

Prospectus dated 30 September 2009

# RALLYE

(a French *société anonyme*)

**€500,000,000 8.375 per cent. Bonds due January 2015**

**Issue Price: 99.361 per cent. of the principal amount**

*This prospectus constitutes a prospectus (the "Prospectus") for the purposes of Article 5.3 of Directive 2003/71/EC (the "Prospectus Directive") and the relevant implementing measures in the Grand Duchy of Luxembourg.*

*Application has been made to the Commission de Surveillance du Secteur Financier (the "CSSF"), in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of the Prospectus Directive. Application has also been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list of the Luxembourg Stock Exchange (the "Official List") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to the Bonds being "listed" (and all related references) shall mean that the Bonds have been listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.*

*The €500,000,000 aggregate principal amount of 8.375 per cent. Bonds due 20 January 2015 (the "Bonds") of Rallye ("Rallye" or the "Issuer") will be issued outside the Republic of France and will mature, unless previously redeemed or purchased and cancelled, on 20 January 2015 at their principal amount (subject to below), as set forth in "Terms and Conditions of the Bonds - Redemption and Purchase" and "Terms and Conditions of the Bonds - Events of Default; Illegality".*

*The Bonds will bear interest at the rate of 8.375 per cent. per annum from, and including, 2 October 2009 to, but excluding, 20 January 2015. Interest will be payable annually in arrears on 20 January of each year, commencing on 20 January 2011 (see "Terms and Conditions of the Bonds - Interest").*

*The Bonds have been accepted for clearance through Euroclear France, Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and Euroclear Bank SA/N.V. ("Euroclear"). The Bonds will on the Issue Date be inscribed (inscription en compte) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Bonds - Form, Denomination and Title" below) including Euroclear and the depositary bank for Clearstream, Luxembourg.*

*The Bonds will be issued in dematerialised bearer form in the denomination of €50,000 each. The Bonds will at all times be represented in book entry form (inscription en compte) in the books of the Account Holders in compliance with Articles L.211-3 and R-211-1 of the French Code monétaire et financier. No physical document of title (including certificats représentatifs pursuant to Article R.211-7 of the French Code monétaire et financier) will be issued in respect of the Bonds.*

*The Bonds may be redeemed at the option of the Bondholders at 100 per cent. of their principal amount together with accrued interest up to the effective date of redemption in the event of a change of control of Casino Guichard-Perrachon ("Casino") (see "Terms and Conditions of the Bonds - Redemption and Purchase - Early Redemption at the Option of the Bondholders in the event of a change of control of Casino").*

*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Bonds are being offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.*

*See "Risk Factors" on pages 11 et seq. of this Prospectus for certain information relevant to an investment in the Bonds.*

## Joint Lead Managers

BNP PARIBAS

CALYON CREDIT AGRICOLE CIB

DEUTSCHE BANK

NATIXIS

SOCIETE GENERALE  
CORPORATE & INVESTMENT  
BANKING

THE ROYAL BANK OF SCOTLAND

*This Prospectus comprises a prospectus for the purposes of the Directive 2003/71/EC (the “**Prospectus Directive**”) and for the purpose of giving information with regard to the Rallye (“**Rallye**” or the “**Issuer**”), the Issuer and its consolidated subsidiaries taken as a whole (the “**Group**” or the “**Rallye Group**”) and the Bonds which according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. The Issuer accepts responsibility for the information contained in this Prospectus.*

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

*This Prospectus is to be read and construed in conjunction with the documents incorporated by reference in this Prospectus in accordance with Article 11 of the Prospectus Directive (see “Documents Incorporated by Reference” below) which have been previously published and which shall be deemed to be incorporated by reference in, and form part of, this Prospectus (except to the extent so specified in, or to the extent inconsistent with, this Prospectus).*

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

*This Prospectus does not constitute, and may not be used for the purposes of, an offer to sell to, or solicitation of an offer to buy from, anyone in any country or jurisdiction in which 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 Prospectus or any other offering material relating to the Bonds, in any country or jurisdiction other than Luxembourg where regulatory action for that purpose is required. This Prospectus shall only be used for the purpose of the issue and offering of the Bonds and shall not be used for any other purpose. Any distribution of this Prospectus to any persons other than prospective investors and persons retained to advise such prospective investors is unauthorised.*

