

RALLYE
(a French *société anonyme*)

€ 300,000,000
3.25% Exchangeable Bonds due July 1, 2013
€ 80 principal amount per Bond
exchangeable for Ordinary Shares of
Casino Guichard-Perrachon

Issue Price: € 80 per Bond, corresponding to 100% of the principal amount

The € 300,000,000 aggregate principal amount of 3.25% Exchangeable Bonds due July 1, 2013 (the "Bonds") of Rallye ("Rallye" or the "Issuer") will be deemed to be issued outside the Republic of France and will mature, unless previously redeemed, exchanged or purchased and cancelled, on July 1, 2013 at their Redemption Amount, as set forth in "Terms and Conditions of the Bonds — Redemption and Purchase" and " — Events of Default; Illegality; Change of Control of the Issuer".

The Bonds will bear interest at the rate of 3.25% per annum from, and including, April 30, 2003 to, but excluding, July 1, 2013. Interest will be payable annually in arrear on July 1 of each year, commencing on July 1, 2004 (first long coupon) (see "Terms and Conditions of the Bonds — Interest").

Payments in respect of the Bonds will be made subject to any applicable French taxes. On the basis of present French law, payments in respect of the Bonds may be made without deduction for, or on account of, French taxes (see "Terms and Conditions of the Bonds — Tax Status").

Each Bond (unless previously redeemed, exchanged or purchased and cancelled) will be exchangeable at the holder's option at any time, except as provided herein, on or after October 27, 2003 and up to and including the seventh business day preceding July 1, 2013 (the "Exchange Period") into fully-paid ordinary shares of Casino Guichard-Perrachon ("Casino" or the "Company") of € 1.53 par value each (the "Shares") at an exchange ratio, subject to adjustment on the occurrence of certain events, of one Share for one Bond. The Issuer may, at its discretion, elect to pay holders exercising their option the cash equivalent in Euro of the then market value of the relevant Shares, all as set forth in "Terms and Conditions of the Bonds — Exchange of the Bonds into Shares".

The Bonds are redeemable, in whole but not in part, at the option of the Issuer at the Accreted Principal Amount (as defined herein), plus accrued interest, at any time after July 1, 2006 if the daily volume weighed average price (VWAP) of a Share for 20 out of 30 consecutive trading days exceeds 125% of the then Accreted Principal Amount (as defined herein) divided by the then prevailing Exchange Ratio (as defined herein). The Issuer may also redeem the Bonds in certain other circumstances prior to maturity, all as set forth in "Terms and Conditions of the Bonds --- Redemption and Purchase".

Each Bondholder may, at its option, request the Issuer to redeem part or all of the Bonds held by it on July 1, 2008 and on July 1, 2011, at the then Accreted Principal Amount, plus accrued interest, all as set forth in "Terms and Conditions of the Bonds --- Redemption and Purchase --- Early Redemption at the Option of the Bondholders".

Upon redemption of the Bonds, either at maturity or, in case of early redemption at the option of a Bondholder, at the relevant early redemption date, the Issuer will be entitled to redeem each Bond by (i) the delivery of a number of Shares calculated on the basis of between 1 and 100% of the applicable Exchange Ratio and (ii) the payment of an amount of cash equal to the difference, if positive, between (a) the applicable Redemption Price (as defined herein) and (b) 98% of the VWAP Market Value (as defined herein) (see "Terms and Conditions --- Redemption and Purchase --- Share Redemption Option").

The Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* and without any preference among themselves and, subject to mandatory statutory exceptions, equally and rateably with all other present or future unsecured and unsubordinated indebtedness and monetary obligations of the Issuer (see "Terms and Conditions of the Bonds --- Status and Negative Pledge --- Status of the Bonds").

Application has been made for the listing of the Bonds on the Luxembourg Stock Exchange. The Shares are listed on Euronext Paris. On April 28, 2003, the closing price per Share on Euronext Paris was € 61.80.

An investment in the Bonds, being exchangeable for Shares, involves certain risks, as more fully explained in "Investment Considerations".

The Bonds will be issued in the denomination of € 80 each on April 30, 2003 and will at all times be represented in book-entry form (dématérialisé), in compliance with article L.211-4 of the French Code Monétaire et Financier. No physical documents of title will be issued in respect of the Bonds. The Bonds will, upon issue, be inscribed in the books of Euroclear France ("Euroclear France"), which shall credit the accounts of the Euroclear France Account Holders, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and the depositary bank for Clearstream Banking société anonyme ("Clearstream"). The Bonds have been accepted for clearance through Euroclear France, Euroclear and Clearstream.

Joint Lead Managers and Joint Bookrunners

BNP PARIBAS

Crédit Agricole Indosuez Lazard

Joint Lead Manager

Natexis Bleichroeder

Co-Lead Managers

CM CIC

HSBC CCF

Co-Managers

Goldman Sachs International

Société Générale

Crédit Lyonnais

ABN AMRO Rothschild

Subject as set forth below, the Issuer confirms that this document contains all information with respect to the Issuer and its consolidated subsidiaries (including Casino, to the best knowledge of the Issuer in its capacity as shareholder of the Company and after due inquiry with the Company and its management, it being noted that certain shareholders and members of the board of directors of the Issuer are members of the supervisory board (conseil de surveillance) of the Company) taken as a whole (the "Group" or the "Rallye Group") and the Bonds which is material in the context of the issue and offering of the Bonds; the statements contained in it relating to the Issuer, the Group and the Bonds are in every material respect true and accurate and not misleading; the opinions and intentions expressed in this document with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; there are no other facts in relation to the Issuer, the Group or the Bonds the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this document misleading in any material respect; and all reasonable inquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. The Issuer accepts responsibility accordingly.

Certain information (the "Casino Information") concerning Casino and its subsidiaries as a whole (the "Casino Group") and the Shares has been set forth in, or is incorporated by reference into, this Offering Circular under "Casino --- General", "--- Recent Developments", "--- Management", "--- Casino Summary Financial Information", "--- Historical Casino Share Price Data", "--- Casino Dividends and Earnings per Share", "--- Information Relating to Casino's Share Capital" and "Description of the Shares". Except for information concerning the Casino Group as part of the Rallye Group, the Casino Information contained in this Offering Circular has not been prepared in connection with the offering of the Bonds, and is, or has been derived from, publicly available information contained in the documents listed under "General Information --- Casino Information". The Issuer accepts responsibility for the accuracy of such extraction and summarization but accepts no further or other responsibility in respect of such information. The Issuer confirms that it has used its reasonable endeavors to ensure that such information comprises such publicly available information of which it is aware as is reasonably necessary to enable potential investors in the Bonds to evaluate Casino, the Casino Group and the Shares, it being noted, as set forth above, that certain shareholders and members of the board of directors of the Issuer are members of the supervisory board of the Company.

Neither the Issuer nor the Managers have made any investigation or inquiry in connection with the offer of the Bonds with respect to the information concerning the Casino Group (except as part of the Rallye Group) contained herein. The Managers do not make any representation that such publicly available documents or Casino Information are accurate or complete, and disclaim any liability with respect to the accuracy or completeness of any such information. Each purchaser of Bonds will be deemed to acknowledge and consent to such disclaimer. Casino has not participated

in the preparation of this Offering Circular or in establishing the terms of the Bonds. Consequently, there can be no assurance that all events occurring prior to the date hereof (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph or the Casino Information) that would affect the trading price of the Shares (and therefore the price of the Bonds) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning Casino, the Casino Group and the Shares could affect the trading price of the Shares deliverable upon exchange of Bonds and therefore the trading price of the Bonds.

In connection with the issue and offering of the Bonds, no person has been authorized to give any information or to make any representation other than those contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or the Managers. Neither the delivery of this Offering Circular, nor any sale made in connection with the issue of the Bonds shall, under any circumstances, create any implication that the information in this Offering Circular is correct or complete as of any time subsequent to its date.

The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law (see “Transfer Restrictions” and “Subscription and Sale”). Persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions.

This Offering Circular does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone to any person to whom it is unlawful to make such offer or solicitation. No action has been or will be taken by the Issuer, the Managers or any other person that would permit a public offering of the Bonds or the distribution of this Offering Circular or any other offering material relating to the Bonds, in any country or jurisdiction where regulatory action for that purpose is required. This Offering Circular shall only be used for the purpose of the issue and offering of the Bonds and shall not be used for any other purpose.

THE BONDS AND THE SHARES TO BE DELIVERED UPON EXCHANGE OF THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) AND THE BONDS AND THE SHARES TO BE DELIVERED UPON EXCHANGE OF THE BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)).

The Bonds are being offered and sold only outside the United States to non-U.S. persons in reliance on Regulation S. For a description of this and certain further restrictions on offers, sales and transfers of the Bonds and the Shares to be delivered

upon exchange of the Bonds, and the distribution of this Offering Circular, see “Transfer Restrictions” and “Subscription and Sale”.

The Bonds and the Shares to be delivered upon exchange of the Bonds have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Bonds or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offense in the United States.

THIS OFFERING CIRCULAR HAS NOT BEEN APPROVED BY, OR REGISTERED OR FILED WITH, THE FRENCH COMMISSION DES OPÉRATIONS DE BOURSE. THE BONDS MAY NOT BE OFFERED OR SOLD TO THE PUBLIC IN FRANCE AND NEITHER THIS OFFERING CIRCULAR, NOR ANY OTHER OFFERING MATERIAL OR INFORMATION CONTAINED THEREIN RELATING TO THE INTERESTS, MAY BE RELEASED, ISSUED OR DISTRIBUTED OR CAUSED TO BE RELEASED, ISSUED OR DISTRIBUTED TO THE PUBLIC IN FRANCE, OR USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE OF BONDS TO THE PUBLIC IN FRANCE. SUCH OFFERS, SALES AND DISTRIBUTIONS SHALL BE MADE IN FRANCE ONLY TO QUALIFIED INVESTORS (INVESTISSEURS QUALIFIES) OR A RESTRICTED CIRCLE (CERCLE RESTREINT) OF INVESTORS, ACTING FOR THEIR OWN ACCOUNT, AS DEFINED IN ARTICLE L.411-2 OF THE CODE MONÉTAIRE ET FINANCIER AND DÉCRET NO. 98-880 DATED OCTOBER 1, 1998. PERSONS INTO WHOSE POSSESSION THIS OFFERING CIRCULAR COMES MUST INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH RESTRICTIONS. THIS OFFERING CIRCULAR DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR OR IN CONNECTION WITH, AN OFFER TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR A SOLICITATION BY ANYONE NOT AUTHORIZED TO SO ACT.

IN CONNECTION WITH THIS ISSUE, THE MANAGERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AND/OR THE SHARES AT A LEVEL WHICH MIGHT NOT OTHERWISE PREVAIL. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. SUCH STABILIZING WILL BE CARRIED OUT IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS AND WILL BE UNDERTAKEN SOLELY FOR THE ACCOUNT OF THE MANAGERS AND NOT FOR OR ON BEHALF OF THE ISSUER.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise specified or the context requires, references herein to “€” and “Euro” are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community. References to “\$” and “dollars” are to the lawful currency of the United States of America.

In this Offering Circular, any discrepancies in any table between totals and the sums of the amounts listed in such table are due to rounding. References to “billions” are to thousands of millions.

Unless otherwise indicated, statements in this Offering Circular relating to market share, ranking and data are derived from management estimates based on independent industry publications, reports by market research firms or other published independent sources.

Rallye prepares annual consolidated financial statements and semi-annual unaudited consolidated financial statements in accordance with French generally accepted accounting principles (“French GAAP”). The financial information for the Rallye Group included in this Offering Circular has been derived from the audited consolidated financial statements of the Rallye Group as at and for the years ended December 31, 2000, 2001 and 2002.

Casino prepares annual consolidated financial statements and semi-annual unaudited consolidated financial statements in accordance with French GAAP. The financial information for the Casino Group included in this Offering Circular has been derived from the audited consolidated financial statements of the Casino Group as at and for the years ended December 31, 2000, 2001 and 2002.

TABLE OF CONTENTS

	<u>PAGE</u>
OFFERING CIRCULAR SUMMARY	7
INVESTMENT CONSIDERATIONS	14
USE OF PROCEEDS	46
RALLYE.....	47
General.....	47
Recent Developments	48
Management.....	49
Capitalization	49
Summary Consolidated Financial Information.....	51
CASINO.....	56
General.....	56
Recent Developments	56
Management.....	58
Casino Summary Financial Information.....	60
Historical Casino Share Price Data.....	62
Casino Dividends and Earnings per Share.....	64
Information Relating to Casino’s Share Capital	64
Description of the Shares	66
CLEARANCE AND SETTLEMENT OF THE BONDS.....	69
TRANSFER RESTRICTIONS	72
SUBSCRIPTION AND SALE	73
GENERAL INFORMATION.....	76

OFFERING CIRCULAR SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the detailed information and financial statements included elsewhere in this Offering Circular or incorporated herein by reference. Capitalized terms used and not defined herein are defined in “Terms and Conditions of the Bonds”.

THE ISSUER

Rallye is a *société anonyme* incorporated under the laws of France and registered with the company register of Paris under reference number 054 500 574 and having its registered office at 83, rue du Faubourg St Honoré, 75008 Paris, France.

Rallye is the holding company of a group of companies (the “**Rallye Group**”) present in several segments of the retail industry in France and in other countries, through its majority interests in the following three operating subsidiaries:

- Casino, one of the leading food retailers, both in France and on the international scene;
- Groupe Go Sport, a multi-format sporting goods retailer operating under the Go Sport, Courir and Moviesport brand names;
- Athlete’s Foot Inc., a sports footwear specialist present throughout the world via a network of branches and franchises.

Founded in 1925, the Rallye Group has developed through both acquisition-led and organic growth to become one of France’s major supermarket and hypermarket groups and a specialist sporting goods retailer. In 1991, Euris, an investment group led by Jean-Charles Naouri, acquired Rallye. In 1992, Rallye sold its food retailing business to Casino in exchange for a 29.5% shareholding in Casino. In February 1998, this shareholding was increased to 53.8% following a tender offer launched on September 12, 1997, giving it 60.8% of the voting rights. In June 2000, Rallye’s holding in Casino was diluted to 50.7% of the share capital and 59.1% of the voting rights by the acquisition of a stake in Monoprix from Galeries Lafayette.

As of March 7, 2003 the Rallye Group held directly and indirectly 54,057,184 shares of Casino (divided into 47,922,731 ordinary shares and 6,134,453 preferred shares), or approximately 49.74% of Casino’s share capital and 64.48% of the voting rights.

The Rallye Group achieved consolidated net sales of € 23.7 billion and net income, group’s share, of € 63 million for the year ended December 31, 2002.

THE COMPANY

Casino Guichard-Perrachon is a *société anonyme* established under the laws of France, registered with the company register of Saint-Etienne under reference number 554 501 171. Its registered office is at 24, rue de la Montat, 42000 Saint-Etienne, France.

Casino is a multi-format retailer with a strong market position in the French retail sector and significant operations internationally, including stores in fifteen different countries (France, Poland, The Netherlands, the USA, Mexico, Brazil, Argentina, Uruguay, Colombia, Venezuela, Thailand, Taiwan, Vietnam, Madagascar and Mayotte).

The first Casino supermarket opened in 1960 in Grenoble and the first Géant Casino hypermarket in 1970 in Marseille. Casino acquired Cédis in 1985, La Ruche Méridionale in 1990, the retailing and restaurant businesses of Rallye in 1992, Mariault and the Franprix-Leader Price Group companies in 1997, and a 21.6% shareholding in the Monoprix-Prisunic Group in 1997 increased to 49.35% in 2000. Casino is one of the leading integrated retailers in France.

Casino is listed on Euronext Paris and is a constituent part of the CAC 40 with a market capitalization of € 7.4 billion as of December 31, 2002.

The Casino group consolidated net sales amounted to € 22.857 billion, representing 96.5% of the Rallye Group's consolidated net sales, and net income, group's share, reached € 445.2 million for the year ended December 31, 2002.

THE OFFERING

The Bonds	€ 300,000,000 3.25% Exchangeable Bonds due July 1, 2013, corresponding to 3,750,000 Bonds. The Bonds are exchangeable for issued and outstanding fully-paid ordinary shares of Casino of a par value of € 1.53 each.
Issue Price	€ 80 per Bond, corresponding to 100% of the principal amount of the Bonds.
Issue Date	April 30, 2003.
Use of Proceeds	The net proceeds from the issue of the Bonds will be used for general corporate purposes.

Form and Denomination

The Bonds are issued in dematerialised bearer form (*au porteur*) in the denomination of € 80 per Bond. No physical document of title will be issued in respect of the Bonds. In accordance with article L.211-4 of the French *Code Monétaire et Financier*, title to the Bonds will at all times be evidenced by book entries in the books of the Euroclear France Account Holders (as defined in “Terms and Conditions of the Bonds --- Form, Denomination and Title”) including Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”), and the depositary bank for Clearstream Banking *société anonyme* (“**Clearstream**”). Transfers of Bonds may only be effected through registration of the transfer in the books of the Euroclear France Account Holders.

Status of the Bonds

The obligations of the Issuer in respect of the Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer, all as more fully provided in “Terms and Conditions of the Bonds --- Status and Negative Pledge”.

Interest

The Bonds will bear interest at the rate of 3.25% per annum from, and including, April 30, 2003. Interest will be payable annually in arrear on July 1 of each year, commencing on July 1, 2004 (first long coupon), all as more fully provided in “Terms and Conditions of the Bonds --- Interest”. Exchanged Bonds will cease to bear interest (i) in the case of a Bond in respect of which the Exchange Right (as defined herein) has been exercised, from the interest payment date immediately preceding the date on which the Exchange Right in respect of such Bonds is exercised, or (ii) in the case of a Bond which is being redeemed, from the date on which it is to be redeemed, all as more fully provided in “Terms and Conditions of the Bonds --- Interest”.

