debt

(€ millions)	2001	2000	1999
Bank borrowings	518.6	449.3	164.6
Convertible bonds	252.0	258.4	296.2
Bonds exchangeable for Casino common shares	570.4	274.5	275.9
Bonds exchangeable for Casino preferred shares	48.3	116.8	116.8
Other bond issues	526.2	513.4	513.4
Other financial debt	3.2	76.9	58.3
Total	**1,918.7**	**1,689.3**	**1,425.2**
– fixed rate	1,181.9	1,022.1	1,047.1
– variable rate	736.8	667.2	378.1
Due within one year	83.3	118.4	23.8
1-5 years maturity	1,835.4	1,270.9	647.7
Over 5 years maturity	–	300.0	753.7

Interest paid on bank borrowings is indexed on Euribor, since bank borrowings consist essentially of spot or confirmed short- or medium-term credit facilities. As at December 31, 2001, RALLYE had €105 million in unused credit lines.

Borrowings of less than one year from credit institutions include loans maturing in 2002, as well as interest charges incurred as at December 31, 2001 on financial debt.

6.2 Bond features

• Convertible bond issue

Total par value	€344.2 million
Issue date	February 1998
Annual interest rate	3%
Bond par value	€44.21
Maturity	January 1st, 2003
Redemption value	€48.63
Conversion [1]	1.07 shares for 1 bond
Listing	yes
COB authorization	97-541 dated October 1, 1997
Volume outstanding	
– at the time of the issue	7,786,814
– as at December 31, 2001	5,534,190

(1) Parity of 1.03 as at December 31, 2001, adjusted to 1.07 in February 2002.

• **Bonds exchangeable for Casino shares**

	Exchangeable for common shares	Exchangeable for preferred shares	Exchangeable for common shares
Total par value	€340.3 million	€122.6 million	€460 million
Issue date	February 1998	February 1998	January 2001
Annual interest rate	4.5% (1)	4.5% (1)	3.25%
Bond par value	€59.46	€59.46	€136
Maturity	January 1st, 2005	January 1st, 2005	June 30, 2006
Redemption value	€59.46	€59.46	€150.40
Exchange	1.17 shares for 1 bond	1.48 shares for 1 bond	1.0196 shares for 1 bond
Listing	yes	yes	yes
COB authorization	97-541 dated October 1, 1997	97-541 dated October 1, 1997	-
Volume outstanding			
– at the time of the issue	5,724,240	2,062,574	3,382,353
– as at December 31, 2001	1,557,278	776,533	3,382,353

(1) Capitalized over 1998, 1999 and 2000, paid on January 1, 2001, then annually on January 1st for each subsequent year.

(2) Exchange option which may be exercised from January 31, 2003, to June 30, 2006.

• **Other bond issues**

	June 1998	July 1998	March 1999
Total par value	€61 million	€152.5 million	€300 million
Annual interest rate	1%	Euribor 3 months + 0.35%	4.625%
Bond par value	€68.75	€762.25	€10,000
Maturity	June 27, 2005	July 15, 2003	March 13, 2006
Redemption value	Indexed on Casino common share	€762.25	€10,000
Listing	yes	yes	yes
COB authorization	98-535 dated June 22, 1998	98-566 dated June 26, 1998	99-207 dated March 10, 1999

The €61 million June 1998 bond issue was the object of an interest rate swap agreement, which included the incidence of the redemption value's indexation. Following this transaction, the coupon is based on the three-month Euribor rate.

NOTE 7 – OTHER DEBT

Other debt consists essentially in current account advances by subsidiaries under the group's centralized cash management system.

These are due in less than one year. They include accrued liabilities amounting to €2.8 million.

NOTE 8 – OPERATING INCOME

8.1 Net sales

Net sales are entirely generated in France, and consist essentially of services provided to subsidiaries.

8.2 Other purchases and external expenses

This item includes in particular bank fees and commissions.

8.3 Personnel

Workforce as at December 31	2001	2000	1999
Executive staff	22	22	20
Other staff	13	10	10
Total	**35**	**32**	**30**
Compensation paid to senior management (€ millions)	0.9	0.8	0.7

NOTE 9 – NET FINANCIAL INCOME (LOSS)

(€ millions)	2001	2000	1999
Dividend	27.1	37.7	51.4
Reversal of financial depreciation allowances	1.5	0.1	7.5
Other interest and similar income	85.6	64.9	50.6
Miscellaneous	26.0	2.7	1.5
Financial income	**140.2**	**105.4**	**111.0**
Interest and similar expenses	84.4	65.6	47.9
Financial depreciation allowances	133.7	28.1	44.7
Other financial expenses	7.5	2.4	1.7
Financial expenses	**225.6**	**96.1**	**94.3**
Net financial income (loss)	**(85.4)**	**9.3**	**16.7**

Depreciation allowances for 2001 concern mainly Miramont Finance et Distribution (€101.5 million), and Parande (€26 million). In addition, miscellaneous financial income includes €19.3 million in added value from the sale of portfolio capitalized securities.

NOTE 10 – NET EXCEPTIONAL INCOME

(€ millions)	2001	2000	1999
Sale of property, equipment and intangible assets	0.0	0.0	0.1
Sale of investment securities	92.5	94.8	55.6
Provision reversals (allowances)	0.4	1.1	(0.5)
Other exceptional income (expense)	(0.7)	(0.2)	(17.6)
Total	**92.2**	**95.7**	**37.6**

Income from the sale of investment securities corresponds to capital gains on the reallocation of Casino shares among RALLYE subsidiaries. In 2000, exceptional income came mainly from capital gains on the exchange of Go Sport for Courir shares, as part of the merger between the two companies at the end of December 2000.

NOTE 11 – CORPORATE INCOME TAX

11.1 Breakdown

(€ millions)	2001	2000	1999
Operating income after interest	(101.3)	(40.5)	4.4
Net exceptional income	92.2	95.7	37.6
Net income before tax	**(9.1)**	**55.2**	**42.0**
Tax on operating income after interest [1]	(0.5)	(1.0)	(1.8)
Tax on net exceptional income	(0.1)	(0.8)	(0.5)
Impact of tax consolidation	16.5	3.1	5.9
Income tax	**15.9**	**1.3**	**3.6**
Net income	**6.8**	**56.5**	**45.6**

(1) This amount equals tax on dividends, which are recorded for their gross value (i.e. dividend plus tax credit) as investment income.

11.2 Reduction or increase in future corporate tax

(€ millions)	2001	2000	1999
Asset (Liability)			
Capital gains deferred for tax purposes	(34.2)	(43.8)	(45.4)
Net income from partnerships	0.1	1.0	0.0
Deferred depreciation and loss carry-forwards	69.0	43.4	38.2

Deferred tax at year-end is calculated on the basis of the long-term capital gains tax rate.

NOTE 12 – INFORMATION ON OFF-BALANCE-SHEET TRANSACTIONS

12.1 Financial commitments

(€ millions)	2001	2000	1999
Misc. reciprocal commitments	**157.6**	**260.1**	**466.6**
Commitments received	**–**	**–**	**–**
Guarantees	62.2	237.7	131.1
Redemption premiums	24.5	25.8	29.6
Commitments made	**86.7**	**263.5**	**160.7**

Reciprocal commitments include €135.7 million in interest rate swap contracts, €2.9 million in foreign currency forward sales used as hedging transactions, as well as €19 million in security purchases.

12.2 Secured debt

As at December 31, 2001, 8,930,897 Casino common shares were pledged to financial institutions as collateral for various loans and credit lines. Similarly, 1,822,021 common shares and 1,149,273 preferred shares were placed in escrow for holders of exchangeable bonds.

NOTE 13 – AFFILIATED COMPANIES

Information on affiliated companies and equity interests (€ millions)	Aggregate figures of affiliated companies	Aggregate figures of companies in which RALLYE holds an interest
Net financial investments	1,019.0	1.9
Trade account receivables	84.4	0.4
Net other receivables	1,771.0	9.6
Liabilities	212.5	0.0
Investment income	26.5	0.6
Other financial income	85.2	0.0
Financial expense	9.6	0.0

NOTE 14 - CONSOLIDATION

RALLYE prepares consolidated financial statements. The company's accounts in turn are integrated in the consolidated financial statements of parent company Foncière Euris.

Subsidiaries and equity interests

(€ millions)

Company	Share capital	Reserves and retained earnings before net income appropriation	Share of capital held (%)
A- Subsidiaries [1]			
(at last 50% of capital held by RALLYE)			
Cobivia SAS	53.4	(17.5)	100.00%
Kerrous SAS	184.5	(4.8)	100.00%
Matignon Sablons SAS	10.8	0.6	100.00%
MFD SA	211.2	(187.1)	99.99%
OCP SAS	2.4	122.8	96.91%
Parcade SAS	27.8	46.6	100.00%
Parande SAS	75.0	(34.8)	100.00%
Périaz SCI	1.2	0.2	100.00%
Magasins Jean SAS	0.3	0.3	100.00%
Matignon Montparnasse SAS	4.5	(4.4)	100.00%
B- Equity interests [1]			
(10 to 50% of capital held by RALLYE)			
Casino, Guichard-Perrachon SA [2]	168.2	5,373.3	15.85%
Sivigral SCI	0.4	2.2	40.00%
Groupe Go Sport SA	15.3	82.5	43.90%
C- Other subsidiaries and equity interests			
Subsidiaries not included in A above			

(1) With book value in excess of 1% of RALLYE's share capital.