*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and, subject to certain exceptions 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 upon an exemption from registration under the Securities Act pursuant to Regulation S. Purchasers may not resell or otherwise transfer the Bonds in the United States except pursuant to registrations under or exemptions from the registration requirements of the Securities Act and applicable securities laws of states within the United States. For a description of this and certain further restrictions on offers, sales and transfers of the Bonds, and the distribution of this Prospectus, see "Subscription and Sale".*

*Unless otherwise specified or where 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, as amended. References to "\$" and "dollars" are to the lawful currency of the United States of America.*

*In connection with the issue of the Bonds, CALYON (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.*

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## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and that have been filed with the *Commission de surveillance du secteur financier in Luxembourg* (the “CSSF”) and shall be incorporated by reference in, and form part of, this Prospectus:

- (a) the annual report of the Issuer for the year ended 31 December 2008 in French language (the “**French 2008 AR**”) except for the *attestation* included on page 209 entitled "*attestation de la personne assumant la responsabilité du document de référence*";
- (b) the annual report of the Issuer for the year ended 31 December 2007 in French language (the “**French 2007 AR**”) except for the *attestation* included on page 189 entitled "*attestation de la personne assumant la responsabilité du document de référence*";
- (c) the half-year financial report as of 30 June 2009 in French language (the “**French 2009 IR**”) except for the attestation entitled "*attestation du responsable du rapport financier semestriel*" included on page 2.

Such documents shall be deemed to be incorporated by reference in, and form part of this Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

This Prospectus and copies of documents incorporated by reference in this Prospectus will be published on, and may be obtained from the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

For the purposes of the Prospectus Directive, information can be found in the documents incorporated by reference in this Prospectus in accordance with the following cross-reference table (in which the numbering refers to the relevant items of Annex IX of Regulation EC 809/2004):

Annex IX Item No.	Wholesale Debt	Page
<b>RDA9-3</b>	<b>Risk Factors</b>	
	Prominent disclosure of risk factors that may affect the issuer’s ability to fulfil its obligations under the securities to investors in a section headed “Risk Factors”.	Pages 205 to 208 of the French 2008 AR
<b>RDA9-4</b>	<b>Information about the Issuer</b>	

<b>Annex IX Item No.</b>	<b>Wholesale Debt</b>	<b>Page</b>
<b>RDA9-4.1</b>	<b>History and development of the Issuer</b>	Page 199 of the French 2008 AR
<b>RDA9-4.1.1</b>	the legal and commercial name of the issuer;	Page 186 of the French 2008 AR
<b>RDA9-4.1.2</b>	the place of registration of the issuer and its registration number;	Page 186 of the French 2008 AR
<b>RDA9-4.1.3</b>	the date of incorporation and the length of life of the issuer, except where indefinite;	Page 186 of the French 2008 AR
<b>RDA9-4.1.4</b>	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	Page 186 and front page of the French 2008 AR
<b>RDA9-5</b>	<b>Business Overview</b>	
<b>RDA9-5.1</b>	<b>Principal activities:</b>	
<b>RDA9-5.1.1</b>	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	Page 9 of the French 2008 AR
<b>RDA9-5.1.2</b>	The basis for any statements in the registration document made by the issuer regarding its competitive position.	Page 205 of the French 2008 AR
<b>RDA9-6</b>	<b>Organisational Structure</b>	
<b>RDA9-6.1</b>	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	Pages 4 & 199 of the French 2008 AR
<b>RDA9-9</b>	<b>Administrative, Management and Supervisory Bodies</b>	
<b>RDA9-9.1</b>	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:	
	(a) members of the administrative, management or supervisory bodies;	Pages 28 to 35 of the French 2008 AR
<b>RDA9-9.2</b>	<b>Administrative, Management, and Supervisory bodies conflicts of interests</b>  Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect.	Page 41 of the French 2008 AR
<b>RDA9-10</b>	<b>Major Shareholders</b>	