Exchange Rights

Each Bond (unless previously redeemed, exchanged or purchased and cancelled) will be exchangeable at the holder’s option at any time, except as provided herein, on or after October 27, 2003 and up to and including the seventh Business Day preceding July 1, 2013, for issued and outstanding fully-paid ordinary shares of Casino (the “**Shares**”) at an Exchange Ratio, subject to adjustment on the occurrence of certain events, of one Share per Bond, all as more fully provided in “Terms and Conditions of the Bonds --- Exchange of the Bonds into Shares” and “--- Exchange Property”. The Issuer may, at its option, deliver to a holder exercising its Exchange Rights the cash equivalent in Euro of the then market value of the relevant

	<p>Shares, all as more fully provided in “Terms and Conditions of the Bonds --- Exchange of the Bonds into Shares --- Exchange Rights”.</p> <p><i>Failure by a Bondholder to exercise its Exchange Right on a timely basis in accordance with the Terms and Conditions of the Bonds prior to the final maturity or early redemption of the Bonds will result in the Bonds being redeemed in cash (subject to the Share Redemption Option, as more fully provided in “Terms and Conditions of the Bonds --- Redemption and Purchase --- Share Redemption Option”) at their Redemption Amount or, in case of early redemption, at the Accreted Principal Amount, plus accrued interest.</i></p>
Redemption of the Bonds	<p>Unless previously redeemed, exchanged or purchased and cancelled, the Bonds will be redeemed in cash (subject to the Share Redemption Option, as more fully provided in “Terms and Conditions of the Bonds --- Redemption and Purchase --- Share Redemption Option”) on July 1, 2013 at their Redemption Amount, all as more fully provided in “Terms and Conditions of the Bonds -- - Redemption and Purchase”.</p>
Redemption Amount	<p>€ 95.256 per bond.</p>
Early Redemption at the Option of the Issuer	<p>The Issuer may, at its option, redeem all, but not some only, of the outstanding Bonds at their Accreted Principal Amount, plus accrued interest, as follows, all as more fully provided in “Terms and Conditions of the Bonds --- Redemption and Purchase”:</p> <ul style="list-style-type: none"> (i) at any time after July 1, 2006 if the daily volume weighed average price (VWAP) of a Share for 20 out of 30 consecutive Trading Days exceeds 125% of the then Accreted Principal Amount (as defined herein) divided by the then prevailing Exchange Ratio (as defined herein); or (ii) at any time if the outstanding principal amount of Bonds at such time is less than 10% of the aggregate principal amount of Bonds originally issued.
Early Redemption at the Option of the Bondholders	<p>Each Bondholder may, at its option, request the Issuer to redeem part or all of the Bonds held by it on July 1, 2008 and on July 1, 2011, at their Accreted Principal Value, plus accrued interest, all as more fully provided in “Terms and Conditions of the Bonds --- Redemption and Purchase --- Early Redemption at the Option of the Bondholders”.</p>

Share Redemption Option	Upon redemption of the Bonds, either at maturity or, in case of early redemption at the option of a Bondholder, at the relevant early redemption date, the Issuer will be entitled to redeem each Bond by (i) the delivery of a number of Shares calculated on the basis of between 1 and 100% of the applicable Exchange Ratio (as defined herein) and (ii) the payment of an amount of cash equal to the difference, if positive, between (a) the applicable Redemption Price (as defined herein) and (b) 98% of the VWAP Market Value (as defined herein) (see “Terms and Conditions --- Redemption and Purchase --- Share Redemption Option”).
Negative Pledge	See “Terms and Conditions of the Bonds --- Status and Negative Pledge”.
Events of Default	The Bonds will contain provisions entitling the Representatives of the Masse, pursuant to a majority decision of the general Bondholders’ meeting, to cause the Bonds to become, upon the occurrence of certain events, immediately due and payable (i) on or prior to the second anniversary of the Issue Date, at a price equal to the higher of the Accreted Principal Amount plus accrued interest and the then applicable Cash Value of the Shares and (ii) after the second anniversary of the Issue Date, at the Redemption Amount, all as more fully provided in “Terms and Conditions of the Bonds -- - Events of Default; Illegality; Change of Control of Issuer”.
Illegality	The Bonds will contain provisions entitling the Representatives of the <i>Masse</i> to cause the Bonds to become immediately due and payable as described above, or permitting the Issuer to redeem the Bonds at the Redemption Amount plus accrued interest, if it is or will become illegal for the Issuer to perform or comply with any material obligation under the Bonds, all as more fully provided in “Terms and Conditions of the Bonds --- Events of Default; Illegality; Change of Control of Issuer”.
Change of Control of Issuer	The Bonds will contain provisions entitling Bondholders, in the case of a change of control of the Issuer, to either sell their Bonds to the Issuer or exercise their Exchange Rights, all as more fully provided in “Terms and Conditions of the Bonds --- Events of Default; Illegality; Change of Control of Issuer”.
Cross Default	See “Terms and Conditions of the Bonds --- Events of Default; Illegality; Change of Control of Issuer”.

Taxation on Interest Payments

The Bonds being denominated in Euro and deemed to be issued outside France for the purpose of Article 131 *quater* of the *Code Général des Impôts* (French General Tax Code), interest and other revenues in respect of the Bonds benefit at present from the exemption from deduction of tax at source provided by Article 131 *quater* of the *Code Général des Impôts*. As a result, such payments do not give the right to any tax credit from any French source. Payments in respect of the Bonds will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by, or on behalf of, the Republic of France or any authority therein or thereof having power to tax (“**Taxes**”), unless the withholding or deduction of such Taxes is required by law. The Issuer shall not be required to pay additional amounts to the Bondholders if, at any time, withholding or deduction for, or on account of, any Taxes shall be required to be made in respect of any amounts paid in respect of the Bonds.

In the event of any such withholding or deduction being required by law, the Issuer is not required to pay Bondholders any additional amounts which may be necessary in order to compensate Bondholders for any such withholding or deduction.

Exchange Property

The Issuer is not required under the Terms and Conditions of the Bonds to set aside any Shares to secure its obligation to deliver Shares on exercise of Exchange Rights, or to deposit any Shares with a custodian or escrow agent for so long as any Bond is outstanding. The obligations of the Issuer under the Bonds to deliver Shares (or pay their Cash Value) on exercise of Exchange Rights are unsecured.

The Shares into which Bonds are exchangeable are ordinary shares of Casino. Casino also has outstanding non-voting preferred shares (actions à dividende prioritaire). Bonds will not be exchangeable for such preferred share, and Shares received in exchange for Bonds will not receive preferred dividends.

Transfer Restrictions

See “Transfer Restrictions”.

Governing Law

The Bonds and the Agency Agreement to be entered into in respect of the Bonds will be governed by the laws of France.

Listing

Application has been made to list the Bonds on the Luxembourg Stock Exchange. The Casino shares are listed and traded on Euronext Paris.

Clearance The Bonds have been accepted for clearance through Euroclear France, Euroclear and Clearstream.

Clearing Codes Euroclear France Code 47398
ISIN Number FR0000473985
Common Code 016681822

**Fiscal Agent,
Principal Paying
Agent, Principal
Exchange Agent and
Calculation Agent** Crédit Commercial de France

**Luxembourg Paying
Agent, Luxembourg
Exchange Agent and
Listing Agent** BNP Paribas Securities Services,
Luxembourg Branch

INVESTMENT CONSIDERATIONS

Terms used but not defined herein shall be as set out in the Terms and Conditions of the Bonds.

Risks attached to the exercise of Exchange Rights

Investors should be aware that the Bonds, being exchangeable for Shares, bear certain risks. Depending on the performance of the Shares, the value of the Shares may be substantially lower than when the Bonds were initially purchased. In addition, the value of the Shares to be delivered (or their Cash Value) may vary substantially between the date on which exchange rights are exercised and the date on which such Shares (or their Cash Value) are delivered. Should they have any doubt as to the risks implied, investors should consult a professional adviser.

Bondholders have no shareholder rights before exchange

An investor in a Bond will not be a holder of the Shares. No Bondholder will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any Shares until such time, if any, as he or she exchanges his or her Bonds for Shares and becomes the holder thereof.

Bondholders have limited anti-dilution protection

The Exchange Ratio will be adjusted in certain events but only in the situations and only to the extent provided in the Conditions of the Bonds. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the value of the Shares and, therefore, adversely affect the value of the Bonds.

Bondholders have no security interest in the Shares

The Bondholders have no security interest, either to secure the payment obligations arising under the Bonds or to secure the performance of the Exchange Rights thereunder. Accordingly, in the event of any insolvency of the Issuer, the holders of the Bonds will rank on a *pari passu* basis with all other unsecured creditors of the Issuer and will have no direct rights over the Shares.

No obligation on the part of Casino with respect to the Bonds

Casino is not involved in the offering of the Bonds and has no obligation with respect to the Bonds or amounts to be paid to the holders of the Bonds, including any obligation to take into consideration for any reason the needs of the Issuer or the holders of the Bonds. Accordingly, a holder of the Bonds can look only to the Issuer for repayment of the Bonds and exercise of Exchange Rights and will have no recourse against Casino.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to, among other factors, interest rates, inflation, variations in the Issuer's performance or in the performance of Casino. Developments in, and changes in securities analyst's recommendations regarding the automobile industry may also influence and bring volatility in the market price of the Shares.

A liquid market for the Bonds may not develop

There is no established trading market for the Bonds. The liquidity of any market which develops will depend upon the number of holders of the Bonds, the market for similar securities, the interest of securities dealers in making a market in the Shares and other factors. Although application has been made to list the Bonds on the Luxembourg Stock Exchange, a liquid trading market may not develop for the Bonds.

Information on Casino

Included or incorporated by reference in this Offering Circular is certain publicly available information relating to Casino. The Issuer was not involved in the preparation of such information and has not verified the accuracy or completeness of such information. Casino has not participated in the preparation of this Offering Circular. The results of operations of Casino could affect the value of the Shares. Trading prices of Casino's Shares will be influenced by Casino's operational results and by other factors that can affect the industries in which Casino operates and capital markets generally.

Corporate events such as share sales, reorganizations or offers may adversely affect the value of Casino's Shares.

Further issues or sales of Shares

There can be no certainty as to the effect, if any, that future issues or sales of Shares, or the availability of such Shares for future issue or sale, would have on the market price of the Shares prevailing from time to time and therefore on the price of the Bonds. Sales of substantial numbers of Shares in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Shares and the Bonds.

TERMS AND CONDITIONS OF THE BONDS

The terms and conditions of the Bonds will be as follows:

The issue outside the Republic of France of € 300,000,000 (corresponding to 3,750,000 Bonds) of 3.25% Exchangeable Bonds due July 1, 2013 of € 80 principal amount per Bond (the “**Bonds**”) of Rallye, a French *société anonyme* (the “**Issuer**”), exchangeable for ordinary shares of Casino Guichard-Perrachon, a French *société anonyme* (the “**Company**”), was authorized by the *Président* of the *Conseil d’Administration* of the Issuer on April 7, 2003, pursuant to a resolution of the *Conseil d’Administration* adopted on April 3, 2003 and a resolution of the *Assemblée Générale Ordinaire* of the shareholders of the Issuer adopted on June 6, 2001.

The Issuer will enter into an agency agreement (as amended from time to time, the “**Agency Agreement**”) dated on or about April 30, 2003 with Crédit Commercial de France as fiscal agent, principal paying agent, principal exchange agent and calculation agent, and with BNP Paribas Securities Services, Luxembourg Branch as paying agent and exchange agent. The fiscal agent, principal paying agent, principal exchange agent and calculation agent, paying agent and exchange agent for the time being are referred to in these Conditions as the “**Fiscal Agent**”, the “**Principal Paying Agent**”, the “**Principal Exchange Agent**”, the “**Calculation Agent**”, the “**Paying Agents**” (which expression shall include the Principal Paying Agent) and the “**Exchange Agents**” (which expression shall include the Principal Exchange Agent), respectively. Each of such expressions shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the “**Agents**”. Certain statements in these terms and conditions are summaries of, and are subject to, the detailed provisions of the Agency Agreement, copies of which are available without charge at the specified offices of the Paying Agents. Holders of the Bonds (the “**Bondholders**”) are deemed to have notice of the provisions of the Agency Agreement and are bound by, and entitled to the benefit of, those provisions which relate to their rights under the Bonds. References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs contained in the terms and conditions set forth herein.

1. Form, Denomination and Title

The Bonds will be issued in dematerialized (*dématérialisé*) bearer form (*au porteur*) in the denomination of € 80 per Bond. Notwithstanding the issuance of the Bonds outside the French Republic, title to the Bonds will be established and evidenced in accordance with article L.211-4 of the French *Code Monétaire et Financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article 7 of decree no. 83-359 of May 2, 1983) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France (“**Euroclear France**”), which shall credit the accounts of the Euroclear France Account Holders. For the purpose of these Conditions, “**Account Holder**” shall mean

any authorized financial intermediary institution entitled to hold accounts on behalf of its customers with Euroclear France, and includes the depository banks for Clearstream Banking *société anonyme* (“**Clearstream**”) and Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”).

Title to the Bonds shall be evidenced by entries in the books of the Euroclear France Account Holders, and transfer of Bonds may only be effected through registration of the transfer in the books of Account Holders.

2. Status and Negative Pledge

(a) Status of the Bonds

The obligations of the Issuer in respect of the Bonds constitute direct, unconditional, (subject as provided below) unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

(b) Negative Pledge

So long as any of the Bonds remains outstanding, the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien (other than a lien arising by operation of law) or other form of encumbrance or security interest (“**Security**”), except for any Security securing an amount up to € 160 million in respect of the Issuer’s assets other than the Shares or other equity securities of Casino (it being understood that an escrow arrangement (*séquestre*) is not a Security for the purposes hereof), upon the whole or any part of its undertaking, assets or revenues, present or future (including any uncalled capital), to secure any Capital Market Indebtedness, or any guarantee of or indemnity in respect of any Capital Market Indebtedness (as defined below) unless, at the same time or prior thereto, its obligations under the Bonds (A) are secured equally and rateably therewith or (B) have the benefit of such other security or other arrangement as shall be approved by the *Masse* (as defined in Condition 11) pursuant to Condition 11.

For the purposes of this Condition, “**Capital Market Indebtedness**” means any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*) or other securities (including *titres de créances négociables*) which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.

3. Interest

The Bonds will bear interest from, and including, April 30, 2003 (the “**Issue Date**”) at the rate of 3.25% per year (calculated on the principal amount of the Bonds) payable annually in arrear on July 1 of each year, (each, an “**Interest Payment Date**”), except

that the first Interest Payment Date will be July 1, 2004. The first long coupon will be € 3.045 per Bond.

If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (i) the number of days elapsed falling in a leap year divided by 366 and (ii) the number of days elapsed falling in a non-leap year divided by 365) and rounding the resultant figure to the nearest € 0.01 (€ 0.005 being rounded upwards).

If interest is required to be calculated for a period of more than one year, it will be calculated as the sum of (i) the interest due in respect of the full year immediately preceding the Interest Payment Date and (ii) the interest due in respect of the partial period of less than one year, in accordance with the preceding paragraph.

Each Bond will cease to bear interest (i) in the case of a Bond in respect of which the Exchange Right (as defined in Condition 4(a) below) has been exercised, from the Interest Payment Date immediately preceding the relevant Notification Date (as defined in Condition 4(b)) or, in the case of Exchange Rights exercised prior to the first Interest Payment Date, from the Issue Date, subject to due exchange of the relevant Bond in accordance with these Conditions, or (ii) in the case of a Bond which is being redeemed pursuant to Condition 6 or 9(a), 9(b), or 9(c)(i), from the date on which it is to be redeemed, unless payment of the full amount due in respect of the Bond is improperly withheld or refused on such due date. In such latter event, such Bond shall continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (b) the day after the Fiscal Agent has notified Bondholders in accordance with Condition 12 of receipt of all sums due in respect of all Bonds up to that day (except if and to the extent that the subsequent payment to the relevant Bondholders is not made in accordance with these Conditions).

Notwithstanding the provisions of the preceding paragraph, in the event that Exchange Rights are exercised following a notice of redemption provided to Bondholders in accordance with Condition 12, in respect of which (1) the redemption date is after the Interest Payment Date immediately following the date of such redemption notice, and (2) the last day on which the Bondholders may exercise their Exchange Rights pursuant to Condition 4(a)(i) is before such Interest Payment Date, interest that would be payable on such Interest Payment Date in the absence of clause (i) of such preceding paragraph shall accrue and be payable despite the exercise of the Exchange Right.

Interest payments will be made subject to, and in accordance with, the provisions of Condition 7 below.

4. Exchange of the Bonds into Shares

(a) Exchange Rights

(i) At any time on or after October 27, 2003 and up to 5:00 pm (Paris time) on the seventh Business Day (as defined below) prior to the Maturity Date (as defined in Condition 6(a)), or, in the event of redemption prior to maturity pursuant to Conditions 6(b)(i) or 6(b)(ii) below, up to 5:00 pm (Paris time) on the twelfth Trading Day prior to the date fixed for redemption, or, in the event of a change of control of the Issuer as defined in Condition 9(c), at any time after the Issue Date (the “**Exchange Period**”), a Bondholder shall have the right (the “**Exchange Right**”), subject to any applicable fiscal or other laws and regulations in the place of exchange and in the manner described in Condition 4(b) below, and subject also to the Issuer’s right to deliver cash in lieu of Shares as provided in Condition 4(a)(ii) below, to request that all or any of its Bonds (which have not previously been redeemed or repurchased and cancelled) be redeemed through their exchange for Shares (as defined below) (in bearer form (*au porteur*)) at an exchange ratio (the “**Exchange Ratio**”) of one Share per Bond, as adjusted from time to time, if applicable, in accordance with Condition 5(a) (if expressed as a fraction, the numerator of which to be the number of Shares and the denominator of which to be the number of Bonds, such fraction will be rounded to four decimal places (0.00005 being rounded upwards)). Exchange Rights shall not, subject as provided below, be exercisable during any period (i) from, and including, the sixth Trading Day immediately preceding the date scheduled for any general meeting of the shareholders of the Company to, and including, such date, and (ii) from, and including, the sixth Trading Day immediately preceding the date on which the Shares commence trading on an ex-dividend basis (*date de détachement du coupon*) in relation to any dividend or other distribution relating to the Shares to, and including, such date; provided that the suspension shall not extend beyond the date which is 21 calendar days prior to the end of the Exchange Period; and provided further that the suspension shall not apply during any early redemption notice period pursuant to these Conditions or, if already applying at the start of any such notice period, such suspension shall cease to apply forthwith.