(2) Including shares recorded as marketable securities.

Book value of shares held		Outstanding loans and advances granted by RALLYE	Guarantees granted by RALLYE	Sales net of VAT for the last fiscal year	Net income for the last closed fiscal year	Dividends received by RALLYE over the fiscal year
Gross	Net					
54.1	54.1	251.4	–	–	(22.9)	–
187.6	187.6	425.7	–	0.4	(8.4)	–
11.0	11.0	–	–	–	0.3	0.4
227.6	48.5	18.1	–	–	(28.7)	–
106.7	106.7	109.9	132.4	–	2.2	–
28.2	28.2	–	–	–	46.1	–
83.8	57.8	246.0	–	0.3	(13.5)	–
2.7	1.4	–	–	–	0.2	4.3
2.2	0.6	0.2	2.3	5.2	–	–
5.3	0.4	–	–	–	(1.3)	–
742.5	738.6	–	–	63.1	316.1	19.4
2.1	1.9	–	–	0.5	1.0	0.4
151.4	151.4	–	–	19.7	10.1	1.8
2.6	2.0	0.7				

Financial performance of RALLYE over the last five years

(in €)	12/31/1997	12/31/1998	12/31/1999	12/31/2000	12/31/2001
1 – Financial situation at year-end					
Share capital	61,818,601	81,490,025	84,962,825	89,501,815	116,805,696
Common shares in existence	20,275,172	26,726,976	27,865,980	29,354,671	38,935,232
Maximum number of shares to be created [1]:					
- through bond redemption	1,308,401	7,960,998	6,899,777	6,020,123	5,700,216
- through exercise of stock options	111,167	96,235	–	–	–
- through exercise of warrants	–	10,137,334	9,974,102	9,267,647	–
2 – Operations and net income					
Net sales	2,188,678	329,432	221,073	1,284,429	1,774,248
Income before taxes, employee profit sharing, amortization, depreciation and provisions	6,118,535	26,150,390	76,891,699	116,665,433	117,233,605
Corporate income tax	(2,640,041)	(3,005,149)	(3,616,299)	(1,311,588)	(15,881,723)
Income after taxes, employee profit sharing, amortization, depreciation and provisions	8,953,003	19,731,417	45,680,679	56,468,667	6,816,411
Distributed earnings	7,727,325	12,264,249	15,047,629	20,548,270	31,148,186
3 – Earnings per share					
Income after taxes and employee profit sharing, before amortization, depreciation and provisions	0.46	1.07	2.74	4.02	3.42
Income after taxes, employee profit sharing, amortization, depreciation and provisions	0.46	0.76	1.68	1.92	0.18
Dividend per share	0.38	0.46	0.54	0.70	0.80
4 – Staff					
Average workforce on payroll	11	20	28	31	33
Salaries and wages	838,433	1,947,995	2,735,122	3,062,115	3,665,762
Social security and benefits	379,181	857,947	1,249,184	1,516,064	1,528,318

(1) As at December 31, 2001 (before parity adjustment and issue of warrants in February 2002).

Resolutions presented to the Ordinary Annual General Meeting of Shareholders on June 5, 2002

FIRST RESOLUTION

Adoption of the Company financial statements

The Shareholders, after having heard the reports of the Board of Directors and the Statutory Auditors, receive and adopt these reports without reservation as well as the financial statements for the year ended December 31, 2001, as presented, showing earnings of €6,816,411.00.

As a result, the Shareholders approve all acts and operations for the aforementioned fiscal year as reflected by the financial statements and reports.

SECOND RESOLUTION

Net income appropriation

As suggested by the Board of Directors, the Shareholders decide to assign the net income for the fiscal year ended on December 31, 2001 in the following manner:

(in €)		
Net income for the fiscal year		6,816,411.00
Legal reserve allocated to the special reserve for long-term capital gains	(-)	340,820.55
Previous retained earnings balance	(+)	78,590,868.02
Earnings available for distribution	(=)	85,066,458.47
Special reserve for long-term capital gains	(-)	1,965,083.72
Dividends	(-)	31,148,185.60
Retained earnings for the balance	(=)	51,953,189.15

The Shareholders take note that the whole dividend, with a 50% tax credit for individuals and companies eligible for tax treatment of parent/subsidiary corporations, or a 15% tax credit, for other companies was paid in advance on January 15, 2002, according to the decision made by the Board of Directors on December 19, 2001.

The Shareholders also take note that the dividends arising from shares held by the company itself at the date of payment were posted to Retained Earnings.

Pursuant to Article 47 of the Law of July 12, 1965, the Shareholders also note that dividends paid out over the previous three fiscal years amounted to:

(in €)	2000	1999	1998
Net dividend	0.70	0.54	0.46
Tax credit (at 50%)	0.35	0.27	0.23

THIRD RESOLUTION

Agreements under article L 225-38 of the French Code of Commerce

The Shareholders, after having heard the statutory auditors' special report on the agreements covered by article L 225-38 of the French Code of Commerce, adopt the said report and the agreements therein.

FOURTH RESOLUTION

Adoption of the consolidated financial statements

The Shareholders, after having heard the reports of the Board of Directors and the Statutory Auditors, receive and adopt these reports without reservation as well as the financial statements for the year ended December 31, 2001, as presented, showing consolidated earnings of €342,183,375.

FIFTH RESOLUTION

Appointment of a Director

The Shareholders appoint Mr. Jacques DERMAGNE, living in Garches (92380) -14, allée du Marquis de Morès - as Director for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

SIXTH RESOLUTION

Reappointment of a Director

The Shareholders renew the term of office of Mr. André CRESTEY as Director for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

SEVENTH RESOLUTION

Reappointment of a Director

The Shareholders renew the term of office of Mr. Jacques DUMAS as Director for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

EIGHTH RESOLUTION

Reappointment of a Director

The Shareholders renew the term of office of Mr. Pierre FÉRAUD as Director for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

NINTH RESOLUTION

Reappointment of a Director

The Shareholders renew the term of office of Mr. Jean LÉVY as Director for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

TENTH RESOLUTION

Reappointment of a Director

The Shareholders renew the term of office of Mr. François de MONTAUDOUIN as Director for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

ELEVENTH RESOLUTION

Reappointment of a Director

The Shareholders renew the term of office of Mr. Jean-Charles NAOURI as Director for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

TWELFTH RESOLUTION

Reappointment of a Director

The Shareholders renew the term of office of Mr. Gilbert TORELLI as Director for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

THIRTEENTH RESOLUTION

Reappointment of a Director

The Shareholders renew the term of office of the company Finatis as Director for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

FOURTEENTH RESOLUTION

Reappointment of a Director

The Shareholders renew the term of office of the company Foncière Euris as Director for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

FIFTEENTH RESOLUTION

Appointment of a Censor

The Shareholders decide, on condition that the twenty-three resolution, submitted for approval to the extraordinary shareholders meeting of June 5, 2002, will be adopted, to appoint Mr. Paul CAMOUS, living in Paris (75005) – 71, rue Claude Bernard - as censor for a period of one (1) year,

expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2002.

SIXTEENTH RESOLUTION

Authorization for the company to purchase its own shares

The Shareholders, after having taken note of the Board of Directors' report, authorize the Board of Directors to purchase company shares under the terms set out by article L 225-209 and the following articles of the French Code of Commerce, in order to:

- Adjust the stock price by systematic intervention against the trend;
- Purchase or sale shares, depending on the market situation, as part of the management of the company' s shareholders' equity and cash;
- Assign shares to employees or officers of the Company, in application of article L 225-179 and the following articles of the French Code of Commerce;
- Facilitate financial or growth transactions for the company, by allowing it to use the purchased shares at its own discretion, particularly to, in whole or in part, hold, sell, transfer or exchange them;
- Cancel shares, within the limit of 10% of the capital over a period of 24 months, in the framework of a capital reduction plan, according to the decision made by the shareholders on June 1, 1999.

Acquisition, sale, transfer, or exchange of these shares may be carried out in any way, by acting within the stock exchange market or outside, by transactions on block of shares, or through the use of derivative instruments especially through the sale of options.

The Shareholders establish the purchase and sale prices of shares as follows:

- maximum purchase price per share: €90;
- minimum sale price per share: €30.

Exercise of this authorization may not result in bringing the total number of company-held shares above 10% of total shares, or currently 3,469,104 shares valued at a maximum of €312,219,360.