Upon exercise of Exchange Rights, the Issuer shall, except as otherwise provided in these Conditions, redeem any Bond delivered for exchange on the relevant Settlement Date (as defined in Condition 4(d)) by procuring through the Principal Exchange Agent the delivery to, or to the order of, each relevant Bondholder on such Settlement Date of the applicable number of Shares and the Cash Value (as defined below) of any fractional Share, if any. The Calculation Agent shall determine the number of Shares to be delivered (or their Cash Value or the Cash Value of any fractional Share, if any, to be paid) in respect of the exercise of an Exchange Right by reference to the aggregate number of Bonds in respect of which an Exchange Right has been exercised by a Bondholder on a particular date.

Fractional Shares will not be delivered upon the exchange of Bonds. However, each Bondholder exchanging a number of Bonds that would otherwise be entitled to a

fraction of a Share will receive from the Issuer the Cash Value (as defined below) of such fractional Share.

(ii) Notwithstanding the provisions of Condition 4(a)(i), the Issuer shall have the right to elect from time to time (a “**Cash Payment Election**”), by notice to the Bondholders to be made at the Issuer’s request by the Principal Exchange Agent through Euroclear France, Euroclear and Clearstream (a “**Cash Payment Notice**”) that the Exchange Right in respect of any Bonds delivered for exchange shall be satisfied by (x) the delivery to the relevant Bondholder on the Settlement Date (as defined in Condition 4(d)) of an amount in cash in Euro equal to the Cash Value (as defined below) of such Bonds and (y) the delivery to such Bondholder by the time required under Condition 4(e) of all amounts payable pursuant to Condition 4(e). Any such Cash Payment Notice shall take effect on the second Business Day following its notification to Euroclear France, Euroclear and Clearstream, and shall remain in effect until the second Trading Day following notification revoking such election to Euroclear France, Euroclear and Clearstream.

(iii) Notwithstanding the provisions of Condition 4(a), Exchange Rights shall not be exercisable during the Suspension Period referred to in Condition 5(b) in the event of an Offer.

(iv) Notwithstanding the provisions of Condition 4(a), in the event of a capital increase of the Company or issue of securities giving direct or indirect access to the capital of the Company, merger, split or other financial operation that includes a preferential subscription rights or reserves a priority subscription period for the benefit of shareholders of the Company, the Issuer will have the right to suspend the exercise of Exchange Rights for a period of up to three months. In such a case, notice will be provided in accordance with Condition 12 at least 15 days before the effective date of the suspension to inform Bondholders of the date on which exercise of Exchange Rights will be suspended and the date on which it will resume.

As used in these Conditions:

“**Business Day**” means any day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for general business in Paris (or, if different, the city where the specified office of the Principal Exchange Agent is located) and on which Euroclear France and, in the case of Bonds held through Euroclear or Clearstream, also Euroclear or Clearstream, as the case may be, are open for business.

“**Cash Value**” means an amount determined by the Calculation Agent in Euro equal to the product of the number of Shares (and/or the fraction of a Share, as the case may be) to which the relevant Bondholder would otherwise be entitled and the arithmetic mean of the daily volume weighted average price (VWAP) of a Share during the five Trading Days immediately following the Notification Date (as defined below).

“**Euronext Paris**” means Euronext Paris S.A.

For the purposes of these Conditions, references to Euronext Paris shall, if the Shares are not listed on Euronext Paris at the relevant time, be construed as references to such other European Union stock exchange on which the Shares are so listed at such time, as selected by the Calculation Agent.

“**Shares**” means existing issued and fully-paid ordinary shares of the Company, of a par value of € 1.53 per Share as of the date hereof, or, except where the context otherwise requires, the Substitute Shares, as defined in Condition 5(a)(6), or the Replacement Shares, as defined in Condition 5(b).

“**Trading Day**” means a day on which Euronext Paris is open for trading other than a day on which general trading ceases prior to its regular weekday closing time.

(b) Exchange Notices

Each Bondholder may exercise Exchange Rights by causing (i) one or more notices of exchange (each an “**Exchange Notice**”) in, or substantially in, the then current form obtainable from the specified office of an Exchange Agent (the initial form of which is set forth in the Agency Agreement), duly completed and signed by it or on its behalf, to be presented (x) in the case of the Bonds held through an Account Holder, to the relevant Account Holder, or (y) in the case of Bonds held through Euroclear or Clearstream, to Euroclear or Clearstream, as the case may be, in each case with a copy to the Principal Exchange Agent; and (ii) the number of Bonds being exchanged to be surrendered by transfer to the account of the Principal Exchange Agent, in each case during the Exchange Period. Copies of the form of Exchange Notice may be obtained from the specified office of any Exchange Agent.

The Business Day immediately following the date on which the foregoing requirements have been satisfied is the “**Notification Date**”. Not later than 5:00 pm (Paris time) on each Notification Date, the Principal Exchange Agent shall notify the Issuer and the Calculation Agent of any Exchange Notices received by it, provided, however that the Principal Exchange Agent shall provide the Issuer only with the information listed in item (ii) of the Exchange Notice as set forth below and shall not, unless required by law, provide the Issuer with any information regarding the identity of the Bondholder exercising its Exchange Rights or with any other information which should, in the reasonable opinion of the Principal Exchange Agent, remain confidential.

Each Exchange Notice must:

- (i) specify the name and address of the Bondholder;
- (ii) specify the number and aggregate principal amount of Bonds being exchanged;
- (iii) specify the number of the Bondholder’s account at Euroclear, Clearstream or the relevant Account Holder, as the case may be, to be debited with such Bonds;

(iv) irrevocably instruct and authorize Euroclear, Clearstream, or the relevant Account Holder, as the case may be, to debit the Bondholder's account immediately with the aggregate principal amount of Bonds being exchanged;

(v) contain a representation and warranty from the relevant Bondholder to the effect that the Bonds to which the Exchange Notice relates are free from all liens, charges, encumbrances and other third party rights;

(vi) contain representations and warranties from the relevant Bondholder to the effect, *inter alia*, that, at the time of signing and delivery of the Exchange Notice, it is not a U.S. person nor acting on behalf of a U.S. person and is located outside the United States within the meaning of Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and is acquiring the Shares to be delivered upon exchange of the Bonds in an offshore transaction (as defined in Regulation S) in accordance with Rule 903 or 904 of Regulation S, and understands that, upon exchange of the Bonds, the resulting Shares may not be delivered or resold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(vii) specify the number and security account at Euroclear, Clearstream or the relevant Account Holder, as the case may be, to be credited with the Shares;

(viii) specify the number and account name of the Euro account of the relevant Bondholder to which any amount payable in cash (x) to such Bondholder is to be credited with respect to the Cash Value of a fraction of a Share, if applicable, and (y) by such Bondholder is to be debited pursuant to Condition 4(c) with respect to Exchange Expenses (as defined in Condition 4(c)) (if any) payable by such Bondholder;

(ix) irrevocably instruct and authorize Euroclear, Clearstream or the relevant Account Holder, as the case may be, to debit on the relevant Settlement Date (as defined in Condition 4(d) below) the Bondholder's account with the amount (if any) of the Exchange Expenses (as defined in Condition 4(c) below) and to pay such expenses on the Bondholder's behalf; and

(x) authorize the production of the Exchange Notice in any applicable administrative or legal proceedings, all as more fully provided in the Agency Agreement.

No Shares will be delivered to a Bondholder if such holder does not satisfy the conditions in paragraph (vi) above.

An Exchange Notice once given shall be irrevocable and may not be withdrawn without the consent in writing of the Issuer. A Bondholder may not transfer any Bond which is the subject of an Exchange Notice given in accordance with this Condition 4(b). An Exchange Notice shall only be valid to the extent that the relevant Account Holder, Euroclear, Clearstream or any Exchange Agent has not received conflicting

prior instructions in respect of the Bond(s) which is/are the subject of the Exchange Notice.

Failure to deliver a duly completed Exchange Notice in accordance with these Conditions may result in such notice being treated as null and void. Any determination as to whether any such notice has been duly completed and properly delivered as provided above shall be made by the Principal Exchange Agent and shall, save in the case of a manifest error, be conclusive and binding on the Issuer and the relevant Bondholder.

(c) *Stamp and other Duties and Payments*

Upon exercise of Exchange Rights, the relevant Bondholder will be obliged to make payment of all stamp, transfer, registration and similar taxes and duties and stock exchange transaction costs (if any) (together with any value added or other tax thereon) arising on exercise of such Exchange Rights and/or the transfer or delivery of Shares or cash to, or to the order of, the relevant Bondholder by the Issuer (“**Exchange Expenses**”).

(d) *Delivery of Shares or Cash*

The Calculation Agent will notify the number of Shares to be delivered and, if any, the Cash Value to be paid, to each relevant Bondholder, to the Issuer and the Principal Exchange Agent, no later than 5:00 pm (Paris time) on the first Business Day (the “**Calculation Notification Date**”) after the period of five Trading Days following the Notification Date. The Issuer shall take all necessary action to procure the transfer by the Agents of any such Shares or cash to exchanging Bondholders not later than the fifth Business Day following the Calculation Notification Date.

If, in the case of an Exchange following a notice of redemption, the sixth Trading Day following the Notification Date is not a Business Day, the Calculation Notification Date shall be the first Business Day thereafter, and the Settlement Date shall be adjusted accordingly.

If, in the reasonable opinion of the Calculation Agent, it is not possible to effect the relevant transfer of Shares by the fifth Business Day following the Calculation Notification Date by reason of a suspension or material limitation of transfers of (i) Shares or (ii) shares of French companies generally (including the Shares) in Euroclear France, Euroclear or Clearstream, as the case may be, (“**Settlement Disruption**”), the Issuer will cause the relevant transfer and the payment of any Cash Value in respect of any fractional Share, if any, to be made on the next succeeding Business Day on which there is, in the reasonable opinion of the Calculation Agent, no Settlement Disruption, provided that if there is still a Settlement Disruption on the ninth Business Day following the Calculation Notification Date, the Issuer will pay the Cash Value of the relevant Shares not later than the seventh Business Day following such ninth Business Day.

If, in the reasonable opinion of the Calculation Agent, it is not possible to effect the relevant transfer of Shares by the due date by reason of the need to effect any re-determination of the relevant Exchange Ratio resulting from an Adjustment Event (as defined in Condition 5(a)) occurring after the Notification Date and on or before the relevant Settlement Date, the Issuer will cause the relevant transfer to be made as soon as possible.

The due date of delivery of the Shares and any Cash Value is referred to as the “**Settlement Date**”.

If, at any time when the transfer of any Shares to a Bondholder would be required pursuant to these Conditions, such transfer would be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will be deemed to have elected to pay the Cash Value of the relevant Shares and will, to the fullest extent permitted by such law, declaration, order, directive or regulation, redeem the relevant Bonds not later than the fifth Business Day following the Calculation Notification Date (subject to the above provisions in case of a Settlement Disruption) by paying an amount equal to the Cash Value of the relevant Shares.

(e) *Bondholder’s Right to Dividends*

Subject as provided herein, the Shares to be delivered on exercise of an Exchange Right shall not entitle the relevant Bondholder to receive any dividends or other income paid or distributions made in respect thereof, when the Shares begin to trade ex-rights (*date du détachement du coupon*) on or prior to the relevant Notification Date. Subject as provided herein, such Shares shall rank for dividends and other income and distributions in respect thereof, paid or made on any date falling after such Notification Date.

(f) *Voting Rights in respect of the Shares*

Prior to the Settlement Date following any exercise of Exchange Rights, the Issuer shall, and the Bondholders shall not, be entitled to exercise the voting rights attaching to the Shares on any matters submitted to the shareholders of the Company. In exercising its voting rights attaching to the Shares, it is possible that the Issuer may act contrary to the best interests of some or all of the Bondholders.

5. *Exchange Property*

(a) *Adjustments*

So long as any Bond is outstanding, upon the occurrence of an Adjustment Event (as defined below), the Bondholders will be notified of the adjustment and the new Exchange Ratio in accordance with Condition 12. Such adjustment will be effected by the Calculation Agent in accordance with the following provisions on the basis of the last previously determined Exchange Ratio calculated in accordance with the

rounding provisions set forth in Condition 4(a)(i). After the occurrence of any of the following events (each an “**Adjustment Event**”):

- (i) reduction of capital due to losses;
- (ii) issue of securities conferring preferential subscription rights (*droits préférentiels de souscription*);
- (iii) increase of capital by means of incorporation of reserves, profits or issue premiums, bonus issues, or division or consolidation of Shares;
- (iv) incorporation into the Company’s share capital of reserves, profits or issue premiums by increasing the nominal value of the Shares;
- (v) distribution of reserves in cash or portfolio securities;
- (vi) absorption, merger (*fusion*), spin-off or demerger (*scission*);
- (vii) bonus issue to the Company’s shareholders of transferable financial instruments issued by the Company other than Shares;
- (viii) repurchase by the Company of its own shares (*rachat d’actions*); and
- (ix) distribution of exceptional dividends,

occurring in relation to the Company after the Issue Date, the rights of the holders of the Bonds will be protected by adjusting the Exchange Ratio as follows:

- (1) Reduction of capital due to losses

In the event of a reduction in the Company’s share capital, whether by a reduction in the number of Shares or the nominal value of the Shares, resulting from losses, the rights of Bondholders will be adjusted accordingly and the Exchange Ratio will be determined by multiplying the Exchange Ratio in effect prior to such operation by the following ratio:

$$\frac{\text{Number of Shares comprising the share capital after such event}}{\text{Number of Shares comprising the share capital before such event}}$$

- (2) Issue of securities conferring preferential subscription rights (*droits préférentiels de souscription*)

In the event of any financial transaction involving the issue of securities by the Company conferring preferential subscription rights, the new number of Shares which may be obtained for one Bond will be determined by multiplying the number of Shares which would have been obtained on exchange of one Bond before the transaction in question by the ratio:

$$\frac{\text{Value of a Share ex subscription rights increased by the value of the subscription rights}}{\text{Value of a Share ex subscription rights}}$$

For the purpose of calculating such ratio, the value of a Share ex subscription rights and of the subscription rights will be the arithmetic mean of the opening price for such a Share and for such subscription rights quoted on Euronext Paris on each Trading Day falling in the subscription period during which the Shares and the subscription rights are so quoted.

If prices for the preferential subscription rights are not quoted on Euronext Paris during the subscription period, the value of such rights will be as determined by the Calculation Agent in conjunction with an independent investment bank of international repute selected by the Calculation Agent (an “**Expert**”).

(3) Increase of capital by means of incorporation of reserves, profits or issue premiums, bonus issues, or division or consolidation of Shares

In the event of an increase of capital by means of incorporation of reserves, profits or issue premiums effected by a bonus issue of Shares, or any division or consolidation of the Shares, the new number of Shares which may be obtained for one Bond will be determined by multiplying the number of Shares which would have been obtained on exchange of one Bond before the occurrence of the event in question by the ratio:

$$\frac{\text{Number of Shares comprising the share capital after such event}}{\text{Number of Shares comprising the share capital before such event}}$$

(4) Incorporation into the Company’s share capital of reserves, profits or issue premiums by increasing the nominal value of the Shares

In the event of an increase of capital by incorporation of reserves, profits or issue premiums, effected by increasing the nominal value of the Shares, the nominal value of the Shares which may be delivered to Bondholders upon exercise of any Exchange Right will be increased accordingly.

(5) Distribution of reserves in cash or portfolio securities

In the event of a distribution of reserves in cash or portfolio securities by the Company, the new number of Shares which may be obtained for one Bond will be determined by multiplying the number of Shares which would have been obtained on exchange of one Bond before the occurrence of the event in question by the ratio:

$$\frac{\text{Value of a Share before the distribution}}{\text{Value of a Share before the distribution less the sum distributed or the value of the securities given per Share}}$$

For the calculation of this ratio:

- the value of a Share before the distribution shall be determined by taking the arithmetic mean of the opening prices quoted on Euronext Paris (or, if the Share is not listed on Euronext Paris, on any regulated or similar market on which the Share is listed) for 20 consecutive Trading Days on which the Share is quoted, chosen by the Issuer from the 40 Trading Days preceding the date of the distribution; and
- the value of the securities given per Share shall be determined, either (i) in the case of securities quoted on a regulated market (*marché réglementé*), by taking the arithmetic mean of the quoted opening prices quoted on a regulated market for 20 consecutive Trading Days on which the securities are quoted, chosen by the Issuer from 40 Trading Days following the date of distribution, or (ii) in the case of securities not quoted on any regulated market, by taking a value determined by the Calculation Agent in conjunction with an Expert (as defined in Condition 5(a)(2)).

(6) Absorption, merger (*fusion*), spin-off or demerger (*scission*)

In the event of absorption of the Company by another company or merger (*fusion*) with one or more other companies to create a new company, or a demerger or spin-off (*scission*) by the Company, the Issuer will exchange the Shares for the corresponding number of shares (“**Substitute Shares**”) of the absorbing or new company or the companies resulting from any spin-off, as the case may be, and the Bonds will be exchanged in the same manner as prior to such event according to the Exchange Ratio adjusted as set forth below.

The Exchange Ratio for Substitute Shares will be determined by multiplying the Exchange Ratio in effect before such event by the exchange ratio of Shares for Substitute Shares (expressed as a fraction the numerator of which is the number of Substitute Shares and the denominator of which is the number of Shares).

(7) Bonus issue to the Company’s shareholders of transferable financial instruments issued by the Company other than Shares. In the event of a bonus issue to shareholders of the Company of any transferable financial instrument issued by the Company, other than Shares, the new number of Shares which may be obtained on exchange of one Bond will be determined as follows:

- (x) if the bonus issue rights have been quoted on Euronext Paris, the new number of Shares obtained upon exchange of a Bond will be calculated by multiplying the number of Shares which would have been obtained on exchange of one Bond before the relevant bonus issue by the following ratio:

$$\frac{\text{Value of a Share ex bonus issue rights increased by the value of such rights}}{\text{Value of a Share ex bonus issue rights}}$$

where the value of a Share ex bonus issue rights and of the bonus issue rights will be determined by reference to the arithmetic mean of the opening price for such Share or bonus issue rights quoted on Euronext Paris on each of the first ten Trading Days on which the bonus issue rights are so quoted.

- (y) if the bonus issue rights have not been quoted on Euronext Paris, the new number of Shares which may be obtained for one Bond will be determined by multiplying the number of Shares which would have been obtained on exchange of one Bond before the relevant bonus issue by the following ratio:

$$\frac{\text{Value of a Share ex bonus issue rights increased by the value of} \\ \text{the transferable financial instrument(s) issued per Share}}{\text{Value of a Share ex bonus issue rights}}$$

where the value of a Share ex bonus issue rights and of the transferable financial instrument(s) per Share will be determined by reference to the arithmetic mean of the opening price quoted on Euronext Paris on each of the ten consecutive Trading Days following the date of distribution of such financial instruments during which the transferable financial instruments are quoted. If the prices for a Share ex bonus issue rights and the transferable financial instrument issued are, in the reasonable opinion of the Calculation Agent, interdependent, only the Trading Days on which both the Shares and the transferable financial instruments are quoted simultaneously shall be taken into account. If the price for the transferable financial instrument is not quoted on Euronext Paris, its value will be as determined by the Calculation Agent in conjunction with an Expert (as defined in Condition 5(a)(2)).

- (8) Repurchase by the Company of its own shares (*rachat d'actions*)

In case of the buy-back by the Company of its Shares at a price higher than the market price, the new Exchange Ratio shall be equal to the product of the existing Exchange Ratio and the following ratio:

$$\frac{\text{Share value} + \text{Pc per cent} \times (\text{Buy-back price} - \text{Share value})}{\text{Share value}}$$

Where:

“**Share value**” means the arithmetic average of the opening prices of the Shares over at least 10 consecutive Trading Days chosen from the 20 stock exchange Trading Days immediately preceding the buy-back (or the right to buyback).

“**Pc per cent**” means the percentage of share capital bought back.

“**Buy-back price**” means the actual price at which the Shares are bought back.

(9) Exceptional dividends

In the event that, while any Bonds remain outstanding, the Company distributes and pays to holders of Shares, with respect to any fiscal year, an Exceptional Dividend (as defined below), the new Exchange Ratio will be calculated as set out below.

For these purposes, “**Exceptional Dividend**” means any dividend paid in cash or in kind to holders of Shares, where the total amount of such dividend (without taking into account any tax credit (*avoir fiscal*)) (the “**Relevant Dividend**”) and of all other cash dividends or dividends in kind paid to shareholders during the same fiscal year of the Company (the “**Previous Dividends**”) represents a Ratio of Distributed Dividends (as defined below) of more than 6%.

For the purposes of the preceding paragraph, the term “**Ratio of Distributed Dividends**” means the sum of the ratios obtained by dividing the Relevant Dividend and each Previous Dividend by the market capitalization of the Company on the day preceding the corresponding distribution date. The market capitalization to be taken into account for calculating each of the ratios is equal to (x) the average opening price of the Company’s Shares on Euronext Paris for a period of 30 Trading Days prior to the day preceding the date of distribution of the Relevant Dividend or of each Previous Dividend multiplied by (y) the number of Shares of the Company outstanding on such date. Any dividends or fractions of dividends leading to an adjustment of the Exchange Ratio by virtue of “Adjustments” above shall not be taken into account for the purpose of this provision.

The formula to be used to calculate the new Exchange Ratio in the event of payment of an Exceptional Dividend is as follows:

$$\text{NRAA} = \text{RAA} \times (1 + \text{RDD} - 4\%)$$

Where:

“**NRAA**” means the new Exchange Ratio;

“**RAA**” means the last Exchange Ratio in effect before the distribution of the Relevant Dividend; and

“**RDD**” means the Ratio of Distributed Dividends as defined above;

It being understood that any dividend paid between the payment date of a Relevant Dividend (*i.e.*, an Exceptional Dividend) and the end of the same fiscal year of the Company (an “**Additional Dividend**”) will lead to an adjustment using the following formula:

$$\text{NRAA} = \text{RAA} \times (1 + \text{RDS})$$

Where:

“**RDS**” means the ratio obtained by dividing the Additional Dividend (excluding any portion of such dividend requiring the calculation of a new Exchange Ratio pursuant to “Adjustments”) excluding any tax credit (*avoir fiscal*), by the market capitalization of the Company, defined as (x) the average opening price of the Shares on Euronext Paris for a period of 30 Trading Days prior to the date before the date of distribution of the Additional Dividend multiplied by (y) the number of Shares of the Company outstanding on such date.

Where (1) the circumstances giving rise to any adjustment pursuant to this Condition 5(a) have already resulted or will result in an adjustment to the Exchange Ratio, or (2) the circumstances giving rise to any adjustment arise by virtue of any other circumstances which have already given or will give rise to an adjustment to the Exchange Ratio, or (3) more than one event which gives or may give rise to an adjustment, occurs within such a short period of time that in the opinion of the Calculation Agent the foregoing provisions would need to be implemented subject to modification in order to give the intended result, such modification shall be made by the Calculation Agent to the operation of the provisions of this Condition 5(a) as may be advised by an Expert (as defined in Condition 5(a)(2)) to be in its opinion appropriate to give the intended result.

(b) Take-Over Protection; Change of Control of the Company

If an offer for Shares (including *offres concurrentes* and *surenchères*) is made to Casino’s shareholders (an “**Offer**”), Rallye shall have absolute discretion to accept or reject such offer (and, if applicable, as to the choice of the consideration received and/or the choice as among competing offers).

If Rallye accepts an Offer in exchange for listed equity securities, the Exchange Ratio will be adjusted in accordance with Condition 5(a)(6) above.

If Rallye accepts an Offer in cash, the rights of Bondholders will be protected as follows:

- Rallye shall, as soon as practicable, use its best efforts so that the Exchange Right shall be transformed into the right to receive, upon exercise of Bonds, Replacement Shares (as defined below) at an appropriately adjusted Exchange Ratio.

For purposes of this Condition 5(b), “**Replacement Shares**” shall mean (x) equity securities listed on a North American or European Union stock exchange that are equivalent to the Shares (if available at a reasonable price) or (y), if (x) is not applicable, equity securities of the offeror, or (z), if (x) and (y) are not applicable, securities representing, to the extent possible, the CAC 40 index or any replacement index.

- If Rallye accepts an Offer comprising partly listed equity securities and partly cash, the rules set forth above shall apply accordingly. If Rallye accepts an Offer comprising assets other than cash or listed equity securities, it shall appoint an independent investment bank which shall make a recommendation as to the holding or reinvestment of such assets representing the most value for Bondholders, which recommendation Rallye shall implement as soon as practicable.

In the event of an Offer which is a public tender offer, Exchange Rights will be suspended automatically (the “**Suspension Period**”) from and including the date on which the *Conseil des Marchés Financiers* (or its successor) announces to the public that an offer has been filed up to and including (i) the date on which the Issuer officially announces to the public that it does not intend to accept such Offer or (ii), in the event that the Issuer accepts such Offer, the date of publication of the results of the Offer. In such a case, notice will be provided in accordance with Condition 12 as soon as practicable, notifying Bondholders of the existence of an Offer, confirming the suspension of Exchange Rights, and informing Bondholders of the date on which Exchange Rights were suspended and the date on which they will resume.

If any subsequent Offer (*offres concurrentes* or *surenchères*) is filed with the *Conseil des Marchés Financiers* (or its successor), the Suspension Period will continue up to and including (i) the date on which the Issuer officially announces to the public that it does not intend to accept such subsequent Offer or (ii), in the event that the Issuer accepts such subsequent Offer, the date of publication of the results of such subsequent Offer. Notice of the existence of any subsequent Offer informing Bondholders of the date on which Exchange Rights will resume, will also be published in accordance with Condition 12.

The Issuer will not tender to any Offer (including subsequent Offers) that number of Shares that must be delivered to those Bondholders who have exercised their Exchange Right with a Notification Date that is prior to the commencement of the Suspension Period.

6. Redemption and Purchase

The Bonds may not be redeemed other than in accordance with Condition 4 upon exchange, this Condition 6 or Condition 9.

(a) Redemption at Maturity

Unless previously redeemed (including upon an exchange) or purchased and cancelled and subject to the Share Redemption Option set forth in (f) below, the Bonds will be redeemed in cash at € 95.256 per Bond (the “**Redemption Amount**”) on July 1, 2013 (the “**Maturity Date**”).

(b) Early Redemption at the Option of the Issuer

(i) The Issuer shall be entitled, at any time after July 1, 2006, at its option, to redeem in cash all, but not some only, of the outstanding Bonds, if the daily volume weighted average price (VWAP) of a Share for 20 out of 30 consecutive Trading Days exceeds 125% of the then Accreted Principal Amount (as defined below) divided by the then prevailing Exchange Ratio, as determined by the Calculation Agent. Such redemption shall be made by the Issuer giving, within 30 days of the termination of such period of 30 consecutive Trading Days, not less than 20 nor more than 30 days' notice of such redemption, indicating the date of redemption, to the Luxembourg Stock Exchange and to the Bondholders in accordance with Condition 12 (which notice shall be irrevocable). In such case, the Bonds will be redeemed at the Accreted Principal Amount, plus accrued interest to, but excluding, the date of redemption.

For purposes of these Conditions, “**Accreted Principal Amount**” shall be determined by the Calculation Agent so that, together with accrued interest from the immediately preceding Interest Payment Date, or, if none, the Issue Date, and after taking into account any interest paid in respect of such Bonds in preceding periods, the holder of one Bond shall receive a gross yield to maturity identical to that applicable in the case of redemption at maturity, being 4.75% per annum (calculated on an annual basis) and shall be calculated in accordance with the following formula, rounded (if necessary) to three decimals with 0.0005 being rounded upwards (provided that if the date fixed for redemption were July 1 of the years 2004 through 2013 (each an “**Accreted Principal Amount Determination Date**”), the Accreted Principal Amount shall be as set forth in the table below in respect of such Accreted Principal Amount Determination Date):

$$A = (A(\text{prev}) \times (1+r)^{(d/n)}) - A1$$

Where:

“**A**” is the Accreted Principal Amount at the date fixed for early redemption;

“**A(prev)**” is the previous Accreted Principal Amount (the “**Previous Accreted Principal Amount**”) on the Accreted Principal Amount Determination Date immediately preceding the date fixed for early redemption, as set forth below:

April 30, 2003	A(prev) = € 80.000
July 1, 2004	A(prev) = € 81.423
July 1, 2005	A(prev) = € 82.690
July 1, 2006	A(prev) = € 84.018
July 1, 2007	A(prev) = € 85.409
July 1, 2008	A(prev) = € 86.866
July 1, 2009	A(prev) = € 88.392
July 1, 2010	A(prev) = € 89.990
July 1, 2011	A(prev) = € 91.665

July 1, 2012	A(prev) = € 93.419
July 1, 2013	A(prev) = € 95.256

“**A1**” is the accrued interest on the principal amount of the Bonds from and including the immediately preceding Accreted Principal Amount Determination Date (or if the Bonds are to be redeemed on or before the first Accreted Principal Amount Determination Date, from and including the Issue Date) to but excluding the date fixed for redemption, calculated on the basis of the number of days from and including the immediately preceding Accreted Principal Amount Determination Date, or, if the Bonds are to be redeemed on or before the first Accreted Principal Amount Determination Date, from and including the Issue Date to but excluding the date fixed for redemption divided by the number of days from and including the immediately preceding Accreted Principal Amount Determination Date, or, as the case may be, the Issue Date to but excluding the next following Accreted Principal Amount Determination Date;

“**r**” is the yield to maturity, or 4.75%;

“**d**” is the number of days from (and including) the Accreted Principal Amount Determination Date immediately preceding the date fixed for early redemption to (but excluding) the date fixed for early redemption, calculated on the basis of the actual number of days elapsed; and

“**n**” is the number of days from (and including) the immediately preceding Accreted Principal Amount Determination Date or, if the Bonds are to be redeemed on or before the first Accreted Principal Determination Date, from and including the Issue Date, to but excluding the next following Accreted Principal Determination Date.

(ii) The Issuer shall be entitled, at its option, to redeem at any time prior to maturity in cash in Euro, all, but not some only, of the outstanding Bonds if the outstanding principal amount of Bonds at such time is less than 10% of the aggregate principal amount of Bonds originally issued. Such redemption shall be made by the Issuer giving not less than 15 nor more than 30 days’ notice of such redemption, indicating the date of redemption, to the Bondholders in accordance with Condition 12 (which notice will be irrevocable). In such case, the Bonds will be redeemed at the Accreted Principal Amount, plus accrued interest to, but excluding, the date of redemption.

Bondholders who wish to exercise their Exchange Rights in such event must do so on a timely basis and in accordance with these Conditions (including Condition 4(a)(i)).

(iii) The Issuer shall be entitled to redeem all, but not some only, of the outstanding Bonds in accordance with the provisions of Condition 9(b) below.

(c) *Early Redemption at the Option of the Bondholders*

Each Bondholder may, at its option, request the Issuer to redeem in cash (subject to the Share Redemption Option set forth in (f) below) part or all of the Bonds held by it on July 1, 2008 and on July 1, 2011 (each an “**Early Redemption Date**”).

Such request shall be made by any Bondholder giving not less than 7 nor more than 20 days’ notice prior to the relevant Early Redemption Date to the Fiscal Agent (which notice will be irrevocable), and the Fiscal Agent notify the Issuer accordingly. Upon any such request being made, the relevant Bondholder will no longer be entitled to exercise the Exchange Right in respect to the Bonds for which redemption was so requested.

In such case, the Bonds will be redeemed on the relevant Early Redemption Date at the Accreted Principal Amount, plus accrued interest to, but excluding, the Early Redemption Date.

(d) *Purchases*

The Issuer or any of its subsidiaries may, in accordance with all applicable laws and regulations, at any time purchase Bonds in the open market or otherwise at any price, including in connection with a tender offer.

(e) *Cancellation*

All Bonds which are redeemed (including upon an exchange) or purchased by the Issuer will be promptly cancelled and accordingly may not be reissued or resold.

(f) *Share Redemption Option*

Subject to applicable law and regulation and provided the Shares are listed on a European Union stock exchange at the relevant time, the Issuer shall, in lieu of redeeming the Bonds wholly in cash pursuant to Condition 6(a) or 6(c), be entitled to exercise its option (the “**Share Redemption Option**”), in accordance with the provisions set out below, to redeem each Bond by (a) the delivery of such number of Shares calculated on the basis of between one and 100 per cent (as determined by the Issuer) of the Exchange Ratio in effect on the Selection Date (as defined below) (subject to adjustment as provided in Condition 5) and (b) through the payment of an amount of cash (the “**Additional Cash Amount**”) per Bond equal to the difference, if positive, between (A) the Redemption Price (as defined below) and (B) 98 per cent of the VWAP Market Value (as defined below).

The Issuer may exercise its Share Redemption Option by giving notice thereof (which notice shall be irrevocable) not less than 30 nor more than 45 Trading Days prior to, as applicable, the Early Redemption Date or the Maturity Date (the “**Relevant Redemption Date**”) to the Bondholders in accordance with Condition 12 on any Business Day (the “**Selection Date**”). In the absence of any such notification, the

Issuer shall be deemed not to have exercised its Share Redemption Option and shall be required to redeem the Bonds in cash pursuant to Condition 6(a) or 6(c), as applicable.

The Issuer shall notify the Fiscal Agent no later than 11.00 hours (Paris time) on the fifth Business Day prior to the Selection Date of its decision to exercise the Share Redemption Option and of its selected percentage of the Exchange Ratio and the Fiscal Agent shall notify the Exchange Agents, the Calculation Agent and the clearing systems no later than 17.00 hours (Paris time) on the Business Day prior to the Selection Date of the Issuer's decision to exercise the Share Redemption Option.

In the event that the Issuer exercises the Share Redemption Option, the Calculation Agent shall determine the aggregate number of Shares (rounded down, in the event such number is not a whole number, to the next lowest whole number) to be delivered to the Bondholders as notified to it by or on behalf of the Issuer as aforesaid and shall notify the Issuer, the Fiscal Agent and the Exchange Agents thereof no later than 10.00 hours (Paris time) on the second Business Day following the Selection Date. The Calculation Agent shall also determine the VWAP Market Value (as defined below) and shall notify the Issuer, the Fiscal Agent and the Exchange Agents thereof no later than 10.00 hours (Paris time) on the first Business Day following the termination of the Share Redemption Option Calculation Period (as defined below).

The Issuer shall, on the Relevant Redemption Date (i) subject as provided below, cause the number of Shares determined in accordance with the provisions of the preceding paragraphs to be transferred to the relevant Bondholders *mutatis mutandis* in accordance with the relevant provisions of Condition 4(d) and (ii) cause to be paid to the relevant Bondholders an amount of cash (denominated in Euros) equal to the aggregate of the Additional Cash Amount due with respect to the Bonds held by such Bondholder that have been so redeemed and, if any, the Cash Value of any fractional Share (pursuant to Condition 4(a)), in each case by causing such delivery and payment to be made to the relevant Account Holder that maintains the relevant accounts of the aforesaid Bondholder and all such deliveries and payments validly made to such Account Holders shall be an effective discharge of the Issuer in respect of such delivery and payment provided that, in the event the Issuer exercises its Share Redemption Option, it shall treat the Bondholders equally on a *pro rata* basis, as far as reasonably practicable taking account of rounding adjustments, for the purposes of delivering Shares and the Additional Cash Amount.

If the Relevant Redemption Date is not a Trading Day, the delivery of such Shares shall be postponed until the first following day which is a Trading Day provided that the Relevant Redemption Date shall not be postponed by more than five calendar days following the original Relevant Redemption Date. In addition, if, in the reasonable opinion of the Principal Exchange Agent, it is not possible to effect the relevant transfer of Shares on the Relevant Redemption Date by reason of a Settlement Disruption (as defined in Condition 4(d) above), the Issuer will cause the relevant transfer of Shares to be made on the next succeeding Trading Day on which, in the reasonable opinion of the Principal Exchange Agent, there is no Settlement

Disruption. However, if a Trading Day has not occurred on, or within five calendar days of, the original Relevant Redemption Date or, as the case may be, if there is still a Settlement Disruption on the fifth Trading Day following the Relevant Redemption Date, then the Issuer shall be deemed not to have exercised its Share Redemption Option, and shall redeem the Bonds in cash through the payment of the principal amount of the Bonds together with any accrued interest thereon up to the Relevant Redemption Date.

“**Redemption Price**” means, in respect of a Bond, the Redemption Amount (as defined in Condition 6(a)), if the Bonds are redeemed at the Maturity Date, or the Accreted Principal Amount (as defined in Condition 6(b)), if the Bonds are redeemed on an Early Redemption Date. For the avoidance of doubt, interest on the Bonds will remain payable in cash in accordance with Condition 3 in the event the Issuer exercises its Share Redemption Option.