This share purchase authorization is valid for a period expiring at the General Meeting convened to approve the financial statements for the 2002 fiscal year or on December 5, 2003, whichever is earlier.

The Shareholders take note that the share purchase program was subject to a public notice by the French Stock Exchange Commission (COB), in application of its Regulation No. 98-02 modified by its Regulation No. 2000-06.

In view of guaranteeing the implementation of this resolution, full authority is given to the Board of Directors, which may be delegated, in order to:

- Fulfill all declarations and formalities with the Stock Exchange Commission (COB) and the Financial Markets Board (CMF);
- Execute all trading orders, conclude all agreements in view, in particular, to register the purchase and sale of shares;
- Fulfill all other formalities, and, generally speaking, do whatever is necessary.

SEVENTEENTH RESOLUTION

Censor and directors' fees

The Shareholders allocate a total of €250,000 to censor and directors' fees for the past term of office.

This amount will remain effective in the future, unless it is modified by a subsequent general meeting of Shareholders.

EIGHTEENTH RESOLUTION

Powers

The Shareholders grant all powers to the bearer of an original, an excerpt, or a copy of the present minutes in order to carry out all publication, filing, and other formalities that may be necessary.

General information on RALLYE

GENERAL INFORMATION

- **Company name:** RALLYE.
- **Registered office:** 83, rue du Faubourg-Saint-Honoré – 75008 Paris – France.
- **Company headquarters:** 32, rue de Ponthieu – 75008 Paris – France.

Legal entity

RALLYE is a "Société Anonyme" (joint stock corporation) under Book II of the French Code of Commerce and Decree N°67-236 of March 23, 1967.

Legislation

French Law.

Existence – duration

Date established: January 20, 1925.

Expiry date: December 31, 2064.

Duration: 90 years, beginning December 31, 1974, the date of its first extension.

Mission statement

Article 3 of company by-laws states:

"The company's mission is:

- to take on majority interests in any French or foreign firm, whatever its legal form or mission, and to manage these interests;
- to provide administrative, accounting, legal, financial, IT, commercial or other services to further the interests of any company, as well as any public relations services;
- to acquire and manage all types of buildings;
- to undertake any form of business, commission, or brokerage in its own name, or on behalf of others;
- and, in general, to undertake any commercial, industrial, real estate, securities or financial transactions either directly or indirectly related to, or likely to be of use to the company's mission or to help in its fulfillment.

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 mission.

It may act in any countries, 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 mission, under any form."

Legal Register of Companies

Registered in Paris (France) at the Register of Companies (RCS) under number 054 500 574.

Location of company documents

Company headquarters, located at: 32, rue de Ponthieu – 75008 Paris – France.

Accounting year

From January 1 to December 31. Duration: 1 year.

Income appropriation

Article 33 of the by-laws states:

"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 paid in priority:

- at least five per cent to constitute the legal reserve fund. This shall cease to be mandatory once the said fund has reached one-tenth of par, but shall resume should, for whatever reason, this requirement cease to be met;
- and any amounts to be appropriated to 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 general meeting of shareholders 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 general meeting may choose to use the reserves at their disposal to pay a dividend on shares. Should this be decided, the decision shall expressly indicate the headings from which the amounts are taken."

Information about general meetings of shareholders

General meetings of shareholders shall be convened by the Board of Directors.

Failing that, and in accordance with Article L 225-103 of the French Code of Commerce, they may be convened by the external auditor, by a court-appointed auditor, at the request either of the person concerned in the event of an emergency, or by several shareholders owning at least one third of company capital, or by the receivers.

Shareholders shall be convened as follows:

At least thirty days before the scheduled general meeting, the French bulletin of mandatory legal announcements (BALO) will publish an announcement containing the provisions provided for by law.

Shareholders are convened via a notice published in the bulletin of mandatory legal announcements and in a journal of legal announcements in the département (administrative district) where the registered office is located. The first announcements shall be published at least 15 days before the date of the meeting, with a subsequent announcement to follow no less than six days before the meeting. In addition, those who have owned nominal shares for at least one month before the date of this announcement shall receive a letter of invitation by mail.

Meetings shall take place in the town where registered office is located, or in any other town in France, depending on what has been decided by the person convening the meeting, and in the venue indicated.

The agenda for each general meeting is established by the person convening the meeting. If applicable, it contains proposals made by one or several shareholders, under the conditions provided by law.

Conditions of admission:

- Bearers of nominal shares paid in full and registered with the company five days before the meeting may attend the general meeting or be represented with no preliminary formalities;
- Shareholders may be represented by a proxy, provided that the proxy is also a shareholder;
- Legal representatives of shareholders who are legally incompetent and representatives of shareholding companies have access to the meetings whether or not they are themselves shareholders;
- Beneficial owners, bare owners, joint owners of shares may attend meetings under the conditions provided by law.

Setting-up of the General Meeting of shareholders:

Article 25

- In application of article L 225-107 of the French Code of Commerce, at each General Meeting, the Board of Directors is authorized to allow shareholders to attend, and to vote from afar, via videoconference, or by any means of telecommunications guaranteeing their identification.

Conditions for the exercise of voting rights:

Article 28

- Shareholders have as many votes as they own or represent shares, with no limits, except as provided by law;
- Votes are cast by a show of hands, or by any electronical system, unless a secret ballot is requested by one or more shareholders who together represent one tenth of the capital represented at the meeting, according to the possibility forecast by article L 25-IV.
- Shareholders may also vote by mail under the conditions provided by law.

Conditions for the acquisition of double voting rights

Shares paid in full, and which have been recorded for at least two years under the name of the same shareholder, have double voting rights as compared to equivalent shares in company capital.

Share ownership which must be declared to the company

Besides being required to fulfill the legal obligation of informing the company when he or she comes to own more than a certain share of company capital and the attached voting rights, any person or legal entity who, alone or indirectly, under the terms of Article L 233-9 of the French Code of Commerce, or in a concert party with other persons or legal entities under the terms of Article L 233-10 of the French Code of Commerce, comes to hold or ceases to hold, in any way, a share equal to 1% of the voting rights or any multiple thereof, up to 50%, must send a registered letter with return receipt requested to company registered office within two weeks from the date the share ownership threshold was attained, informing the company of the total number of shares and voting rights owned in the same way, and which ultimately provide access to the capital, as well as of the number of voting rights attached.

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.

Shareholders identification

Article 10 III

In view of identifying the holders of bearer securities, and in accordance with article L 228-2 of the French Code of Commerce, the company has the right to, at any time, and at its own expense, obtain certain information from the securities compensation agency. This includes the names (or, in the case of a legal entity, the denomination), nationality, and address of the holders of securities which grant the right to vote, either immediately or subsequently, in its own shareholders meetings, as well as the number of shares held by each holder, and, if necessary, any restrictions which may apply to the shares in question.

The company may also, under the conditions set out by articles L 228-2-II and L 228-3 and seq. of the French Code of Commerce, 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, they must provide information serving to identify this 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 of the French Code of Commerce, 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 articles L 228-3-2 and L 228-3-3 of the French Code of Commerce, failure to provide the information requested, by virtue of articles L 228-2-II or L228-1 of the French Code of Commerce, or the provision of incomplete or erroneous information will be punishable by deprivation of voting rights and of the right to receive dividends attached to the shares held by the person who received the request for information, until such date as the correct information is supplied.

General information on company capital

AMOUNT OF CAPITAL

Amount of capital as at December 31, 2001: €116,805,696.

Number of shares as at December 31, 2001: 38,935,232.

Amount of capital as at March 31, 2002: €104,073,138.

Number of shares as at March 31, 2002: 34,691,046.

Par value per share: €3.

All shares are paid in full, and are of the same type.

FINANCIAL AUTHORIZATIONS

The authorizations were granted to the Board of Directors by the Extraordinary General Meetings of June 13, 2000, June 6, 2001 and June 5, 2002.

Type of issue	EGM	Authorization period	End of authorization	Nominal amounts authorized (€ millions)	Used amounts (€ millions)	Unused amounts (€ millions)
Authorization to increase capital by capitalization of reserves, premiums, income	06/05/2002	5 years	06/05/2007	800 (1)		800 (1)
Authorization to increase capital - preemptive subscription rights upheld	06/05/2002	5 years	06/05/2007	200 (1)		200 (1)
Authorization to issue stand-alone share warrants, free of charge or not - preemptive subscription rights upheld	06/05/2002	5 years	06/05/2007	200 (1)		200 (1)
Authorization to issue bonds with share warrants attached – preemptive subscription rights upheld	06/05/2002	5 years	06/05/2007	800 (1) 200 (2)		800 (1) 200 (2)
Authorization to issue bonds convertible in shares - preemptive subscription rights upheld	06/05/2002	5 years	06/05/2007	800 (1) 200 (2)		800 (1) 200 (2)

(1) Under the capital increase.
(2) Under the bond issue.