“**VWAP Market Value**” means the product of:

- (i) the arithmetic mean of the daily volume weighted average price of a Share on Euronext Paris on the 20 consecutive Trading Days following the Selection Date (the “**Share Redemption Option Calculation Period**”) converted if necessary into Euro using the rate appearing at approximately 11.00 a.m. (London time) on the Business Day preceding the Selection Date on the display designated as “Page ECB37” on Reuters (or, if it is not available, such other page or service as, in the Calculation Agent’s opinion, may be substituted for it) and rounding the resulting amount to the nearest € 0.01 (0.005 being rounded upwards), as determined by the Calculation Agent (the “**VWAP Share Price**”); provided that if there are less than 10 Trading Days in such period (or if a closing price is available on less than 10 Trading Days or if the Shares are no longer listed on Euronext Paris), the VWAP Share Price will be determined by the Calculation Agent, acting in good faith, based on the fair market value of the Shares and after consultation with an Expert, and provided further that, if at any time after the commencement of the relevant Share Redemption Option Period and prior to the relevant Settlement Date, the Shares shall have been quoted ex-dividend or ex-any entitlement to another security or asset and during some other part of such period shall have been quoted cum-dividend or cum-any entitlement to another security or asset, then the closing prices on the Trading Days during such period on which the Share shall have been quoted cum-dividend or cum-any entitlement to another security or asset shall, for the purpose of this definition, be deemed to be the amount thereof reduced by an amount equal to the gross amount of such dividend or other cash entitlement or, as the case may be, the value (as determined by the Expert) of any entitlement or dividend (where that is other than cash) per Share.
- (ii) the Exchange Ratio in effect on the Selection Date (subject to adjustment as provided by Condition 5); and
- (iii) the percentage of the Exchange Ratio selected by the Issuer.

7. Payments

(a) *Method of Payment*

Payments of principal, interest and other amounts in respect of the Bonds will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred). Such payments shall be made for the benefit of the Bondholders to the Account Holders (including depositary banks for Clearstream or Euroclear).

Payments of principal, interest and other amounts on the Bonds will, in all cases, be made subject to any applicable fiscal or other laws and regulations in the place of payment. No commission or expenses shall be charged by the Issuer or the Agents to the Bondholders in respect of such payments, except as set forth in Condition 4(c) above.

(b) *Payments on Business Days*

If any due date for payment of principal, interest or any other amount in respect of any Bond is not a TARGET business day, then the Bondholder shall not be entitled to payment of the amount due until the next following day which is a business day and the Bondholder shall not be entitled to any interest or other sums in respect of such postponed payment. In this Condition 7(b), “**TARGET business day**” means a day on which the Trans-European Automated Real-Time Gross-Settlement Express Transfer System (TARGET) is operating.

(c) *Fiscal Agent, Calculation Agent, Exchange Agents and Paying Agents*

The names of the initial Agents and their specified offices are set forth below:

Fiscal Agent, Principal Paying Agent, Principal Exchange Agent, Calculation Agent

Crédit Commercial de France

Avenue Robert Schumann
B.P. 2704
51051 Reims Cedex France

Paying Agent and Exchange Agent

BNP PARIBAS Securities Services, Luxembourg Branch

23, Avenue de la Porte Neuve
L-2085 Luxembourg
Luxembourg

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Calculation Agent, or any Exchange Agent or Paying Agent and/or appoint additional or other Exchange Agents or Paying Agents or approve any change

in the office through which any such Agent acts, provided that there will at all times be (i) a Fiscal Agent, a Calculation Agent, a Principal Exchange Agent and a Principal Paying Agent having a specified office in a European city and (ii) so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, an Exchange Agent and a Paying Agent having a specified office in Luxembourg (which may be the Principal Exchange Agent or the Principal Payment Agent). Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than 45 nor less than 30 calendar days' notice thereof shall have been given to the Bondholders by the Issuer in accordance with Condition 12.

The Calculation Agent shall act as an independent expert and not as an agent for the Issuer or the Bondholders and all its calculations and determinations pursuant to these Conditions shall (save in the case of manifest error) be final and binding on the Issuer, the Bondholders and the other Agents.

8. Tax Status

The Bonds being denominated in Euro and deemed to be issued outside France for the purpose of Article 131 *quater* of the *Code Général des Impôts* (French General Tax Code), interest and other revenues in respect of the Bonds benefit at present from the exemption from deduction of tax at source provided by Article 131 *quater* of the *Code Général des Impôts*. As a result, such payments do not give the right to any tax credit from any French source. Payments in respect of the Bonds will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by, or on behalf of, the Republic of France or any authority therein or thereof having power to tax ("Taxes"), unless the withholding or deduction of such Taxes is required by law. The Issuer shall not be required to pay additional amounts to the Bondholders if, at any time, withholding or deduction for, or on account of, any Taxes shall be required to be made in respect of any amounts paid in respect of the Bonds.

9. Events of Default; Illegality; Change of Control of the Issuer

(a) Events of Default

If any of the following events (each an "Event of Default") shall have occurred and be continuing:

- (i) default in any payment when due of interest on, or any Cash Value in respect of, any of the Bonds, or in delivering Shares upon valid exercise of Exchange Rights, in each case if such default shall not have been remedied within 15 calendar days thereafter, or
- (ii) default in the performance of, or compliance with, any other obligation of the Issuer under the Bonds (other than as referred to in Condition 9(a)(i)), if such default shall not have been remedied within 30 calendar

days after receipt by the Fiscal Agent of written notice of such default given by the Representatives (as defined in Condition 11 and requiring the same to be remedied); or

- (iii) the Issuer makes any proposal for a general moratorium in relation to its debts; or applies for the appointment of a conciliator (*conciliateur*); or enters into an amicable settlement (*accord amiable*) with its creditors pursuant to articles L.611-3 to L.611-6 of the French Commercial Code (the “**Code**”); or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) or for the transfer of the whole of the business (*cession totale de l’entreprise*) of the Issuer; or, to the extent permitted by applicable law, if the Issuer is subject to any other insolvency or bankruptcy proceedings; or if the Issuer is wound up or dissolved, except with the prior approval of the *Masse* for the purposes of an amalgamation, reorganization, consolidation or merger which is implemented and the resulting entity of which assumes the obligations of the Issuer under the Bonds; or any event which under the laws of any relevant jurisdiction has an analogous or equivalent effect to any of the events mentioned in this Condition 9(a)(iii); or
- (iv) if any other present or future indebtedness of the Issuer for moneys borrowed or raised in an aggregate amount exceeding € 5,000,000 or its equivalent in any other currency or currencies becomes due and repayable prior to its stated maturity by reason of a default in relation thereto or if any such indebtedness is not paid at maturity as extended by any applicable grace period or if any guarantee or indemnity in respect of any such indebtedness of any person given by the Issuer is not honored when due and called upon or within any applicable grace period as originally provided, and any such default shall not have been remedied within 30 calendar days thereafter, unless the Issuer has disputed in good faith that such indebtedness is due, and such dispute has been submitted to a competent court, in which case such event shall not constitute an Event of Default hereunder so long as the dispute shall not have been finally adjudicated;

then the Representatives may, pursuant to a majority decision of the general Bondholders’ meeting, by notice in writing to the Fiscal Agent given on behalf of any of the Bondholders before all continuing Events of Default shall have been remedied, cause the Bonds to become immediately due and payable whereupon they shall become immediately due and payable in cash without further formality on the tenth Business Day following the date of such notice at a price (i) before April 30, 2005, equal to the higher of the Accreted Principal Amount plus accrued interest or the then applicable Cash Value of the Shares, and (ii) on or after April 30, 2005, equal to the Redemption Amount of the Bonds together with any accrued interest thereon. Notice of the fact that the Bonds have become due and payable pursuant to this Condition 9(a) shall be given by the Issuer, failing whom the Representatives, to the

Bondholders in accordance with Condition 12 not later than the second Business Day following the date of the Representatives' notice to the Fiscal Agent.

(b) *Illegality*

If it is or will become unlawful (whether or not due to the failure to obtain, or the revocation, expiry or withdrawal of, any authorization referred to in Condition 10) for the Issuer to perform or comply with any material obligation under the Bonds, including, but not limited to, the delivery of Shares ("**Illegality**"), and such Illegality shall not have been avoided or remedied (or these Conditions amended by mutual consent of the Issuer and the *Masse*, as defined in Condition 11) within 30 calendar days after the date of default in the performance of the relevant obligation by reason of such Illegality; provided, however, that if (i) the relevant Illegality affects the Issuer's obligation, upon exercise of Exchange Rights, to deliver Shares and (ii) no other material obligation of the Issuer under the Bonds is affected by such (or any other) Illegality, it shall be deemed that an event pursuant to this Condition 9(b) has not occurred;

then

(i) the Representatives may, by notice in writing to the Fiscal Agent given on behalf of any of the Bondholders before the continuing Illegality shall have been remedied, cause the Bonds to become immediately due and payable whereupon they shall become immediately due and payable in cash without further formality on the tenth Business Day following the date of such notice at a price (i) before April 30, 2005, equal to the higher of the Accreted Principal Amount plus accrued interest or the then applicable Cash Value of the Shares, and (ii) on or after April 30, 2005, equal to the Redemption Amount of the Bonds together with any accrued interest thereon. Notice of the fact that the Bonds have become due and payable pursuant to this Condition 9 shall be given by the Issuer, failing whom the Representatives, to the Bondholders in accordance with Condition 12 not later than the second Business Day following the date of the Representatives' notice to the Fiscal Agent; or

(ii) the Issuer may redeem all, but not some only, of the outstanding Bonds, by giving not less than 15 days' notice of such redemption, indicating the date of redemption, in accordance with Condition 12 (which notice shall be irrevocable). In such case, the Bonds will be redeemed at the Redemption Amount together with any accrued interest thereon.

(c) *Change of Control of the Issuer*

If Foncière Euris ceases directly or indirectly to control the Issuer within the meaning of Section L.233-3 of the Code, then the Issuer shall promptly publish notice of such loss of control in accordance with Condition 12, and each Bondholder shall be permitted, until 30 days following publication of such notice, to either (i) sell to the Issuer, and the Issuer shall be obliged to purchase from each Bondholder willing to sell, all or part of such Bondholder's Bonds for the Accreted Principal Amount

thereof together with accrued interest or (ii) exercise immediately (including before October 27, 2003) its Exchange Rights, which the Issuer shall be obliged to satisfy, subject to the provisions of Condition 4(a)(ii).

10. Issuer Authorization

If at any time an authorization becomes necessary to permit the Issuer to (i) pay the principal of, or interest on, the Bonds or (ii) effect the exchange of the Bonds for Shares in accordance with the Conditions as a result of any change in the official application of, or any amendment to, the laws or regulations of France (or any other relevant jurisdiction in the case of Substitute Shares or Replacement Shares), the Issuer shall immediately apply for the necessary authorizations and forthwith provide copies of such application to the Fiscal Agent. The Issuer shall provide copies of such authorizations to the Fiscal Agent within a reasonable period after they are obtained.

11. Representation of the Bondholders

The Bondholders will be grouped for the defense of their respective common interests in a *masse* (hereinafter referred to as the “*Masse*”).

The *Masse* will be governed by those provisions of the Code with the exception of the provisions of Articles L.228-48 and L.228-59 of the Code and by decree no. 67-236 of March 23, 1967 (as modified or re-enacted from time to time) (the “**Decree**”) with the exception of articles 218, 222 and 224 of the Decree, as amended by the conditions set forth below, provided that notices calling a general meeting of the Bondholders (a “**General Meeting**”) and the resolutions passed at any General Meeting and any other decision to be published pursuant to French legal and regulatory provisions will be published only as provided under Condition 12 below.

The Bonds being issued outside the Republic of France, the *Masse* is, in accordance with Article L.228-90 of the Code, governed solely by the legal provisions which are expressed as applicable to the Bonds as stated above and subject to the foregoing paragraphs.

(a) Legal Personality

The *Masse* will be a separate legal entity, by virtue of Article L.228-46 of the Code acting in part through two representatives (the “**Representatives**”) and in part through a General Meeting.

The *Masse* alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds.

(b) Representatives

The office of Representatives may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the Issuer and the Company;
- (ii) any entity holding (directly or indirectly) at least 10% of the share capital of the Issuer or the Company or at least 10% of the share capital of which is held by the Issuer or the Company;
- (iii) any entity guaranteeing all or part of any obligations of the Issuer or the Company;
- (iv) any member of the Board of Directors (*Conseil d'Administration*) of the Issuer or of the Management Board (*Directoire*) or Supervisory Board (*Conseil de Surveillance*) of the Company, the Statutory Auditors of the Issuer or the Company, or any employee, managing director or director (or their respective ascendants, descendants and spouses) of the entities referred to in (i), (ii) or (iii) above; and
- (v) persons who have been prohibited from practicing as a banker or who have been deprived of the right to direct, administer or manage an enterprise in any capacity whatsoever.

The initial Representatives shall be:

Christian PERTUIS
7, rue de Louvois
51100 Reims
France

and

Christiane FLEURY
30, rue de la Seine Maritime
51100 Reims
France

The alternative representatives of the *Masse* will be Jérôme LONGEAT (19, rue Paul Gauguin, 51350 Cormontreuil, France) and Philippe BECRET (3, rue du Moulin, 51140 Muizon, France).

In the event of death, retirement or revocation of one or both Representatives, such Representatives will be replaced by the alternative representatives named above.

The Issuer shall pay to each Representative an amount of € 300 per year.

All interested parties will at all times have the right to obtain the names and the addresses of the Representatives at the head office of the issuer and at the offices of any of the Paying Agents.

(c) Powers of the Representatives

The Representatives shall, in the absence of any decision to the contrary of a General Meeting of Bondholders, have the power to take all action to defend the common interests of the Bondholders.

All legal proceedings by or against the Bondholders must be brought by or against the Representatives, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representatives may not interfere in the management of the affairs of the Issuer.

(d) General Meetings

General Meetings may be held at any time, on convocation either by the Issuer or the Representatives. One or more Bondholders, holding together at least one-thirtieth of outstanding Bonds may address to the Issuer and the Representatives a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months from such demand, such Bondholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place, agenda and quorum requirements of any General Meeting will be published as provided in Condition 12 not less than 15 days prior to the date of the General Meeting for the first convocation and not less than six days for a second convocation.

Each Bondholder has the right to participate in General Meetings in person or by proxy. Each Bond carries the right to one vote.

(e) Powers of General Meetings

A General Meeting is empowered to deliberate on the fixing of the remuneration of the Representatives and on their dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorizing the Representatives to act at law as plaintiff or defendant.

A General Meeting may further deliberate on any proposal relating to the modification of these Conditions, including:

- (i) any proposal whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and

- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of Bondholders; it being specified, however, that a General Meeting may not increase amounts payable by the Bondholders, nor establish any unequal treatment between the Bondholders, nor decide to convert the Bonds into shares of the Issuer or any other entity.

General Meetings may deliberate validly on first convocation only if Bondholders present or represented hold at least one-quarter of the principal amount of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Bondholders attending such meeting or represented thereat.

(f) *Information to the Bondholders*

Each Bondholder will have the right, during the 15 day period preceding the holding of each General Meeting, personally or through a representative, to consult or make a copy of the resolutions which will be proposed, and of any reports which may be presented, at the meeting, which will be available for inspection at the principal office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of meeting.

(g) *Expenses*

The Issuer will pay all expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of meetings and remuneration of the Representatives, and more generally all administrative expenses resolved upon by a General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable on the Bonds.

(h) *Notice of Decisions*

Decisions of the meetings shall be published in accordance with the provisions set forth in Condition 12 not more than 90 days from the date thereof.

12. Notices

Any notice to the Bondholders shall be validly given if it is published (i) so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and (ii) in a leading daily newspaper in the English language having general circulation in Europe (which is expected to be the *The Financial Times*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made. In addition, notices required to be given to the Bondholders pursuant to these Conditions will also be given by delivery of the relevant notice to Euroclear France, Euroclear,

Clearstream and/or any other clearing system through which the Bonds are for the time being cleared in substitution for the publications as aforesaid except that so long as the Bonds are listed on any stock exchange(s) and the rules of such stock exchange(s) so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which the Bonds is(are) listed.

13. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become prescribed 10 years (in the case of principal) and five years (in the case of interest) from the due date for payment thereof.

14. Further Issues

The Issuer may from time to time without the consent of the Bondholder issue further Bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such further Bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further Bonds shall provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated Bonds may, for the defense of their common interests, be grouped in a single *masse* having legal personality.

15. Modification of the Agency Agreement

The Agency Agreement may be amended by the parties to it, without the consent of the Bondholders, for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in it, or in any manner which the parties to the Agency Agreement mutually deem necessary or desirable and which does not, in the opinion of the Calculation Agent, adversely affect the interests of the Bondholders.

16. Governing Law and Jurisdiction

The Bonds and the Agency Agreement are governed by the laws and Republic of France. The Bonds are debt securities of the Issuer, different from exchangeable Bonds governed by Articles L.225-168 and following of the Code, and different also from securities giving rights to subscribe for shares governed by Articles L.228-91 to L.228-96 of the Code.

For the benefit of the Bondholders, the Issuer submits to jurisdiction of the competent courts in Paris. This submission shall not limit the right of any Bondholder to take proceedings in any other court of competent jurisdiction.

USE OF PROCEEDS

The net proceeds from the issue of the Bonds, which will be approximately € 295,000,000, will be used by Rallye for general corporate purposes.

RALLYE

General

Rallye is a *société anonyme* incorporated under the laws of France and registered with the company register of Paris under reference number 054 500 574 and having its registered office at 83, rue du Faubourg St Honoré, 75008 Paris, France.

Rallye is the holding company of a group of companies (the “Rallye Group”) present in several segments of the retail industry in France and in other countries, through its majority interests in the following three operating subsidiaries:

- Casino, one of the leading food retailers, both in France and on the international scene;
- Groupe Go Sport, a multi-format sporting goods retailer operating under the Go Sport, Courir and Moviesport brand names;
- Athlete’s Foot Inc., a sports footwear specialist present throughout the world via a network of branches and franchises.

Founded in 1925, the Rallye Group has developed through both acquisition-led and organic growth to become one of France’s major supermarket and hypermarket groups and a specialist sporting goods retailer. In 1991, Euris, an investment group led by Jean-Charles Naouri, acquired Rallye. In 1992, Rallye sold its food retailing business to Casino in exchange for a 29.5% shareholding in Casino. In February 1998, this shareholding was increased to 53.8% following a tender offer launched on September 12, 1997, giving it 60.8% of the voting rights. In June 2000, Rallye’s holding in Casino was diluted to 50.7% of the share capital and 59.1% of the voting rights by the acquisition of a stake in Monoprix from Galeries Lafayette.

The Rallye Group achieved consolidated net sales of € 23.7 billion and net income, group’s share, of € 63 million for the year ended December 31, 2002.

Casino is the Rallye Group’s most significant subsidiary. As of March 7, 2003 the Rallye Group held directly and indirectly 54,057,184 shares of Casino (divided into 47,922,731 ordinary shares and 6,134,453 preferred shares), or approximately 49.74% percent of Casino’s share capital and 64.48% of the voting rights. Rallye’s shares of Casino, each of which has a nominal value of € 1.53, are fully paid up. Casino’s income from current operations after tax and net income, group’s share, for the year ended December 31, 2002, were respectively € 512.6 and € 445.2 million. In fiscal year 2002, the Rallye Group received dividends from Casino amounting to € 76 million.

For further information about Rallye’s history and business activities, please refer to Rallye’s 2001 Annual Report, which is incorporated herein by reference (see “General Information – Incorporation by Reference”). Copies of Rallye’s Annual Report, and

the English translation thereof, are available without charge at Rallye's registered office at 83, rue du Faubourg St Honoré, 75008, Paris, France, and at the offices of the Fiscal Agent and the Paying Agent in Luxembourg.

Recent Developments

Food Retailing

Casino achieved an increase of its consolidated net sales for the year 2002 of 4%, 9% at constant exchange rates, to € 22.857 billion. International retailing activities represented 23% of consolidated net sales in 2002. Casino reported an increase of its earnings per share of 17.9% to € 4.08 and a 21% rise of its cash flow to € 1.074 billion.

For more information, see "Casino –Recent Developments".

Sporting Goods Retailing

Groupe Go Sport (69.1%-owned by Rallye) opened 20 new stores in 2002 with sales increased in France by 2.1%, in line with the market. Net sales reached € 634.4 million for the fiscal year 2002. The group improved its profitability (operating income after interest increased by 18.9% to € 23.2 million and net income for year 2002 increased by 16.3% to € 13.6 million).

In 2002, Athlete's Foot Inc. (99.9%-owned by Rallye) suffered from the still difficult market conditions in sport shoes retailing in the US.

Other Assets

Rallye manages a diversified financial portfolio of € 224 million as at December 31, 2002, invested through specialized funds and direct investments. This activity remains marginal compared to the food and sporting goods retailing activities.

Financial Structure

In January 2003, Rallye launched a € 264.5 million convertible bond issue, which bonds are convertible into new shares and / or exchangeable for existing shares (OCEANE). The purpose of this OCEANE issue was to strengthen Rallye's long-term financial structure by creating shareholders equity. The proceeds were used in connection with Rallye's general financing needs, and, among others to refinance its debt, in particular the convertible bond issued in 1998 and that matured on January 1, 2003.

6,011,362 bonds of a nominal value of € 44 were issued. The annual coupon is 3.75%. At maturity (January 1, 2008) redemption will be at € 48.25. After January 1, 2006, Rallye has an early redemption option.

Management

As at April 30, 2003, Rallye is managed by a Board of Directors composed as follows:

<u>Name:</u>	<u>Principal Occupations:</u>
Jean-Charles Naouri	President of Rallye Board of Directors and Chief Executive Officer; Managing Director of Euris, and Finatis
André Crestey Société Foncière Euris, represented by Julien Charlier	Vice-President of Rallye Board of Directors
Jacques Dermagne	President of the Conseil Economique et Social Member of Unibail, Cetelem, DMC, Devanlay and Optorg Boards of Directors
Jacques Dumas	Head of Legal Department of Groupe Euris
Pierre Féraud Société Finatis, represented by Jean-Marie Grisard	President of Foncière Euris Board of Directors and Chief Executive Officer
Jean Lévy	Member of Histoire d'Or SA and Groupe Zannier Boards of Directors
François de Montaudouin	Managing Director of Rallye
Gilbert Torelli	Chairman of Finamex Board of Directors

The Board of Directors has two committees, the audit committee and the nominations and compensation committee, which are, in liaison with the members of the Board of Directors, assisted by various functional departments of the Rallye Group. The audit committee is chaired by André Crestey. The nomination and compensation committee is chaired by Jean-Charles Naouri.

Capitalization

On December 31, 2002, the capital stock of Rallye amounted to € 111,603,672 divided into 37,201,224 fully paid-up ordinary shares, each with a nominal value of € 3. It currently amounts to € 111,611,202 divided into 37,203,734 fully paid-up ordinary shares.

The following table shows the consolidated capitalization of Rallye as of December 31, 2002. The following data should be read in conjunction with the Consolidated Financial Statements and Notes thereto of Rallye included in Rallye's 2002 audited financial information as published in the French *Bulletin des Annonces Légales Obligatoires* (the "BALO") dated April 28, 2003.

	As of December 31, 2002 (1)(2)	
	(in € millions)	
Capital Stock	112	
Additional Paid-in Capital & retained earnings	679	
Income for the year	63	
Group's Shareholders' Equity	854	
Minority Interest	2,558	
Net Financial Debt		5,953
<i>Long term debt</i>		2,449
<i>Medium term debt</i>		4,157
<i>Short term debt</i>		2,229
<i>Cash and marketable securities</i>		(2,882)

- (1) The above capitalization table takes account of the present € 300,000,000 3.25% exchangeable bonds due July 1, 2013.
- (2) Except as disclosed in this Offering Circular, there has been no material change to Rallye's capitalization, on a non-consolidated basis, since December 31, 2002.

Summary Consolidated Financial Information

The following tables set forth selected consolidated financial data for each of the years in the three-year period ended December 31, 2002. The selected financial data set forth below should be read in conjunction with Rallye's audited consolidated financial statements for the year ended December 31, 2002, and consolidated financial statements for the years ended December 2001 and 2000, and the Notes thereto, included in the BALO dated April 28, 2003.

RALLYE CONSOLIDATED BALANCE SHEET

as at December 31, 2002

ASSETS (in € millions)	Gross	Depreciation	12/31/2002	12/31/2001	12/31/2000
Fixed assets					
Intangible assets	4,142	130	4,012	4,050	3,937
Goodwill	1,575	225	1,350	1,512	1,552
Property and equipment	6,781	2,661	4,120	4,274	4,072
Financial investments	1,521	103	1,418	1,715	1,480
Total fixed assets	14,019	3,119	10,900	11,551	11,041
Current assets					
Inventories	1,993	23	1,970	2,155	1,935
Accounts receivable	1,965	88	1,877	1,679	1,359
Marketable securities	2,233	108	2,125	1,284	768
Cash	757		757	855	651
Total current assets	6,948	219	6,729	5,973	4,713
Other assets	423		423	318	234
TOTAL ASSETS	21,390	3,338	18,052	17,842	15,988
LIABILITIES AND SHAREHOLDER'S EQUITY (in € millions)			12/31/2002	12/31/2001	12/31/2000
Group's shareholders equity			854	1,626	1,302
Minority interests			2,558	3,115	2,571
Total consolidated shareholders' equity			3,412	4,741	3,873
Other shareholders' equity			181	181	19
Provisions for contingencies and charges			327	328	392
Borrowing and loans			8,835	7,523	7,033
Accounts payable			5,067	4,777	4,249
Other debts			198	249	370
Total debts			14,100	12,549	11,652
Other liabilities			32	43	52
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			18,052	17,842	15,988

RALLYE CONSOLIDATED INCOME STATEMENT

as at December 31, 2002

(in € millions)	2002	2001	2000
Net sales	23,681	22,863	19,942
Cost of goods sold	(17,410)	(16,894)	(14,906)
Gross margin	6,271	5,969	5,036
Other purchases and external expenses	(2,398)	(2,315)	(2,007)
Payroll expenses	(2,394)	(2,312)	(1,988)
Net charge to depreciation, amortization and provisions	(525)	(501)	(415)
Operating income	954	841	626
Financial income (loss)	(297)	(244)	(197)
Income from current operations before income tax	657	597	429
Income tax from current activities	(248)	(247)	(193)
Income from current operations after income tax	409	350	236
Net exceptional income (loss)	(21)	18	50
Net income from consolidated companies	388	368	286
Income from companies accounted for by the equity method	39	47	67
Net income before amortization of goodwill	427	415	353
Amortization of goodwill	(61)	(73)	(54)
Net income	366	342	299
Minority interests	303	267	197
Group's share	63	75	102
(In € per share)	2002	2001	2000
Income from current operations after income tax, group's share after dilution	2.27	1.72	1.78
Net income group's share before dilution	1.80	2.54	3.66
Net income group's share after dilution	1.77	2.17	2.96
Weighted-average number of shares after dilution	39,783,867	42,303,771	41,502,044

RALLYE CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For year ended December 31, 2002

(in € millions)	12/31/2002	12/31/2001	12/31/2000
Cash flows from operating activities			
Net income	388	368	286
Adjustments to eliminate non-cash and non-operating Expenses and revenues			
- Depreciation, amortization and provisions (1)	641	466	463
- Change in deferred tax	(54)	14	(43)
- Capital gains, net of taxes	(52)	(17)	(131)
Cash flow	923	831	575
Dividends received from companies accounted for by the equity method	16	32	10
Change in operating working capital requirement			
- Net inventories	56	(233)	(133)
- Net accounts receivable	(153)	(665)	(283)
- Net accounts payable	377	512	432
Net cash provided by operating activities (A)	1,219	477	601
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	(1,065)	(1,133)	(1,015)
Sale of property, equipment and intangible assets	249	165	160
Purchase of financial investments	(60)	(416)	(360)
Sale of financial investments	93	127	183
Changes in scope of consolidation	(310)	(52)	(806)
Net cash used in investing activities (B)	(1,093)	(1,309)	(1,838)
Cash flows from financing activities			
Dividends paid to the shareholders of the parent company	0	(48)	(15)
Dividends paid to minority interests	(133)	(101)	(85)
Cash increase/or decrease in capital and other shareholders' equity	(299)	899	29
Impact of owned shares (3)	(111)	(43)	12
Debt issuance	3,795	3,132	2,272
Debt redemption	(2,478)	(2,160)	(886)
Net cash provided by financing activities (C)	774	1,679	1,329
Impact of currency fluctuations (D)	(97)	5	45
Change in cash and cash equivalents (A+B+C+D)	803	852	137
Cash and cash equivalents at beginning of year (E)	1,741	889	752
Cash and cash equivalents at end of year (F)	2,544	1,741	889
Change in cash and cash equivalents (2) (F-E)	803	852	137

(1) Excluding provisions on current assets.

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

(3) Combined effect of depreciation of owned shares posted to marketable securities and impact on the financial position of purchase and sale of owned shares posted to Shareholders' equity.

Certain Information Concerning Rallye's Financial Statements

General Principles

The consolidated financial statements of the Rallye Group were prepared in compliance with French GAAP.

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 on which the Rallye Group exercises joint control are proportionally consolidated. Companies whose shares are held only in view of future sale or for which full consolidation would not significantly alter the Rallye Group's accounts are not consolidated.

The principal changes in the scope of consolidation during the year 2002 are:

- The entry of the following companies: Casino Carburants, Kamili, Jaceli, Géant Carburants, SCI de l'Océan, Restauration collective Casino, Géant Inversiones, Finovadis (1), Régie Média Trade, Géant Krédit, Vindémia (2) on January 1, Marushka holding B.V and Laurus (3) on July 1st, and EMC Distribution on September 1,
- The exit of the following companies: Mariault, Médis and Socodelgrand, which have been merged respectively into Medis, Distribution Casino France and Immobilière du Groupe Casino, Sibal and Espace 49, which have been dissolved, Chais Beaucairois (sold on August 31), C-Online, C-mescourses, Caly On Line and Telemarket.
 - (1) The Rallye Group owns a 1% stake in the company Finovadis, which is mainly held by a bank and which was created in the context of a EUR 400 million-loan issue. Considering the fact that the Rallye Group statutorily benefits from the majority of Finovadis' results, the company is fully consolidated, consolidated financial debts being substituted for minority interests.
 - (2) Vindemia, owned at 33.34% by Casino, is proportionally consolidated as the agreements between Groupe Bourbon and Casino allow a joint control of the economical activity of Vindémia.
 - (3) Laurus, owned at 38.72% by Casino, is accounted for by the equity method.

These changes are not significant enough to require the preparation of restated figures.

The following companies, which were proportionally consolidated during the first half of the year 2002, have been fully consolidated since June 30, 2002, as a result of Casino's taking the exclusive control of these companies in 2002: King Cross Gdansk, Tulipan Lodz (real estate companies in Poland), Devoto (supermarkets operator in Uruguay), Lanin and Larenco (holding companies in Uruguay).

For a complete list of companies consolidated during the 2002 fiscal year, please refer to Rallye's 2002 audited financial information as published in the BALO on April 28, 2003, which is incorporated herein by reference (see "General Information – Incorporation by Reference").

Principles of Consolidation

Consolidation is carried out on the basis of the financial statements for the fiscal year ended December 31, 2002. The companies entering or exiting the consolidation structure are consolidated for the period during which they belonged to the Rallye Group.

Treasury stock, which is not affected to stock options plans or to stabilization of stock price, is charged against consolidated retained earnings at acquisition cost.

The acquisition costs relating to purchasing shares in consolidated companies are included in the cost of shares and increase initial goodwill.

The statement 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.

CASINO

The information in this Offering Circular relating to Casino consists of, or is extracted from, a variety of publicly available information in respect of Casino and should be read in that context. The principal sources of information were Casino's Consolidated Financial Statements and Notes thereto included in Casino's 2002 audited financial information as published in the BALO dated April 30, 2003 and Casino's Annual Report 2001. In addition, information has been extracted or summarized from a number of other publicly available sources which are listed under "General Information" as well as from the Companies Register and public information disseminated by Euronext Paris.

General

Casino Guichard-Perrachon is a *société anonyme* established under the laws of France, registered with the company register of Saint-Etienne under reference number 554 501 171. Its registered office is at 24, rue de la Montat, 42000 Saint-Etienne, France. Casino was incorporated on July 1, 1898 and, following the decision of an Extraordinary General Meeting held on October 31, 1941, has a term expiring on July 31, 2040.

Casino is a multi-format retailer with a strong market position in the French retail sector and significant operations internationally, including stores in fifteen different countries (France, Poland, The Netherlands, the USA, Mexico, Brazil, Argentina, Uruguay, Colombia, Venezuela, Thailand, Taiwan, Vietnam, Madagascar and Mayotte).

The first Casino supermarket opened in 1960 in Grenoble and the first Géant Casino hypermarket in 1970 in Marseille. Casino acquired Cédis in 1985, La Ruche Méridionale in 1990, the retailing and restaurant businesses of Rallye in 1992, Mariault and the Franprix-Leader Price Group companies in 1997, and a 21.6% shareholding in the Monoprix-Prisunic Group in 1997 increased to 49.35% in 2000. Casino is one of the leading integrated retailers in France.

Casino is listed on Euronext Paris and is a constituent part of the CAC 40 with a market capitalization of € 7.4 billion as of December 31, 2002.

Casino Group achieved consolidated net sales of € 22.857 billion for the year ended December 31, 2002, representing 96.5% of the Rallye Group's consolidated net sales.

Recent Developments

France

In 2002, France accounted for 77% of net sales with a strong organic growth (+6%). All formats outperformed the FCD industry index and increased market shares. Leader Price is the most dynamic branch with organic sales growth of 13.8%.

Operating margin improvements were achieved in all formats, especially in hard discount (+23.5%) and convenience stores formats¹ (+24.6%). These segments are less sensitive to the economic environment.

On February 10, 2003, the Arbitration Court ruled that Casino did not breach its April 1999 agreements with Cora on the Opera central purchasing organisation by signing an equity swap agreement with Deutsche Bank for a 42.39% interest in Cora. The Court considered that Cora had wrongfully terminated the Opera contract in January 2002 and that Cora had to reimburse Casino the provisional € 61 million indemnity paid by Casino in February 2002 plus interest.

In March 2003, Galeries Lafayette and Casino have agreed on the extension of the partnership agreements signed in May 2000 regarding Monoprix. Monoprix is the leading city-center supermarket in France with net sales of € 3.7 billion for year 2002 and 5.1% operating margin. According to the new agreement, Galeries Lafayette benefits from a put option on Monoprix shares exercisable after 2006. Casino benefits from a call option on Monoprix shares held by Galeries Lafayette after April 1, 2009 enabling it to take control of Monoprix.

At the time of the combined public stock purchase and swap offer for Monoprix shares in June 2000, Casino issued 4,240,324 contingent value rights ("CVRs"). On April 7, 2003, Casino announced it had acquired at an average price of € 43.11 and cancelled 1,781,449 CVRs. The number of CVRs still outstanding is 2,458,875. They mature on June 30, 2003.

International

International sales in 2002 rose 17.6% at constant exchange rates. International operating income accounts for 6% of total group operating income.

During the fourth quarter of 2002, the Casino Group increased its interests in CBD in Brazil (consolidated using the equity method) from 25.26% to 27.46% at December 31, 2002.

In June 2002, the Casino Group acquired a 38.7% strategic stake in Laurus, the second-largest supermarket operator in the Netherlands at a price of € 0.9 per share. Casino benefits from a call option to raise its stake in Laurus to 51% before 2008. Laurus contributed € 7.4 million to Casino net profit for 2002. Unprofitable businesses in Belgium and Spain have been sold.

In April 2003, Casino raised its stake in Exito (Columbia) from 29.1% to 32.86%.

¹ Monoprix + Supérettes + Supermarkets

2003 First Quarter Net Sales

On April 22, 2003, Casino disclosed its sales figures for the first quarter of 2003. Net sales amounted to € 5.298 billion up 5.6% at constant exchange rates and down 0.9% after impact of exchange rates. The sustained growth of 5.6% is due to the efficient positioning of the Group in the growth formats of discount and convenience stores. Net sales for the first quarter of 2003 take into account the unfavorable calendar effect linked to the shift of the Easter holiday (April in 2003 as against March in 2002).