Type of issue	EGM	Authorization period	End of authorization	Nominal amounts authorized (€ millions)	Used amounts (€ millions)	Unused amounts (€ millions)
Authorization to issue other securities giving access to capital - preemptive subscription rights upheld	06/05/2002	5 years	06/05/2007	800 (1) 200 (2)		800 (1) 200 (2)
Authorization to increase capital - preemptive subscription rights withheld	06/13/2000	3 years	06/13/2003	152 (1)		152 (1)
Authorization to issue independent share warrants - preemptive subscription rights withheld	06/05/2002	1 year	06/05/2003	200 (1)		200 (1)
Authorization to issue bonds with share warrants attached – preemptive subscription rights withheld	06/06/2001	2 years	06/06/2003	610 (1) 152 (2)		610 (1) 152 (2)
Authorization to issue bonds convertible in common shares – preemptive subscription rights withheld	06/06/2001	2 years	06/06/2003	610 (1) 152 (2)		610 (1) 152 (2)
Authorization to issue other securities giving access to capital – preemptive subscription rights withheld	06/05/2002	1 year	06/05/2003	800 (1) 200 (2)		800 (1) 200 (2)
Authorization to issue securities giving access to capital in the event of a share exchange offer	06/05/2002	1 year	06/05/2003	800 (1) 200 (2)		800 (1) 200 (2)
Total nominal amount of capital increases which may be made other than by incorporation of reserves, premiums, income				**400 (1)**		**400 (1)**

(1) Under the capital increase.
(2) Under the bond issue.

POTENTIAL CAPITAL AS AT MARCH 31, 2002

Potential capital as at March 31, 2002 breaks down as follows:

Number of shares as at March 31, 2002	34,691,046
Exercise of share warrants A [1]	2,423,646
Exercise of share warrants B [1]	2,423,646
Conversion of convertible bonds [2]	5,143,569
Potential number of shares	**44,681,907**

(1) Share warrants description is detailed on page 67 of the comments on the contents of the parent company financial statements.

(2) Convertible bonds description is detailed in note 6.2 of the comments on the contents of the parent company financial statements on page 74.

CHANGES IN CAPITAL

Date	Event	Changes			New capital (in €)	Total number of shares
		Number of shares	Nominal (in €)	Premium (in €)		
1978	Incorporation of reserves	150,000	2,286,735.26	–		
12/31/1978					4,573,470.52	1,500,000
1993	Contribution in kind and merger by takeover	9,779,325	29,816,969.71	407,626,491.98		
12/31/1993					34,390,440.23	11,279,325
1994	Payment of 1994 dividend in shares	41,542	126,660.74	1,013,285.93		
	Issue of shares with warrant attached	1,509,448	4,602,277.28	25,312,525.06		
12/31/1994					39,119,378.25	12,830,315
1995	Additional payment of 1994 dividend in shares	16,511	50,341.71	402,733.72		
	Additional issue of shares with warrants attached	2,201	6,710.81	36,909.43		
	Exercise of share warrants	1,549,814	4,725,352.42	27,388,868.48		
12/31/1995					43,901,783.20	14,398,841
1996	Issue of new shares	3,601,177	10,979,917.89	79,604,404.71		
	Payment of 1995 dividend in shares	2,173	6,625.43	57,972.55		
	Exercise of share warrants	1,603,291	4,888,402.75	29,381,127.12		
12/31/1996					59,776,729.27	19,605,482
1997	Exercise of share subscription options	38,356	116,946.69	1,160,988.30		
	Exercise of redeemable share warrants	631,334	1,924,924.96	9,246,823.80		
12/31/1997					61,818,600.91	20,275,172
1998	Issue of shares with warrants attached	5,068,793	15,454,650.23	193,183,127.86		
	Redemption of bonds redeemable in shares	1,308,408	3,989,310.27	18,364,465.96		
	Exercise of warrants, options and convertible bonds	74,603	227,463.08	2,660,516.92		
12/31/1998					81,490,024.50	26,726,976
1999	Exercise of warrants, options and convertible bonds	1,157,585	3,529,453.91	44,120,953.36		
	Cancellation of shares	(18,581)	(56,653.10)	(1,020,581.38)		
12/31/1999					84,962,825.31	27,865,980
2000	Exercise of warrants and convertible bonds	1,488,691	4,538,989.60	64,990,279.85		
12/31/2000					89,501,814.91	29,354,671
2001	Conversion of capital in euros	–	(1,437,835.66)	–		
	Exercise of warrants and convertible bonds	9,580,561	28,741,716.75	392,598,277.71		
12/31/2001					116,805,696.00	38,935,232
2002	Cancellation of shares	(5,000,000)	(15,000,000.00)	(285,000,000.00)		
	Conversion of bonds	755,814	2,267,442.00	31,147,257.44		
03/31/2002					104,073,138.00	34,691,046

Current capital ownership and voting rights

SITUATION AS AT MARCH 31, 2002

Total number of voting rights as at March 31, 2002: 52,959,873.

Number of shareholders: over 5,000.

To the company's knowledge, the main shareholders at that time were as follows:

Shareholders	Shares	% Capital	Voting rights	% Voting rights
Foncière Euris	22,072,370	63.6	41,716,827	78.8
Treasury stock [1]	576,219	1.7	–	–
Shares held by subsidiaries [2]	1,174,824	3.4	–	–
Other Groupe Euris' companies	347,628	1.0	663,900	1.2
	24,171,041	69.7	42,380,727	80.0
Other shareholders owning more than 5% of the capital [3]	2,120,000	6.1	2,120,000	4.0
Other shareholders [4]	8,400,005	24.2	8,459,146	16.0
Total	**34,691,046**	**100.0**	**52,959,873**	**100.0**

(1) The shares in treasury stock, are dedicated to employee stock option programs.
(2) The shares held by subsidiaries are held by Soparin (195,365) and HMB (979,459).
(3) Held by HSBC Investment Bank Plc., subject to a purchase option in favor of Foncière Euris, which may be exercised at any time up to December 15, 2004.
(4) To our knowledge, none of the "other shareholders" owns 5% or more of the capital.

Fonciere Euris held, as at March 31, 2002, directly or indirectly, 68.7% of the capital, and 78.8% of the voting rights of RALLYE.

Finatis, controlled by Mr. Jean-Charles NAOURI, as at March 31, 2002 held, directly or indirectly, 91.7% of the capital of Foncière Euris, and 91.4% of the voting rights of Foncière Euris at the same date.

Share repurchase program

In accordance with Regulation No. 98-02, articles 2 and 3, the Stock Exchange Commission (COB) certified, on May 9, 2001, under No. 01-516, the brochure describing the RALLYE share repurchase program. This program enables the company to:

- Stabilize the stock price by systematic intervention against the trend;
- Purchase and sell shares depending on the market situation, as part of the management of shareholders' equity and cash;
- Grant them to employees and officers of the Company, in compliance with the article L 225-179 and seq. of the French Code of Commerce;
- Facilitate financial transactions or acquisitions, by making whatever use of purchased shares that is appropriate for achieving this end, notably holding, selling, transferring or exchanging all or part of the shares;
- Cancel them, in the limit of 10% of the share capital once per twenty-four months period, and in case of share capital reduction, as authorized by the shareholders meeting of June 1, 1999.

The purchase and sales prices, established by the Annual General Meetings of Shareholders, dated June 6, 2001, are the following:

- Maximum purchase price per share: €90;
- Minimum sales price per share: €30.

Exercise of this authorization may not result in bringing the total number of company-held shares above 10% of total shares.

This share purchase authorization is valid for a period expiring at the General Meeting convened to approve the financial statements for the 2001 fiscal year.

The General Meeting on June 5, 2002, is convened to renew this share purchase program on the same terms for a period expiring at the General Meeting convened to approve the financial statements for the 2002 fiscal year or on December 5, 2003, whichever is earlier. The share repurchase program is described in a brochure certified by the French Stock market Authority (COB), dated May 16, 2002 under No. 02-571 in compliance with its Regulation No. 98-02 modified by its Regulation No. 2000-06.

Change in capital over the last three years

The share capital and voting rights evolved, as follows, over the last three years:

	Share capital (%)			Voting rights (%)		
	1999	2000	2001	1999	2000	2001
Foncière Euris	70.50	66.92	64.59	82.41	81.24	78.30
Shares held by subsidiaries	3.68	2.75	3.02	–	–	–
Other shareholders	25.82	30.33	32.39	17.59	18.76	21.70
	100.00	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

The percentages are expressed at December 31.