Management

As at April 30, 2003, Casino was managed by a Management Board (*Directoire*) and Supervisory Board (*Conseil de surveillance*) each composed as follows:

<u>Name:</u>	<u>Principal Occupations:</u>
<i>Management Board</i>	
Christian Couvreur	Chairman of the Management Board
Pierre Bouchut	Member of the Management Board; Managing Director
<i>Supervisory Board</i>	
Antoine Guichard	Chairman of the Supervisory Board
Yves Guichard	Vice-Chairman of the Supervisory Board
David Dautresmes	Senior Advisor of Lazard Frères
Abilio Dos Santos Diniz	Chairman of Companhia Brasileira de Distribuição (CBD)
Philippe Houzé	Managing Director of Galeries Lafayette
Jean-Charles Naouri	Managing Director of Euris
Marc Ladreit de Lacharrière	Managing Director of Fimalac & Cie
Gilles Pinoncely	Member of the Board of Directors of Celinor
David de Rothschild	Statutory Management Partner of Rothschild & Cie Banque
Société Groupe Euris, represented by François de Montaudouin	
Société Foncière Euris, represented by Pierre Féraud	
Société Omnium de Commerce et de Participation, represented by André Crestey	
Société Euris, represented by Jean-Marie Grisard	
Société Parcade, represented by Jacques Dumas	

The Supervisory Board has three sets of committees: the audit committee, the international development committee, and the nomination and compensation committee, which are, in liaison with the Management Board members, assisted by the various functional departments of the Casino group. The audit committee is chaired by David Dautresme, the nomination and compensation committee by Jean-Charles Naouri, and the international development committee is chaired by Yves Guichard.

Casino Summary Financial Information

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS CONSOLIDATED INCOME STATEMENT

(in € millions)	12/31/2002	12/31/2001	12/31/2000
Net sales	22,857.4	21,983.8	19,072.7
Cost of goods sold	(17,703.7)	(17,146.4)	(14,987.9)
Gross margin	5,153.7	4,837.4	4,084.9
Other purchases and external expenses	(1,681.7)	(1,597.6)	(1,400.2)
Payroll expenses	(2,032.0)	(1,939.5)	(1,664.2)
Net charge to depreciation, amortization and provisions	(474.0)	(446.7)	(367.7)
Operating income	966.0	853.6	652.8
Financial income (loss)	(191.1)	(151.9)	(126.4)
Income from current operations before income tax	774.9	701.7	526.4
Income tax from current activities	(262.3)	(254.3)	(196.5)
Income from current operations after income tax	512.6	447.4	329.9
Net exceptional income (loss)	7.5	(1.1)	6.4
Net income from consolidated companies	520.1	446.3	336.3
Income from companies accounted for by the equity method	43.9	46.9	63.9
Net income before amortization of goodwill	564.0	493.3	400.2
Amortization of goodwill	(41.9)	(50.2)	(35.4)
Net income	522.1	443.1	364.8
Minority interest	76.9	64.1	49.9
Group's share	445.2	379.0	315.0

(€ per share)	12/31/2002	12/31/2001	12/31/2000
Net income, group's share before dilution	4.08	3.46	3.16
Income from current operations after income tax, group's share before dilution	4.01	3.47	3.11
Income from current operations after income tax, group's share after dilution	4.04	3.51	3.01

CASINO CONSOLIDATED BALANCE SHEET

as at December 31, 2002

ASSETS (in € millions)	12/31/2002	12/31/2001	12/31/2000
Fixed assets			
Goodwill	802.4	953.1	941.5
Amortization	(119.7)	(119.4)	(59.2)
	682.7	833.7	882.3
Intangible assets	3,384.5	3,398.1	3,237.7
Amortization and provisions	(122.5)	(99.3)	(57.8)
	3,262.0	3,298.8	3,179.9
Property, plant and equipment	6,501.8	6,418.3	5,883.6
Depreciation	(2,500.6)	(2,276.9)	(1,938.8)
	4,001.2	4,141.4	3,944.8
Long-term investments	468.4	446.5	262.7
Provisions for impairment	(49.4)	(15.5)	(13.6)
	419.0	431.0	249.1
Companies accounted for at equity	809.4	924.4	933.8
Total fixed assets	9,174.3	9,629.3	9,189.9
Current assets			
Inventories	1,742.5	1,915.7	1,697.1
Trade receivables	866.1	844.7	695.3
Other receivables, prepayments and accrued income	1,127.8	916.8	721.8
Marketable securities	1,961.3	885.2	660.3
Cash	742.2	822.6	634.2
Total current assets	6,439.9	5,385.0	4,408.7
Total assets	15,614.2	15,014.3	13,598.6
LIABILITIES AND SHAREHOLDERS' EQUITY (in € millions)	12/31/2002	12/31/2001	12/31/2000
Shareholders' equity			
Capital stock	166.3	168.2	157.0
Additional paid-in capital	3,735.4	3,814.7	3,112.1
Consolidated reserves	(1,344.1)	(378.4)	(369.0)
Net income for the year	445.2	379.0	315.0
Group's shareholders' equity	3,002.8	3,983.5	3,215.1
Minority interests	663.9	695.7	627.0
Consolidated shareholders' equity	3,666.7	4,679.2	3,842.1
Other shareholders' equity	180.7	180.7	19.1
Provisions for contingencies and charges	207.4	259.4	290.6
Debts			
Borrowings and loans	6,444.7	5,054.9	4,886.0
Trade payables	3,258.6	3,244.6	2,940.7
Other payables, accruals and deferred income	1,856.1	1,595.5	1,620.1
Total debts	11,559.4	9,895.0	9,446.8
Total shareholders' equity and liabilities	15,614.2	15,014.3	13,598.6

Historical Casino Share Price Data

The following table shows the volume traded and the high and low prices of the Shares for each month over the past three years.

Ordinary shares	Highs and lows		Number of shares traded (in thousands)	Capital traded (in € millions)	
	High	Low			
2000	January	117.90	97.40	4,386	470
	February	109.00	88.00	4,121	398
	March	103.30	88.00	5,228	493
	April	102.80	89.50	2,907	281
	May	99.20	90.50	4,287	403
	June	100.00	94.10	3,138	308
	July	113.40	96.50	4,591	494
	August	113.50	103.00	3,190	346
	September	114.80	102.70	2,867	305
	October	108.00	97.05	3,361	342
	November	112.50	98.30	6,180	667
	December	111.70	99.80	4,185	439
2001	January	110.90	99.40	5,987	637
	February	113.00	104.10	3,696	402
	March	111.00	95.60	5,388	559
	April	104.00	93.00	3,905	384
	May	104.80	98.30	5,245	534
	June	106.50	96.00	4,276	433
	July	99.95	90.10	4,955	465
	August	93.95	87.15	4,961	450
	September	92.65	74.60	5,780	491
	October	88.90	82.50	5,650	481
	November	88.50	80.25	6,384	538
	December	88.95	82.65	3,659	312
2002	January	87.30	78.35	5,889	491
	February	80.95	75.05	4,962	383
	March	84.60	75.85	7,263	592
	April	89.90	83.10	6,388	553
	May	89.70	86.00	5,623	494
	June	88.85	83.75	6,729	584
	July	86.50	71.00	9,383	737
	August	77.80	68.50	5,936	432
	September	73.70	62.00	8,054	550
	October	68.55	58.55	7,800	499
	November	71.30	61.70	6,175	417
	December	70.95	65.10	5,046	346
2003	January	73.50	56.50	9,168	586
	February	59.70	51.30	5,888	335
	March	61.35	47.80	10,372	596

Source : Euronext

The following table shows the volume traded and the high and low prices for the Company's preferred shares (*actions à dividende prioritaire*) for each month over the past three years.

Preferred shares	Highs and lows		Number of shares traded (in thousands)	Capital traded (in € millions)	
	High	Low			
2000	January	79.00	65.00	526	38
	February	74.00	58.05	422	27
	March	69.00	59.60	694	44
	April	68.20	60.95	322	21
	May	67.00	60.95	476	30
	June	67.90	62.20	358	23
	July	75.10	64.50	496	35
	August	73.00	67.50	290	20
	September	73.90	66.20	339	24
	October	70.00	64.00	312	21
	November	73.90	66.00	615	44
	December	71.50	65.60	306	21
2001	January	74.10	65.60	1,417	98
	February	72.00	67.55	388	27
	March	71.90	63.25	309	21
	April	66.90	59.00	446	29
	May	71.80	64.30	1,260	86
	June	75.40	65.45	619	44
	July	68.35	62.50	585	38
	August	66.00	61.00	344	22
	September	65.00	51.60	589	35
	October	63.00	57.30	938	57
	November	62.75	56.00	740	44
	December	63.30	60.90	1,062	66
2002	January	63.95	58.25	743	45
	February	59.95	56.10	191	11
	March	62.90	56.05	536	32
	April	67.30	61.60	694	44
	May	67.00	63.90	943	62
	June	66.00	60.45	852	55
	July	62.95	51.05	677	39
	August	56.90	49.55	214	11
	September	53.25	44.50	446	21
	October	49.29	42.50	578	27
	November	51.95	45.25	365	18
	December	52.35	47.65	417	21
2003	January	53.80	43.65	656	30
	February	47.00	41.00	508	23
	March	47.39	38.26	966	42

Source : Euronext

Casino Dividends and Earnings per Share

The following table shows the dividend paid on the Shares and on the Company's preferred shares on the past five years.

<u>Year paid</u>	<u>Remunerated shares (*)</u>		<u>Dividend paid (*) (Euros)</u>		
	<u>Class</u>	<u>Number</u>	<u>Net</u>	<u>Tax credit</u> (**)	<u>Total earnings</u>
1998	Ordinary	61,686,485	1.19	0.59	1.78
	Preferred	17,495,443	1.23	0.61	1.84
1999	Ordinary	71,260,591	1.27	0.635	1.905
	Preferred	17,384,610	1.31	0.655	1.965
2000	Ordinary	77,605,786	1.27	0.635	1.905
	Preferred	17,245,443	1.31	0.655	1.965
2001	Ordinary	89,978,823	1.33	0.665	1.995
	Preferred	16,750,987	1.37	0.685	2.055
2002	Ordinary	88,283,991	1.54	0.77	2.31
	Preferred	15,298,563	1.58	0.79	2.37

(*) The amount of the dividend corresponding to the Casino shares held by the Company on the date of the dividend payment is transferred to the "retained earnings" account.

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

Information Relating to Casino's Share Capital

As of December 31, 2002, Casino's capital was 166,283,054.55 euros. It was divided into 108,681,735 fully paid-up shares with a par value of € 1.53, including 93,469,874 ordinary shares and 15,211,861 non-voting preferred shares.

At December 31, 2002, there were 128,510,004 voting rights attached to the Shares.

Securities Giving Access to the Capital Stock

Warrants to Purchase or Subscribe to Casino Ordinary Shares

From January 18 to January 31, 2001, the Company issued 7,924,844 ordinary shares each carrying two warrants to purchase existing ordinary shares or subscribe for new ordinary shares. Accordingly, warrants were issued as follows:

- 7,924,844 A warrants giving the right to purchase or subscribe to ordinary shares at a price of € 120 per share until December 15, 2003, at a rate of one share for two A warrants;
- 7,924,844 B warrants giving the right to purchase or subscribe to ordinary shares at a price of € 135 per share until December 15, 2005, at a rate of one share for two B warrants.

During the year 2002, 26 A warrants and 26 B warrants were exercised, leaving 7,924,564 A warrants and 7,924,566 B warrants outstanding at year-end.

Subscription Options Plan

Details of the various plans in force as at December 31, 2002 are shown in the table below, it being specified that no officer of Casino benefits from subscription options.

Allotment Date	Date of which the options may be exercised	Expiration date	Number of beneficiary originally	Adjusted subscription price (€)	Adjusted number of options allotted	Number of options exercised at 12/31/2002	Number of options remaining to be exercised at 12/31/2002
12/12/1994	-	12/11/2004	315	21.91	27,399	23,181	4,218
12/12/1994	-	12/11/2004		23.06	18,066	16,343	1,723
12/09/2002	12/09/2005	06/08/2009	519	67.84	36,011	-	36,011

Potential Capital

Casino's potential capital at December 31, 2002 breaks down as follows:

	Ordinary shares	Preferred shares	Total
Number of shares at December 31, 2002	93,469,874	15,211,861	108,681,735
Subscription options	41,952	-	41,952
A Warrants	3,962,282	-	3,962,282
B Warrants	3,962,283	-	3,962,283
Potential number of shares	101,436,391	15,211,861	116,648,252

Distribution of the Capital

The distribution of the capital at December 31, 2002 breaks down as follows:

	December 31, 2001		December 31, 2002	
	In % of capital	In % of voting rights	In % of capital	In % of voting rights
Public	40.0%	31.6%	39.4%	27.4%
Rallye Group ⁽¹⁾	49.4%	58.7%	49.4%	64.3%
Descendants of Geoffroy Guichard	3.2%	5.9%	3.1%	4.9%
Galleries Lafayette	1.9%	1.8%	1.9%	1.6%
Casino Employee Mutual Funds	1.3%	2.0%	1.4%	1.8%
Self-control / Self-held	4.2%	-	4.8%	-

Change in the Capital

From Jan.1, 1998 to Dec.31, 2002	Number of shares issued / cancelled		Amount of the capital variations		Successive amounts of the capital	Total number of shares		
	Ordinary	Preferred	Par	Premium		Ordinary	Preferred	Total
1998								
Subscription options	417,317	-	4,173,170 F	55,639,690 F	821,699,430 F	64,647,614	17,522,329	82,169,943
Subscription warrants	10,262,068	-	102,620,680 F	2,155,034,280 F	924,320,110 F	74,909,682	17,522,329	92,432,011
1999								
Subscription options	564,438	-	5,644,380 F	73,961,773 F	929,964,490 F	75,474,120	17,522,329	92,996,449
Subscription warrants	5,415,352	-	54,155,320 F	1,137,261,720 F	984,119,810 F	80,889,652	17,522,329	98,411,981
2000								
Subscription options	31,184	-	311,840 F	4,044,292 F	984,431,650 F	80,920,836	17,522,329	98,443,165
Absorption of subsidiaries	332,145	-	3,321,450 F	133,492,519 F	987,753,100 F	81,252,981	17,522,329	98,775,310
Stock offer for Monoprix shares	4,240,324	-	42,403,240 F	2,726,423,924 F	1,030,156,340 F	85,493,305	17,522,329	103,015,634
2001								
Conversion of capital stock into euros	-	-	3,723,201 F	-	157,613,920.02 €	85,493,305	17,522,329	103,015,634
Issue of shares carrying share warrants	7,924,844	-	12,125,011.32 €	772,434,544.68 €	169,738,931.34 €	92,418,149	17,522,329	110,940,478
Subscription options	16,578	-	25,364.34 €	314,118.46 €	169,764,295.68 €	93,434,727	17,522,329	110,957,056
Exercise of A warrants	127	-	194.31 €	15,045.69 €	169,764,489.99 €	93,434,854	17,522,329	110,957,183
Exercise of B warrants	126	-	192.78 €	16,817.22 €	169,764,682.77 €	93,434,980	17,522,329	110,957,309
Cancellation of preferred shares		(1,004,441)	(1,536,794.73) €	(62,572,448.01) €	168,227,888.04 €	93,434,980	16,517,888	109,952,868
2002								
Subscription options	34,868	-	53,348.04 €	658,801.12 €	168,281,236.08 €	93,469,848	16,517,888	109,987,736
Exercise of A warrants	13	-	19.89 €	1,540.11 €	168,281,255.97 €	93,469,861	16,517,888	109,987,749
Exercise of B warrants	13	-	19.89 €	1,735.11 €	168,281,275.86 €	93,469,874	16,517,888	109,987,762
Cancellation of preferred shares		(1,306,027)	(1,998,221.31) €	(79,907,933.68) €	166,283,054.55 €	93,469,874	15,211,861	108,681,735

⁽¹⁾ As of December 31, 2002, Rallye held directly 13.2% of capital (19.3% of voting rights) and indirectly 36.2% of capital and 45.0% of voting rights through eight subsidiaries, five of which held more than 5% of capital and voting rights: Alpetrol, which held 11.3% of capital and 15.9% of voting rights, Omnium de Commerce et de Participations, which held 5.2% of capital and 8.2% of voting rights, Cobivia, which held 5.2% of capital and 7.4% of voting rights, Kerrous, which held 5.8% of capital and 6.6% of voting rights and Habitation Moderne de Boulogne, which held 7.1% of capital and 6.6% of voting rights. The other subsidiaries held less than 5% of capital and voting rights.

Company Purchase of its Own Shares

Since December 31, 2002, Casino has purchased 1,687,470 ordinary shares and 71,651 preferred shares (Information to the *Conseil des Marchés Financiers* dated April 14, 2003).

Description of the Shares

The following is a summary of certain of the provisions of the by-laws (*statuts*) of Casino which are available for inspection as provided under “General Information”.

Voting

All holders of ordinary shares have a number of votes equal to the number of ordinary shares owned or which they represent, with no limit, with the sole exception of cases provided for by law.

However, as provided for the by-laws of Casino, a double voting right shall be granted to all fully paid-up ordinary shares for which there is proof of registration for at least four years, in the name of the same shareholder, who must be a citizen of France or a citizen of a country that is a member of the European Community, and, in the case of a capital increase by incorporation of reserves, profits or paid-in capital, to any registered shares allotted as bonus shares to any shareholder for existing shares entitling the shareholder to such a right.

The double voting rights shall terminate automatically for any share converted to a bearer share or for which ownership has been transferred, except if transferred as provided in Article L.225-124 of the French Commercial Code.

In addition to the ordinary shares, Casino has outstanding preferred shares (*actions à dividende prioritaire*). The preferred shares are not entitled to voting rights.

Dividends and Other Distributions

Prior to any other appropriation, the amount required to pay a 7.5% preferred dividend on the paid-up portion of the par value of non-voting preferred shares shall be deducted in the appropriate amount from distributable income. This preferred dividend is cumulative. If the profits for a given year are not sufficient to pay it in its entirety, then the unpaid portion shall be carried forward to the following year, and, if necessary, to subsequent years, and shall be given priority over the payment of the preferred dividend owed for the year in question.

Then the necessary amount shall be deducted to pay interest in the amount of 5% per year on the fully paid-up portion of the ordinary shares. In the event that the profits for a given year are insufficient to make such payment, such payment shall not be withheld from the earnings of any subsequent years.

Any surplus, plus any retained earnings, shall be made available to the Annual Shareholders' Meeting for distribution among all the shares.