Shareholders pact

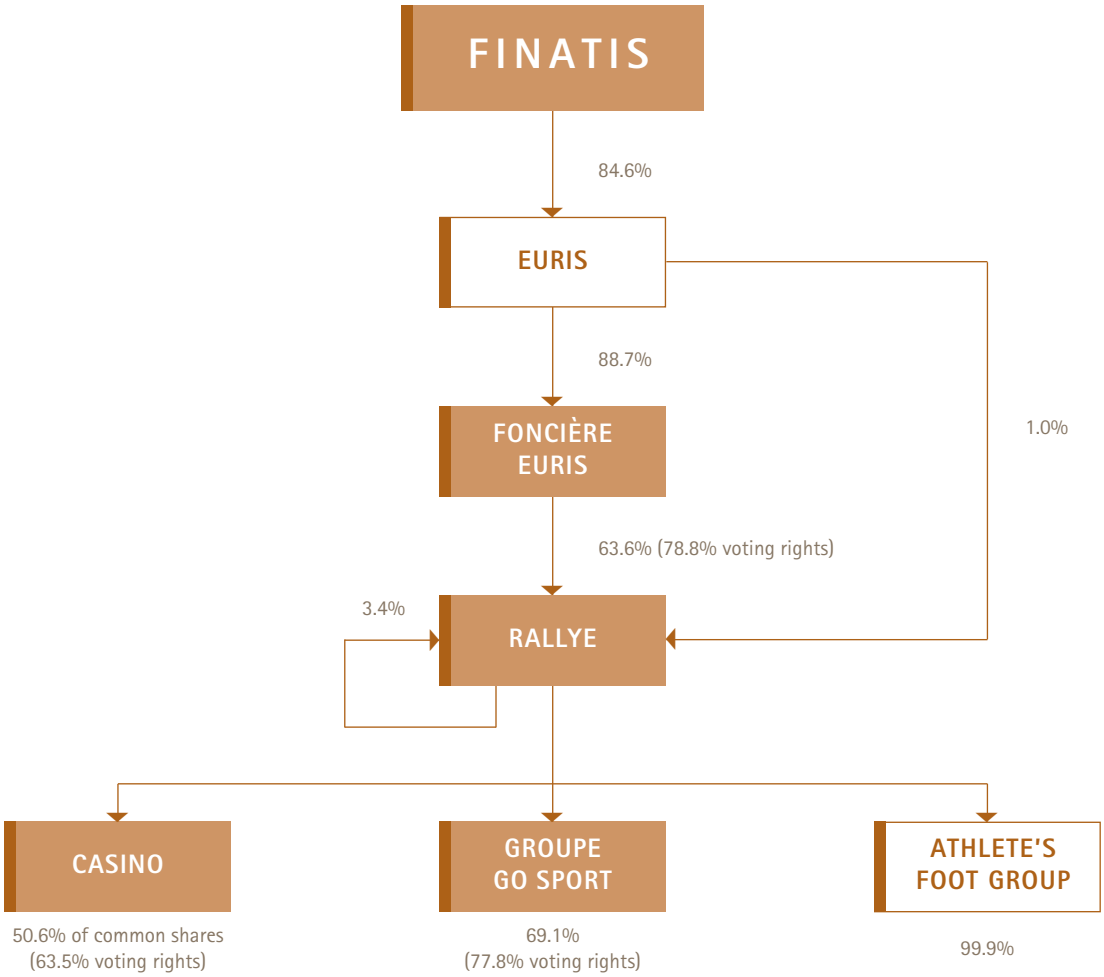
Nil.

Financial information

Once a year, analysts and journalists are convened to attend a meeting during which they are informed of company performance for the year ended.

Financial information is available on the following internet web site: www.rallye.fr

Organization chart of the Group as at March 31, 2002



The RALLYE group's current structure is the result of the reorganization undertaken in 1992 and 1993, which notably involved the transfer to the Casino group of all hypermarket, supermarket and cafeteria divisions, and the merger and absorption of parent companies RALLYE SA and Coficam and of SMPO and Record Carburants. After the mergers, the absorbing company, Genty-Cathiard, changed its name to RALLYE. A transfer of property assets by Foncière Euris completed the reorganization.

The latest changes in the structure are the result of the share exchange offer on Casino, launched in September 1997, and the merger-absorption of Go Sport by Courir, now known as Groupe Go Sport, on December 27, 2000.

RALLYE provides no management services to its operating subsidiaries.

The market for company securities

LISTED SECURITIES (EURONEXT CODES)

- RALLYE shares (6061),
- RALLYE share warrants A and B (4995 and 21865),
- Bonds convertible in RALLYE shares (18051),
- RALLYE bonds exchangeable for Casino common shares (20893),
- RALLYE bonds exchangeable for Casino preferred shares (20894),

are listed on the Paris Stock Exchange (Second Marché).

- RALLYE bonds exchangeable for Casino common shares (Euroclear Code: 48498) issued on January 31, 2001, is listed on the Luxembourg Stock Exchange.

Institution servicing the shares, the share warrants and the convertible bonds

EURO ÉMETTEURS FINANCE
47, boulevard des Batignolles
75017 Paris - FRANCE

Institution servicing the exchangeable bonds

CRÉDIT COMMERCIAL DE FRANCE
Direction Titres
Avenue Robert-Schumann
BP 2704
51051 Reims Cedex - FRANCE

- RALLYE 4.625% bonds maturing March 2006 (49214) are listed on the Paris Stock Exchange (Premier Marché).

Institution servicing the bonds

CRÉDIT LYONNAIS LUXEMBOURG SA
26 A, boulevard Royal
L-2955 LUXEMBOURG

- RALLYE variable-rate bonds issued July 1998 and maturing July 2003 (20963) are listed on the Paris Stock Exchange (Second Marché) under "private-sector bonds".

Institution servicing the bonds

BNP
Centre de Comptabilité Titres
BP 164
22104 Dinan Cedex - FRANCE

- RALLYE bonds indexed on the value of Casino common shares, issued June 1998 and maturing June 2005 (20931), are listed on the Paris Stock Exchange (Second Marché) under "private sector bonds".

Institution servicing the bonds

EURO ÉMETTEURS FINANCE
47, boulevard des Batignolles
75017 Paris – FRANCE

18-MONTH MARKET STATISTICS FOR RALLYE SHARES

Year/Month	Number of Shares traded	Historical high (in €)	Historical low (in €)	Trading volume (00's of €)
2000				
October	1,004,279	62.70	53.50	59,956
November	838,369	64.80	57.20	52,205
December	961,059	64.80	58.40	58,342
2001				
January	512,620	64.50	59.50	31,861
February	500,841	63.20	59.15	29,696
March	273,861	62.00	55.00	16,044
April	844,987	58.50	52.50	46,875
May	775,646	61.20	55.15	44,748
June	654,805	63.40	58.05	39,766
July	295,894	60.90	54.80	17,007
August	378,064	56.40	53.30	20,812
September	856,903	55.45	43.00	42,209
October	802,431	51.10	47.80	39,904
November	836,446	50.95	46.50	40,655
December	719,036	54.80	50.00	37,098
2002				
January	561,270	52.75	49.30	28,407
February	374,027	50.00	46.00	17,812
March	640,233	50.30	46.12	31,502

As at March 31, 2002, RALLYE's share price stood at €49.85 and the company's market capitalization, including share equivalents, totaled €2.0 billion.

OTHER SECURITIES

	Share warrants [1]	Convertible bonds [2]	Bonds exchangeable for common shares [2]	Bonds exchangeable for preferred shares [2]
Number of shares traded in 2001	3,173,782	1,213,435	304,816	294,166
Trading volumes in 2001 (000's of €)	26,625	68,082	35,047	28,690
Higher in 2001 (in €)	16.27	64.50	133.00	108.00
Lower in 2001 (in €)	3.70	48.61	92.10	81.10
Price as at 12/31/2001 (in €)	7.20	55.50	105.30	95.99
Number of shares traded from 01/01/2002 to 03/31/2002		234,487	79,810	59,293
Trading volume from 01/01/2002 to 03/31/2002 (000's of €)		12,395	7,823	5,326
Higher from 01/01/2002 to 03/31/2002 (in €)		54.80	103.50	95.50
Lower from 01/01/2002 to 03/31/2002 (in €)		50.50	83.00	85.00
Closing price as at 03/31/2002 (in €)		53.15	98.40	92.50

(1) From the issue of shares with warrants attached in January 1998 – 1st listing February 24, 1998.

(2) Issued under the share exchange offer on Casino shares – 1st listing March 10, 1998.

DIVIDENDS

(in €)	12/31/1997	12/31/1998	12/31/1999	12/31/2000	12/31/2001
Net dividend	0.38	0.46	0.54	0.70	0.80
Tax credit [1]	0.19	0.23	0.27	0.35	0.40
Shares outstanding	20,275,172	26,726,976	27,865,980	29,354,671	38,935,232
Total paid out	7,727,325	12,294,409	15,047,629	20,548,270	31,148,186

(1) At a 50% rate for individuals or legal entities eligible to tax treatment of parent/subsidiary corporations.

The dividend limitation period is five years, as defined by civil law. Unclaimed dividends are paid to the State.

Company executives and members of the board

NAMES AND OFFICES HELD BY EXECUTIVES AND MEMBERS OF THE BOARD

1) Mr. Paul CAMOUS
Director since March 20, 1996.

Date of birth: July 13, 1922.

Other offices held in 2001 and continuing as at March 31, 2002:

- Director of the following companies: Autogrill France, Hôtel Negresco SA and Fondation Sophia Antipolis.

Number of RALLYE shares held: 173

The amount of director's fees paid by the company to Mr. Paul CAMOUS in 2001 amounted to €14,927.00; no other compensation or benefits were paid to him by any of the companies included in the scope of consolidation.

2) Mr. André CRESTEY
Director since August 14, 1992.

Chairman of the Board of Directors until April 2, 1998; subsequently Chief Executive Officer until December 31, 2001.

Vice-Chairman of the Board since January 1, 2002.

Date of birth: February 22, 1939.

Other offices held in 2001 and continuing as at March 31, 2002:

- President of Perifem,
- Director of Foncière Euris, Matimmob 1, Miramont Finance et Distribution, Groupe Go Sport and IFLS,
- Permanent representative of Omnium de Commerce and Participations on the Supervisory Board of Casino Guichard-Perrachon.

Other offices held in 2001 and concluded in 2001:

- Chairman of the Board of Groupe Go Sport, Go Sport Espagne, Matignon Sablons, Les Magasins Jean, Miramont Finance et Distribution, The Athlete's Foot Group Inc. and Athlete's Foot Marketing Europe – AFME,
- President of Omnium de Commerce and Participations SAS, L'Habitation Moderne de Boulogne SAS and Parcade SAS,
- Managing Director of Club Sport Diffusion and Limpart Investments BV,
- Manager of SCI des Perrières and SCI de Periaz,
- Permanent representative for RALLYE on the Board of Directors of Soparin,
- Permanent representative of Groupe Go Sport on the Board of Directors of Sport House 2000, Hall des Sports and Distribution de Produits Manufacturés – Dispromа,
- Representative of Groupe Go Sport, President of Grand Large Sport SAS, Go Sport France SAS, Go Sport International SAS and Courir France SAS.

Number of RALLYE shares held: 15,419.

The total gross compensation and benefits of all types paid by the company to Mr. André Crestey in 2001 amounted to €434,967.37. The amount paid by the companies included in the scope of consolidation stood at €23,756.59.

3) Mr. Jacques DERMAGNE
Director appointed by the Annual General Meeting of June 5, 2002.

Date of birth: November 28, 1937.

Other offices held in 2001 and continuing as at March 31, 2002:

- Director of Unibail,
- Vice-President and member of the Supervisory Board of France Convention,
- Member of the Supervisory Board of Cetelem, DMC, Devanlay and Optorg.

4) Mr. Jacques DUMAS
Director since July 19, 1990.

Date of birth: May 15, 1952.

Other offices held in 2001 and continuing as at March 31, 2002:

- Director of Legal Affairs for Groupe Euris,
- Chairman of the Board of La Bruyère and Matimmob 1,

- President of Alpétrol SAS, Les Buissières SAS, Cobivia SAS, Kerrous SAS, Genty Immobilier et Participations SAS, Caly Online SAS, Artois-Isère SAS, Soparin SAS, Matignon Sablons SAS and Omnium de Commerce and Participations SAS,
- Director of Miramont Finance et Distribution, Groupe Go Sport, Carpinienne de Participations and Go Sport Espagne,
- Representative of Kerrous SAS, President of Syjiga SAS,
- Permanent representative of Groupe Euris to the Board of Directors of Foncière Euris,
- Permanent representative of The Athlete's Foot Group on the Board of Directors of Athlete's Foot Marketing Europe – AFME,
- Manager of SCI Les Sables, SCI Les Iles Cordées, SCI Cognacq-Parmentier and SCI des Perrières,
- Permanent representative of Parcade to the Supervisory Board of Casino Guichard-Perrachon.

Other offices held in 2001 and concluded in 2001:

- Director of Les Magasins Jean,
- Representative of Kerrous SAS, President of Syjiga SAS,
- Permanent representative of Euris to the Board of Directors of Dofinance,
- Permanent representative of Dofinance to the Board of Directors of Editeuris and Eurisma,
- Permanent representative of RALLYE to the Board of Directors of Matimmob 1,
- Permanent representative of Foncière Euris to the Board of Directors of Matignon Sablons,
- Permanent representative of Carpinienne de Participations to the Board of Directors of Matignon Marne La Vallée,
- Permanent representative of Euriscom to the Board of Directors of Saris,
- Permanent representative of Penthièvre-Mermoz to the Board of Directors of Penthièvre-Courcelles,
- Permanent representative of Miramont Finance et Distribution to the Board of Directors of Sport House 2000,
- Permanent representative of Sport House 2000 to the Board of Directors of Hall des Sports and Distribution de Produits Manufacturés – Disproma.

Number of RALLYE shares held: 7,218.

The director's fee paid by the company to Mr. Jacques DUMAS in 2001 amounted to €9,788.00; that paid by the companies included in the scope of consolidation amounted to €13,275.26.

Share purchase options issued to Mr. Jacques DUMAS in 2001 were as follows:

Company	Date of issuance	Date from which options may be exercised	Maturity date	Number of options allocated	Number of related shares	Exercise price (in €)
RALLYE	04/06/01	04/06/04	10/06/06	10,700	11,128	55.00
RALLYE	12/19/01	12/19/04	06/19/06	12,560	13,062	48.91
Groupe Go Sport	04/02/01	04/02/04	10/02/06	1,250	1,250	81.64

5) Mr. Pierre FÉRAUD
Director since June 16, 1995.

Date of birth: September 28, 1940.

Other offices held in 2001 and continuing as at March 31, 2002:

- Executive officer of Parande,
- Chairman of the Board of Carpinienne de Participations,
- President of Matignon Marne La Vallée SAS,
- Permanent representative of Artois-Loire to the Board of Directors of Euris,
- Permanent representative of Groupe Euris to the Board of Directors of Finatis,

- Permanent representative of Foncière Euris to the Board of Directors of Apsys International, Marignan Consultants,
- Representative of Foncière Euris, President of Centre Commercial de l'Ile Saint-Denis SAS, Marigny-Belfort SAS, Marigny-Elysées SAS, Marigny-Foncière SAS, Marigny-Participations SAS, Marigny-Valbréon SAS, Marigny-Tours SAS, Matignon Abbeville SAS, Matignon Bail SAS, Matignon Corbeil Centre SAS and Les Moulins SAS,
- Manager of Centrum NS SARL, SCI Matignon Lannes and SCI Matignon Commerce,
- Representative of Foncière Euris, Manager of SCI Hôtel d'Arc 1800, SCI Ile Saint-Denis Développement, SCI Mas de Las Serras, SCI Sofaret, SCI Touquet Plage and SCI Les Herbiers,
- Representative of Marigny-Elysées, Co-manager of SCCV des Jardins de Seine 1 and SCCV du Centre Commercial du Grand Argenteuil,
- Representative of Marigny-Valbréon, Co-manager of Compagnie d'Aménagement Valbréon,
- Representative of Matignon Commerce, Co-Manager of SNC Altaréa, SNC Les Tanneurs, SNC Avenue Paul Langevin, SNC Bordeaux Sainte Eulalie, SNC Collet Berger, SNC Foncière Cézanne Matignon and SCI Reims Buirette,
- Representative of Matignon Abbeville, Manager of Centrum K SARL and Centrum J SARL,
- Permanent representative of Foncière Euris to the Supervisory Board of Casino Guichard-Perrachon.

Other offices held in 2001 and concluded in 2001:

- Representative of Matignon Montparnasse, President of Montech SAS, Montech Expansion SAS, Montparnet SAS, Montparnet Expansion SAS, Parantech SAS, and Parantech Expansion SAS,
- Representative of Foncière Euris, President of Matignon Meylan SAS, Matignon Montparnasse SAS and Matignon Neuilly SAS.

Number of RALLYE shares held: 200.

The director's fees paid by the company to Mr. Pierre FÉRAUD in 2001 amounted to €9,788.00; compensation and benefits paid by the companies included in the scope of consolidation amounted to €282,030.70.

6) Mr. Jacques GETTEN
Director since October 25, 1993.

Date of birth: July 14, 1924.

Other offices held in 2001 and continuing as at March 31, 2002:

- Chairman of the Supervisory Board of Domaines Barons de Rothschild,
- Director of Financière Viticole, Paris Orléans, P.O. Participations Bancaires,
- Member of the Supervisory Board of Francarep,
- Censor of Foncière Euris,
- Censor of Casino Guichard-Perrachon,
- Member of the Board of Partners of Rothschild & Cie Banque.

Other offices held in 2001 and concluded in 2001:

- Director of Pétrorep and Siaci, Indorest.

Number of RALLYE shares held: 219.

The director's fees paid by the company to Mr. Jacques GETTEN in 2001 amounted to €22,549.00; that paid by the companies included in the scope of consolidation amounted to €13,815.69.