However, the Annual Shareholders' Meeting may decide, on the recommendation of the Management Board and with the approval of the Supervisory Board, after appropriation to the legal reserve, and after paying the 7.5% preferred dividend payment and payment of the 5% interest on the ordinary shares, and before any other distribution, to withdraw any amounts deemed necessary by it for appropriation to any optional, ordinary or extraordinary reserve funds, with or without special appropriation.

The amounts in reserve may, by decision of the Annual Shareholders' Meeting, either be distributed or incorporated into the capital of the Company, on the recommendation of the Management Board, with the approval of the Supervisory Board.

Transfer of Shares

Shares are freely transferable. Sales and transfers of Shares are effected by electronic transfer as prescribed by the relevant regulations. All fees resulting from a sale or transfer are borne by the acquiror.

Alteration of Share Capital

(i) The Company may increase its capital either by issuance of new Shares of the same or a different category from the existing Shares, or by increasing the par value of existing Shares. A capital increase is voted on at an Extraordinary General Meeting. In case of a capital increase by issue of new shares to be subscribed and paid in cash, existing shareholders have a preferential right of subscription. However, this right may be waived by an individual shareholder or, in accordance with French law, by the general meeting voting on the capital increase. A capital increase may also result from the decision by a shareholder to receive a dividend or an interim dividend in the form of shares, when this right has been conferred on shareholders by the Ordinary General Meeting approving the financial statements for the fiscal year in question.

(ii) Shareholders at an Extraordinary General Meeting may also decide, or authorize the Management Board to carry out, a capital decrease, in particular through purchase and cancellation of outstanding Shares or through exchange of old Shares for new Shares. Shareholders at an Extraordinary General Meeting may also vote to buy back all non-voting preferred shares. In case of a capital decrease other than due to losses, non-voting preferred shares shall be bought back before Shares.

(iii) The Company may not distribute (*amortir*) its capital so long as there are outstanding non-voting preferred shares.

Appointment of Management Board

The Company is managed by a Management Board (*directoire*) composed of at least two and at most seven members, appointed by the Supervisory Board for a period of five years. The Supervisory Board also appoints a member of the Management Board as president. Members of the Management Board must be natural persons, but need not be shareholders of the Company. No member of the Supervisory Board may sit on the Management Board. Shareholders at a general meeting may remove members of the Management Board, upon the proposal of the Supervisory Board.

Appointment of the Supervisory Board

The Supervisory Board is composed of not less than three and not more than 18 members except where other legal provisions apply in the event of a merger with another company, elected by shareholders at a general meeting for a term of three years. Legal entities may be members of the Supervisory Board, through a permanent representative. Members of the Supervisory Board must hold at least 100 Shares.

CLEARANCE AND SETTLEMENT OF THE BONDS

Each Bond will be issued in dematerialized book-entry form only and only in the denomination of € 80.

Pursuant to the French dematerialization law, the ownership rights of holders of the Bonds will not be represented by any certificates, whether in definitive or global form, but by book entries in the records of Euroclear France. No definitive or global Bonds will be issued and beneficial interests in the Bonds will be shown on, and transfers thereof will be effected only through, book-entry accounts of financial institutions acting on behalf of owners of book-entry interests in Bonds as direct and indirect participants of Euroclear France. Each person who is at any time shown in the records of a Euroclear France Account Holder as the holder of a particular principal amount of Bonds will be treated by the Issuer and the Fiscal Agent as the holder of such principal amount of Bonds for all purposes. Title will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in the accounts of the relevant Euroclear France Account Holder(s).

Investors may elect to hold book-entry interests in Bonds through Euroclear or Clearstream either in their own accounts if they are participants in any such systems or through the accounts of financial institutions which are participants in such systems. Bonds held in Clearstream will be held by Clearstream on behalf of its participants through its depository, which in turn will hold such Bonds in accounts as a participant in Euroclear France. Bonds held in Euroclear will be held by Euroclear directly in its account as a participant in Euroclear France.

The Bonds will be subject to certain restrictions on transfer described under “Transfer Restrictions”.

Transfers between Euroclear France participants will be effected in the ordinary way in accordance with Euroclear France rules. Transfers between Clearstream and Euroclear participants will be effected in the ordinary way in accordance with their respective rules and operating procedures. See “Global Clearance and Settlement of the Bonds”.

The Issuer expects that Euroclear France, Euroclear or Clearstream will take any action permitted to be taken by a holder of Bonds or an interest in Bonds, only at the direction of one or more participants to whose account the Bonds or the interest in Bonds are credited and only in respect of such portion of the aggregate principal amount of Bonds or interest in Bonds as to which such participant or participants has or have given such direction.

Payment

Payment of principal of and interest on the Bonds will be made by the Issuer in Euro via the Fiscal Agent. With respect to the Bonds held by Euroclear France participants, payment will be made by such participants in accordance with customary procedures established from time to time by Euroclear France. With respect to Bonds

held by the depositaries for Euroclear and Clearstream, payment will be made by such depositaries to Euroclear and Clearstream for their respective participants in accordance with customary procedures established from time to time by Euroclear and Clearstream.

Exchange

A holder wishing to exchange Bonds for Shares must so instruct the Euroclear France Account Holder through which the Bonds are held (directly or via Euroclear or Clearstream) of such election in accordance with the applicable procedures of the Euroclear France Account Holder and the terms and conditions of the Bonds, in which case the Euroclear France Account Holder will debit the account of the holder for the amount of Bonds being exchanged and deliver such Bonds to the Fiscal Agent through the facilities of Euroclear France for the account of the Issuer. The Calculation Agent will then calculate the number of Shares to be delivered and the Fiscal Agent will arrange for delivery of the Shares (or their Cash Value) to the Euroclear France Account Holder through the facilities of Euroclear France, upon delivery of which the Euroclear France Account Holder will credit the account of the holder for the amount of the Shares (or Cash Value) so delivered.

Global Clearance and Settlement of the Bonds

None of Euroclear France, Euroclear or Clearstream is under any obligation to perform or continue to perform the procedures described below, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent or any of their respective affiliates will have any responsibility for the performance by Euroclear France, Euroclear, Clearstream or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described hereunder.

The Clearing Systems

Euroclear France, Euroclear and Clearstream have advised the Issuer as follows:

Euroclear France

Euroclear France holds securities for its direct participants, which include banks, securities brokers and dealers (including certain of the Managers for the offering of the Bonds), other professional intermediaries and foreign depositaries, and facilitates the clearance and settlement of securities transactions between Euroclear France participants through electronic book-entry changes in accounts of Euroclear France participants.

Clearstream and Euroclear

Clearstream and Euroclear each hold securities for their participating organization and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective participants.

Clearstream and Euroclear provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream and Euroclear also deal with domestic securities markets in several countries through established depository and custodial relationships. Clearstream and Euroclear have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Clearstream and Euroclear customers are worldwide financial institutions including underwriters, securities brokers and dealers, trust companies and clearing corporations. Indirect access to Clearstream and Euroclear is available to other institutions which clear through or maintain a custodial relationship with a direct participant of either system;

No beneficial owner of an interest in a Bond will be able to transfer that interest except in accordance with the applicable procedures of Euroclear France, Euroclear and Clearstream.

The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer interests in the Bonds.

Global Clearance and Settlement Procedures

Initial settlement for the Bonds will be made in immediately available Euro funds (*i.e.*, on the date of delivery of the Bonds). Customary settlement procedures will be followed for participants of each clearance system at initial settlement. Bonds or interests in Bonds (as the case may be) are expected to be credited to initial purchasers' securities accounts on the settlement date against payment in immediately available funds.

Investors electing to hold their securities through Euroclear France accounts will follow the settlement procedures applicable to conventional Eurobonds in dematerialised bearer form. Bonds will be credited to the securities custody accounts of Account Holder(s) on the settlement date against payment for value on such date.

Investors electing to hold their securities through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in dematerialised bearer form. Interests in the Bonds will be credited to the securities custody accounts of Euroclear and Clearstream participants on the settlement date against payment for value on the settlement date.

TRANSFER RESTRICTIONS

Each purchaser of Bonds, by accepting delivery of this Offering Circular and the Bonds, will be deemed to have represented, agreed and acknowledged as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

- (1) the purchaser is, or at the time the Bonds are purchased will be, the beneficial owner of the Bonds and (a) it is not a U.S. person and is located outside the United States and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;
- (2) the purchaser understands and agrees that the Bonds and the Shares to be delivered upon exchange of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and that it will not offer, sell, pledge or otherwise transfer the Bonds in the United States or to a U.S. person except pursuant to an exemption from, or in a transaction not subject to, the Securities Act;
- (3) the purchaser understands that to exercise its right to exchange the Bonds, it must make the representations, warranties and undertakings, including with respect to certain restrictions on transfer which may apply to the Shares received upon exchange, contained in the Exchange Notice described under “Terms and Conditions of the Bonds — Exchange of the Bonds into Shares”; and
- (4) the purchaser acknowledges that the Issuer and the Managers and their affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SUBSCRIPTION AND SALE

Underwriting Arrangements

BNP Paribas, Crédit Agricole Indosuez Lazard, Natexis Bleichroeder, Crédit Industriel et Commercial, Crédit Commercial de France, Goldman Sachs International, Société Générale, Crédit Lyonnais and ABN AMRO Rothschild (together, the “Managers”) have, pursuant to an underwriting agreement untitled *Contrat Global de Garantie* dated April 7, 2003 (the “Underwriting Agreement”), agreed with the Issuer, subject to the satisfaction of certain conditions, to procure subscription and payment, failing which to subscribe and pay, for the Bonds.

The Underwriting Agreement provides that the Issuer will pay the Managers total commissions of 1.50% of the principal amount of the Bonds. In addition, the Issuer may pay, at its sole discretion, an additional success fee of up to 0.20% of the principal amount of the Bonds to the Joint Lead Managers. The Issuer will also pay certain costs incurred by it and the Managers in connection with the issue of the Bonds.

Pursuant to the Underwriting Agreement, the Issuer has undertaken with the Managers (a) until 30 days after the date of the Underwriting Agreement, not to trade (directly or indirectly) on the Bonds for its own account; (b) until 30 days after the date of the Underwriting Agreement, not to sell (directly or indirectly) for its own account any equity securities of the Company and; (c) until 120 days after the date of the Underwriting Agreement, not to issue, offer or sell, directly or indirectly, equity securities of the Company or new debt securities exchangeable for, convertible into, or otherwise giving access to, equity securities of the Company, in each case unless the Joint Lead Managers give their prior written consent thereto. These restrictions are subject to certain exceptions, including the right for the Issuer to sell on the market, after the 30th day following the date of the Underwriting Agreement, a number of ordinary or preferred shares of the Company representing up to 20% of the average daily volume of shares of the Company over the period of ten Trading Days preceding such sale, if the shares of the Company trade above certain thresholds, it being noted that the Issuer will be free to sell shares of the Company without any restriction if the closing price of the shares on the day preceding such sale exceeds 125% of the price of the shares at the time when the offering of the Bonds was launched.

The Managers are entitled to terminate the Underwriting Agreement in certain limited circumstances prior to the issue of the Bonds. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds.

General Restrictions

Each of the Managers has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Bonds or have in its possession or distribute this Offering Circular or any other offering material

relating to the Bonds. No action has been taken by the Issuer or the Managers that would, or is intended to, permit a public offer of the Bonds or possession or distribution of the Offering Circular or any other offering material relating to the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Managers has agreed that it will not, directly or indirectly, offer, sell or deliver any Bonds or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

France

Each of the Managers and the Issuer has acknowledged that the Bonds are deemed to be issued outside France and has represented and agreed that, in connection with their initial distribution, (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public in the Republic of France, and (ii) offers and sales of Bonds in the Republic of France will be made only to qualified investors (*investisseurs qualifiés*) as defined in and in accordance with article L.411-2 of the French *Code Monétaire et Financier* and Decree no. 98-880 dated 1 October 1998 relating to offers to qualified investors. In addition, each of the Managers and the Issuer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Offering Circular or any other offering material relating to the Bonds other than to investors to whom offers and sales of Bonds in the Republic of France may be made as described above.

United States

The Bonds and the Shares to be delivered upon exchange of the Bonds have not been and will not be registered under the Securities Act, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are only being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

Each of the Managers has represented and agreed that:

- i. it has not offered or sold, and will not offer or sell, the Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons; and
- ii. it will have sent to each distributor or dealer to which it sells Bonds during this 40-day period a confirmation or other notice setting forth the restrictions on

offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each of the Managers has represented and agreed that:

- i. it has not offered or sold and, prior to the date six months after the date of issue of the Bonds, will not offer or sell, any Bonds to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- ii. it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 and any order thereunder with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom; and
- iii. it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in an investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of any Bonds only under circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

GENERAL INFORMATION

Corporate Authorizations

The issue of the Bonds was authorized by the *Président* of the *Conseil d'administration* of the Issuer on April 7, 2003 pursuant to a resolution of the *Conseil d'administration* of the Issuer adopted on April 3, 2003 and a resolution of the *Assemblée Générale Ordinaire* of the shareholders of the Issuer adopted on June 6, 2001.

Listing of the Bonds

Application has been made for the Bonds to be listed on the Luxembourg Stock Exchange.

In connection with the application to list the Bonds on the Luxembourg Stock Exchange, copies of the articles of incorporation of Rallye and a legal notice relating to the issue of the Bonds (“*Notice Légale*”) will be deposited prior to listing with the *Registre du commerce de Luxembourg*, where such documents may be inspected and copies obtained upon request so long as any of the Bonds are outstanding.

Clearing of the Bonds

The Bonds have been accepted for clearance through Euroclear France, Euroclear and Clearstream under the following reference numbers:

ISIN Number: FR 0000473985

Euroclear France Code: 47398

Euroclear and Clearstream Common Code: 016681822

Euroclear is, since March 20, 2000, a Euroclear France Account Holder and Clearstream has made arrangements to receive Bonds through Euroclear France.

No Material Adverse Change

Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of Rallye or of the Rallye Group since December 31, 2002 and no material adverse change in the financial position or prospects of Rallye or of the Rallye Group has occurred since December 31, 2002.

Litigation

Except as disclosed in this Offering Circular, neither Rallye, nor any of its subsidiaries are involved in any litigation, arbitration or administrative proceedings which, if determined adversely to Rallye or the relevant subsidiary, would relate to

amounts which, individually or in the aggregate, are material in the context of the issue of the Bonds and, to the best of the knowledge of Rallye, there are no such litigation, arbitration or administrative proceedings pending or threatened.

Casino Information

The information contained in this Offering Circular with respect to Casino, the Casino Group and the Shares is, or consists of extracts from or summaries of, publicly available information contained in the following documents:

- (i) Casino's 2001 Annual Report (see "General Information—Incorporation by Reference")
- (ii) Casino's audited financial information as published in the BALO dated April 30, 2003.

Copies of the 2001 Annual Report of Casino and copies of the other documents set forth above may be obtained at the specified office of the Fiscal Agent and the Paying Agent in Luxembourg during usual business hours on any weekday (Saturdays and public holidays in the relevant city excepted) as from the date of this Offering Circular.

Incorporation by Reference

Rallye's 2002 unaudited financial information as published in BALO on April 28, 2003, and Casino's 2002 audited financial information as published in the BALO dated April 30, 2003, are incorporated herein by reference.

Rallye's 2001 Annual Report (*Document de Référence*), which was filed with the French *Commission des opérations de bourse* ("COB") on May 17, 2002 under No. D.02-0959, and Casino's 2001 Annual Report (*Document de Référence*), which was filed with the COB on May 17, 2002 under No. D.02-0960, are incorporated herein by reference.

Auditors

Barbier Frinault et Autres and KPMG Audit, the statutory auditors of Rallye, have audited, and rendered unqualified reports on, the consolidated financial statements of the Issuer as of and for the years ended December 31, 2000, 2001 and 2002 with observations relating to:

- the changes in accounting methods resulting from the first application of CRC (*Comité de la Réglementation Comptable*) regulation n°99-02 with effect from January 1, 2000 for the year ended December 31, 2000, and of CRC regulation n°2000-06 on liabilities with effect from January 1, 2002 for the year ended December 31, 2002;

- the changes in presentation of consolidated income related to securities in the investment portfolio as of January 1, 2001 for the year ended December 31, 2001 and of consolidated income statement disclosing the income tax from current activities and the exceptional income/(loss) net of tax for the year ended December 31, 2002.

Legal Matters

Certain matters in connection with the issue of the Bonds will be passed upon by Brandford-Griffith Baverez Pasturel, legal advisers to Rallye, and Debevoise & Plimpton, legal advisers to the Managers.

Documents Available

Documents incorporated by reference, and the information referred to under “— Casino Information” above, are available without charge from the registered office of Rallye at 83, rue du Faubourg Saint Honoré, Paris, France, and the specified offices of the Paying Agent in Luxembourg.

A copy of the Agency Agreement and copies of the most recently published annual report, including consolidated and non-consolidated financial statements of Rallye and Casino, will, for so long as the Bonds are listed on the Luxembourg Stock Exchange, be available free of charge during usual business hours on any weekday (except Saturdays and public holidays) at the specified offices of the Paying and Exchange Agent in Luxembourg. Rallye and Casino publish semi-annual consolidated financial statements, copies of which may be obtained free of charge from the specified offices of the Fiscal Agent and the Paying Agent in Luxembourg. Neither Rallye nor Casino publishes semi-annual non-consolidated statements. All published semi-annual statements are unaudited.

RALLYE
83, rue du Faubourg Saint-Honoré
75008 Paris, France

STATUTORY AUDITORS OF RALLYE

Barbier Frinault et Autres
41, rue Ybry
92576 Neuilly-sur-Seine, France

KPMG Audit
1, cours Valmy
F-92923 Paris-La Défense Cedex, France

LEGAL ADVISORS

To Rallye
Brandford-Griffith Baverez Pasturel
9, rue des Pyramides
75001 Paris, France

To the Managers
Debevoise & Plimpton
21, avenue George V
75008 Paris, France

**FISCAL AGENT, PRINCIPAL PAYING AND EXCHANGE AGENT AND
CALCULATION AGENT**

Crédit Commercial de France
Avenue Robert Schumann
B.P. 2704
51051 Reims Cedex, France

**LUXEMBOURG PAYING AND EXCHANGE AGENT
LISTING AGENT**

BNP PARIBAS Securities Services, Luxembourg Branch
23, avenue de la Porte Neuve
L-2085 Luxembourg
Luxembourg