7) Mr. Jean LÉVY
Director since June 23, 1994.

Director since June 23, 1994.

Date of birth: November 9, 1932.

Other offices held in 2001 and continuing as at March 31, 2002:

- Chairman of the Supervisory Board of Escada Beauté Group SA,
- Director of Histoire d'Or SA, Institut du Libre Service, Groupe Zannier SA and Interparfums Inc.,
- French Foreign Trade Advisor.

Other offices held in 2001 and concluded in 2001:

- Chairman of the Board of Histoire d'Or and Financière d'Or SA.

Number of RALLYE shares held: 251.

The director's fee paid by the company to Mr. Jean LÉVY in 2001 amounted to €20,961.00; no other compensation

or benefit was provided by any of the companies included in the scope of consolidation.

8) Mr. François de MONTAUDOUIN
Director since October 25, 1993.
Managing Director since April 2, 1998.

Date of birth: September 7, 1958.

Other offices held in 2001 and continuing as at March 31, 2002:

- Chairman of the Board of Athlete's Foot Marketing Europe – AFME,
- President of Matignon-Tours SAS and The Athlete's Foot Group Inc.,
- Director of First Britannia Mezzanine Capital BV, First Britannia Mezzanine NV, Foncière Euris, Groupe Go Sport and Société Privée de Gestion et de Conseil,
- Member of the Supervisory Board of Caly Online,
- Permanent representative of Montparnet to the Board of Directors of Groupe Directinet,
- Manager of Orbite,
- Permanent representative of Groupe Euris to the Supervisory Board of Casino Guichard-Perrachon.

Other offices held in 2001 and concluded in 2001:

- Representative of RALLYE, President of Matignon Montparnasse,
- Representative of Matignon Montparnasse, President of Montech SAS, Montech Expansion SAS, Montparnet SAS, Montparnet Expansion SAS, Parantech SAS and Parantech Expansion SAS,
- Permanent representative of Groupe Euris on the Board of Directors of Penthièvre-Mermoz.

Number of RALLYE shares held: 510.

The total gross compensation and benefits of all types paid by the company to Mr. François de MONTAUDOUIN in 2001 amounted to €302,996.89 and the amounts paid by the companies included within the scope of consolidation stood at €23,756.59.

The stock options issued to Mr. François de MONTAUDOUIN in 2001 were as follows:

Company	Date of issuance	Date from which options may be exercised	Maturity date	Number of options allocated	Number of related shares	Exercise price (in €)
RALLYE	04/06/01	04/06/04	10/06/06	10,700	11,128	55.00
RALLYE	12/19/01	12/19/04	06/19/06	9,240	9,610	48.91
Groupe Go Sport	04/02/01	04/02/04	10/02/06	2,000	2,000	81.64

9) Mr. Jean-Charles NAOURI
Director and Chairman of the Board since April 2, 1998.

Date of birth: March 8, 1949.

Other offices held in 2001 and continuing as at March 31, 2002:

- Chairman of the Board of Groupe Euris, Finatis and Euris,
- Director of Crédit Commercial de France, Fimalac and Continuation Investments NV,
- Member of the Supervisory Board of Groupe Marc Ladreit de Lacharrière,
- Managing Partner of Rothschild & Cie Banque,
- Manager of SCI Penthièvre Seine,
- Member of the Supervisory Board of Casino Guichard-Perrachon.

Other offices held in 2001 and concluded as at March 31, 2002:

- Chairman of the Board of Financière N,
- Director of AGF, Fimalac Investments and Park Street Investments International Ltd.,

- Vice-President of the Executive Board of Francarep,
- Permanent representative of Groupe Euris on the Board of Directors of Siaci,
- Representative of Financière N, President of Artois-Gironde SAS, Artois-Isère SAS, Artois-Loire SAS, Artois-Provence SAS and Artois-Savoie SAS,
- Representative of Groupe Euris, President of Ultima Finance SAS,
- Representative of Euris, President of Matignon Diderot SAS, Matignon Rousseau SAS and Matignon Voltaire SAS,
- Representative of Matignon Voltaire SAS, President of Matignon Condorcet SAS,
- Representative of Groupe Euris, President of Artois-Loire SAS, Artois-Provence SAS and Artois Savoie SAS,
- Representative of RALLYE, President of Matignon Montparnasse SAS,
- Representative of Matignon Montparnasse, President of Montech SAS, Montech Expansion SAS, Montparnet SAS, Montparnet Expansion SAS, Parantech SAS and Parantech Expansion SAS.

Number of RALLYE shares held: 310.

The total compensation and benefits of all types paid by the company to Mr. Jean-Charles NAOURI in 2001 amounted to €40,276.90 and the amount paid by the companies included within the scope of consolidation stood at €60,979.61.

10) Mr. Gilbert TORELLI
Director since June 13, 2000.

Date of birth: August 21, 1936.

Other offices held in 2001 and continuing as at March 31, 2002:

- Chairman of the Board of Finamex,
- Director of Le Portefeuille Diversifié and Victoire.

Other offices held in 2001 and concluded in 2001:

- Director of Moulinex.

Number of RALLYE shares held: 250.

The director's fees paid by the company to Mr. Gilbert TORELLI in 2001 amounted to €20,961.00; no other compensation or benefit was provided by any of the companies included in the scope of consolidation.

11) DOFINANCE SAS
Director since June 2, 1998.

Other offices held in 2001 and continuing as at March 31, 2002:

- Director of Eurisma and Editeuris.

Number of RALLYE shares held: 251.

The director's fees paid to the company Dofinance SAS in 2001 amounted to €10,163.00; no other compensation or benefit was provided by any of the companies included in the scope of consolidation.

- Permanent representative:

Mr. Julien CHARLIER

Date of birth: November 10, 1927.

Other offices held in 2001 and continuing as at March 31, 2002:

- President of Société Générale d'Hôtellerie in Monaco,
- Director of Société des Bains de Mer in Monaco.

12) FINATIS SA
Director since June 2, 1998.

Other offices held in 2001 and continuing as at March 31, 2002:

- Member of the Board of Groupe Euris, Matignon Bail.

Number of RALLYE shares held: 101.

The director's fees paid to the company Finatis SA in 2001 amounted to €9,788.00; no other compensation or benefit was provided by any of the companies included in the scope of consolidation.

Permanent representative:
Mr. Jean-Marie GRISARD

Date of birth: May 1st, 1943.

Other offices held in 2001 and continuing as at March 31, 2002:

- President of Matignon Condorcet SAS, Matignon Diderot SAS, Matignon Rousseau SAS and Matignon Voltaire SAS,

- Director of Finatis, Foncière Euris, Groupe Euris, Carpinienne de Participations, Euris Limited, Euris North America Corporation – ENAC, Euris Real Estate Corporation – EREC, Euristates, Green Street Investments International Ltd. and Park Street Investments International Ltd.,
- Permanent representative of Groupe Euris to the Board of Directors of Euris,
- Permanent representative of Cobivia to the Board of Directors of Matimmob 1,
- Manager of Frégatinvest,
- Permanent representative of Euris to the Supervisory Board of Casino Guichard-Perrachon.

Other offices held in 2001 and concluded in 2001:

- Chairman of the Board of Matignon-Bail,
- Director of Compagnie d'Investissements Trans-Européens – CITE, Financière N and Matignon Sablons,
- Permanent representative of Euris to the Board of Directors of Eurisma.

13) FONCIÈRE EURIS SA
Director since October 25, 1993.

Other offices held in 2001 and continuing as at March 31, 2002:

- President of Centre Commercial de l'Ile-Saint-Denis SAS, Les Moulins SAS, Matignon Abbeville SAS, Matignon Corbeil Centre SAS, Marigny-Tours SAS, Marigny-Belfort SAS, Marigny-Elysées SAS, Marigny-Participations SAS, Marigny-Valbréon SAS, Marigny-Foncière SAS et Matignon Bail SAS,
- Director of Apsys International, Marignan Consultants and RALLYE,
- Manager of SCI Hôtel d'Arc 1800, SCI Ile-Saint-Denis Développement, SCI Mas de Las Serras, SCI Sofaret, SCI Touquet Plage and SCI Les Herbiers,
- Member of the Supervisory Board of Casino Guichard-Perrachon.

Other offices held in 2001 and concluded in 2001:

- President of Matignon Meylan SAS, Matignon Montparnasse SAS and Matignon Neuilly SAS,
- Director of Matignon Bail and Matignon Sablons.

Number of RALLYE shares held: 22,072,370.

The director's fees paid to Foncière Euris in 2001 amounted to €8,934.00; no other compensation or benefit was provided by any of the companies included in the scope of consolidation.

Permanent representative:
Mr. Patrick LAMOTTE

Date of birth: April 4, 1944.

Other offices held in 2001 and continuing as at March 31, 2002:

- Managing Director of Matimmob 1,
- Permanent representative of Finatis to the Board of Directors of Euris.

Other offices held in 2001 and concluded in 2001:

- Chairman of the Board of Euristech, Dofinance and Compagnie d'Investissements Trans-européens,
- Director of Financière N and Groupe Euris,
- Representative of Euristech, President of Marigny Artois, Parande, President of Matignon Moselle and Parande Concorde, Parande, President of Parande Kléber,
- Permanent representative of Euristech to the Board of Directors of Editeuris.

14) Mr. Didier CARLIER
Deputy Managing Director since January 1, 2002.

Date of birth: January 5, 1952.

Other offices held in 2001 and continuing as at March 31, 2002:

- Chairman of the Board of Miramont Finance et Distribution SA,
- President of Les Magasins Jean SAS, L'Habitation Moderne de Boulogne SAS, Parande SAS, Parcade SAS,
- Director of Compagnie Holding de Gestion C.H.G SA and The Athlete's Foot Group Inc.,

- Director of Club Sport Diffusion SA, Limpart Investments BV,
- Manager of SCI de Periaz and SCI de Kergorju,
- Representative of Parande, President of Matignon Meylan SAS, Matignon Moselle SAS, Matignon Neuilly SAS, Parande Concorde SAS, Parande Kléber SAS, Sybellia SAS, permanent representative of Miramont Finance et Distribution SA to the Board of Directors of AFME SA, RALLYE, to the Board of Directors of Matimmob 1, Omnium de Commerce et de Participations to the board of directors Groupe Go Sport.

Other offices held in 2001 and concluding in 2001:

- Representative of Parande, President of Parande Développement SAS,
- Permanent representative of RALLYE to the Board of Directors of Magasins Jean SA,
- Permanent representative of Miramont Finance et Distribution SA to the Board of Directors of Soparin SA, Sport House 2000, Hall des Sports SA and Disproma SA, Omnium de Commerce et de Participations SAS to the Board of Directors of Matimmob 1.

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Over the year ended December 31, 2001 RALLYE's Board of Directors met eight times.

The average number of Directors present at these meetings was eleven.

THE COMMITTEES OF THE BOARD OF DIRECTORS

The audit committee

The members of the Audit Committee are Mr. Jean-Charles NAOURI, Mr. François de MONTAUDOUIN, Mr. Gilbert TORELLI and Mr. Jean LÉVY. The Audit Committee examines draft yearly and half-yearly statutory and consolidated accounts and periodically examines internal control procedures, and, in a more general manner, auditing, accounting and management procedures in force within the parent company and the group.

In this capacity, the Audit Committee is the link between the Board of Directors and the statutory auditors.

Mr. André CRESTEY was appointed Chairman of the audit committee on February 14, 2002.

Number of meetings over 2001 fiscal year: 2.

The compensation committee

The members of the Compensation Committee are Mr. Jean-Charles NAOURI, Mr. Julien CHARLIER and Mr. Jacques GETTEN. The Compensation Committee examines and makes proposals relating to the terms and conditions of remuneration of the Chairman and managing executives. It obtains all information relating to the compensation and status of the executive managers of the group and its subsidiaries. It examines all projects to grant options to subscribe or purchase shares to group employees or executives. The Compensation Committee is consulted on the applications for and appointments to the positions of Directors, Officers and, if necessary, of the group's main executives.

Mr. Jean-Charles NAOURI is Chairman of the compensation committee.

Number of meeting over 2001 fiscal year: 1

Employee profit sharing

EMPLOYEE PROFIT-SHARING AGREEMENTS

As provided under current regulations, most RALLYE subsidiaries have employee profit-sharing contracts.

The RALLYE parent company does not, because of a smaller number of staff.

STOCK OPTIONS PLANS

After correcting for the impact of financial transactions involving company capital and reserves on stock options, the programs offering employees and officers of the Company options to purchase company shares have the following characteristics:

Date of the General Meeting	EGM on 06/23/94	EGM on 02/26/98	EGM on 02/26/98	EGM 02/26/98	EGM 06/13/00	EGM 06/06/01
Date of the Board of Directors' meeting	07/29/96	04/02/98	04/06/99	06/13/00	04/06/01	12/19/01
Number of options to buy initially issued	83,240	45,500	46,500	54,500	157,250	216,040
of which options issued to officers of the Company	45,180	21,000	13,000	11,000	21,400	21,800
Options exercised since the plans were set up:						
- exercised options to buy	7,240	–	–	–	–	–
- cancelled options to buy [1]	–	5,000	11,000	6,000	2,700	16,100
Number of shares remaining which, as at 03/31/2002, may be bought [2]	81,571	42,120	36,920	50,440	160,732	207,938
of which shares concerning officers of the Company	48,489	21,840	13,520	11,440	22,256	22,672
Beginning of exercise period	07/29/98	04/02/01	04/06/02	06/13/03	04/06/04	12/19/04
End of exercise period	07/29/03	02/10/03	10/06/04	12/13/05	10/06/06	06/19/06
Subscription price in € [2]	25.14	46.62	52.20	55.13	55.00	48.91

(1) Further to the departure of beneficiaries.

(2) After adjustments following transactions on capital and reserves.

Stock options granted to the first ten employees of the company, over the 2001 fiscal year and the options to buy which were exercised

Name of the company	Plan	Number of stock options	Equivalent number of shares	End of exercise period	Subscription price (in €)
RALLYE	04/06/01	56,200	58,448	10/06/06	55.00
RALLYE	12/19/01	87,920	91,437	06/19/06	48.91
Groupe Go Sport	04/02/01	1,000	1,000	10/02/06	81.64

No option has been exercised over the 2001 fiscal year, by the first ten employees.

Highest stock options exercised in 2001 by the first ten employees

Name of the company	Plan	Number of exercised options to buy	Number of shares traded	Subscription price (in €)
RALLYE	07/29/96	3,620	3,736	26.15

Information on RALLYE's activity

INVESTMENT POLICY

In 2001, investments made by RALLYE and its sub-holding subsidiaries mainly consisted in the purchase of €566 million in Casino shares with share purchase and subscription warrants attached (ABASA) and of €62 million in other Casino securities.

Over the last few years, the group's operating subsidiaries have invested the following amounts:

(€ millions)	
1999	2,261
2000	2,159
2001	1,180
2002 (projections)	876 [1]

(1) 2002 projections include only current investments.

Investments made by the operating companies are discussed in the "Business Review" section of the Management Report. For more information on the strategy developed by the group's operating subsidiaries, please refer to "Trend and Outlook" section on page 21.

INFORMATION ON RALLYE PROPERTY ASSETS

After the divestment of shopping malls in 1997, RALLYE no longer directly owns any major property assets.

The property subsidiaries reported revenues of €1.3 million in 2001, stable compared to 2000.

RALLYE, in partnership with Altaréa, held a 20% indirect interest in a property company, which operates on the shopping malls sector. The aim of this company is to manage and develop 10 operations, which represent 100,000 sq. m. of sales area in France. This investment represented a total of €10.6 million as at December 31, 2001.

In the United States, RALLYE, in partnership with well-known investors such as Carlyle and Landmark, held minority interests in property assets, through specialized funds. These investments represented a total of €116 million as at December 2001.

RELIANCE ON PATENTS, LICENSES AND CONTRACTS

The RALLYE Group is not dependent on specific patents, licenses, supply, industrial, retailing or financial contracts, suppliers or clients.

THE FRENCH LAW ON THE 35-HOUR WORK WEEK AND THE ADOPTION OF THE EUROPEAN CURRENCY

Group companies have adapted their organization to accompany the implementation of the law on the 35-hour work week.

Over the 2001 fiscal year, the RALLYE Group has adopted the European currency gradually and without difficulties.

Risk management

FINANCIAL MARKET RISKS

As part of its risk management, the RALLYE Group makes use of different financial instruments such as swap operations, purchasing of interest rate options and forward sales and purchases of foreign currency. The only purpose of all these operations, is to hedge company risks on the financial markets.

LITIGATION

To the knowledge of the Company, there is currently no litigation or arbitration likely to have a significant impact on the business, assets, finances or income of the company and of the group.

INDUSTRIAL AND ENVIRONMENTAL RISKS

As part of its retailing activity, the RALLYE Group, through the Casino group, operates several classified commercial sites – including 166 gas stations. These are subject to professional and active risk management in order to protect employees, assets and environment, while developing their activity.

As at March 31, 2002, the group was involved in only one proceeding, concerning a land pollution case in Marseille (France). An agreement was signed with no significant effect on the financial statements.

INSURANCE – COVERAGE OF POTENTIAL RISKS

The RALLYE Group has set up an insurance program in order to provide a sufficient coverage to its international and domestic activities.

Person in charge of the corporate communication

Didier CARLIER – Deputy Managing Director

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Design and production: Omnium – Pictures: LESAGE, NATHALIE DARBELLAY, STUDIO FALOUR, RALLYE, CASINO, GROUPE GO SPORT, ATHLETE'S FOOT, DR.