<b>Annex IX Item No.</b>	<b>Wholesale Debt</b>	<b>Page</b>
<b>RDA9-10.1</b>	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 21 & 195 of the French 2008 AR
<b>RDA9-11</b>	<b>Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses</b>	
<b>RDA9-11.1</b>	<b>Historical Financial Information</b> <b>Audited historical financial information covering the latest 2 financial years</b>	
	- <b>Consolidated financial statements of the Issuer for the financial year ended 31 December 2007:</b>	
	(i) Consolidated balance sheet	Pages 54 & 55 of the French 2007 AR
	(ii) Consolidated income statement	Page 56 of the French 2007 AR
	(iii) Consolidated statement of recognised income and expense; Consolidated statement of cash flow and Statement of change in consolidated shareholders' equity:	Pages 57 to 60 of the French 2007 AR
	(iv) Accounting policies and explanatory notes	Pages 61 to 137 of the French 2007 AR
<b>RDA9-11.3</b>	(v) Audit report	Page 138 of the French 2007 AR
<b>RDA9-11.1</b>	- <b>Consolidated financial statements of the Issuer for the financial year ended 31 December 2008:</b>	
	(i) Consolidated balance sheet	Pages 52 & 53 of the French 2008 AR
	(ii) Consolidated income statement	Page 54 of the French 2008 AR
	(iii) Consolidated statement of recognised income and expense; Consolidated statement of cash flow and Statement of change in consolidated shareholders' equity	Pages 55 to 58 of the French 2008 AR
	(iv) Accounting policies and explanatory notes	Pages 59 to 139 of the French 2008 AR
<b>RDA9-11.3</b>	(v) Audit report	Pages 140 & 141 of the French 2008 AR

<b>Annex IX Item No.</b>	<b>Wholesale Debt</b>	<b>Page</b>
<b>RDA9-11.5</b>	<b>Legal and arbitration proceedings</b> Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Page 207 of the French 2008 AR Page 4 of the French 2009 IR
<b>RDA9-12</b>	<b>Material Contracts</b>	
	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	Page 198 of the French 2008 AR

<b>Information incorporated by reference</b>	<b>French 2009 IR</b>
Interim Management Report	Pages 3 to 9
Half-Year Consolidated Financial Statements	Pages 10 to 29
<ul style="list-style-type: none"> <li>– Consolidated statement of financial position:</li> <li>– Consolidated income statements:</li> <li>– Consolidated statement of comprehensive income:</li> <li>– Consolidated statement of cash flow:</li> <li>– Statement of change in consolidated shareholders' equity:</li> <li>– Notes to the Interim Consolidated Financial Statements:</li> </ul>	<p>Page 10</p> <p>Page 11</p> <p>Page 12</p> <p>Pages 13 and 14</p> <p>Page 15</p> <p>Pages 16 to 29</p>
Statutory Auditors' Review Report on the Interim Financial Information for the First Half of 2009:	Page 30

The information incorporated by reference in this Prospectus but not listed into the cross reference tables above is given for information purposes only.

**PERSONS RESPONSIBLE FOR  
THE INFORMATION GIVEN IN THE PROSPECTUS**

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in this Prospectus accordingly.

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

Duly represented by Jean-Charles Naouri – Chief Executive Officer

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Bonds for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **I. Risk factors relating to the Issuer**

See section “Documents incorporated by reference”.

### **II. Risk factors relating to the Bonds**

#### **The Bonds may not be a suitable investment for all investors**

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

## **Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

### ***The secondary market generally***

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds in the secondary market in which case the market or trading price and liquidity may be adversely affected or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### ***Interest rate risks***

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

## **The Bonds may be redeemed prior to maturity**

In the event that the Issuer would be obliged to pay additional amounts payable in respect of any Bonds due to any withholding as provided in Condition 4(b), the Issuer may redeem all outstanding Bonds in accordance with such Terms and Conditions.

## **Exercise of put option in respect of certain Bonds may affect the liquidity of the Bonds in respect of which such put option is not exercised**

Depending on the number of Bonds in respect of which the put option provided in Condition 4(g) is exercised, any trading market in respect of those Bonds in respect of which such put option is not exercised may become illiquid.

## **Market value of the Bonds**

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a holder of Bonds will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

## **Change of law**

The Terms and Conditions of the Bonds are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice after the date of this Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

## **French Insolvency Law**

Under French insolvency law as amended by ordinance n°2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Bonds), whether or not under a debt issuance programme (EMTN) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Bondholders) by rescheduling due payments and/or partially or totally writing off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Bonds) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Bondholders described in this Prospectus will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

## **Taxation**

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

## **EU Savings Directive**

On 3 June 2003, the European Council of Economic and Finance Ministers adopted a directive 2003/48/CE regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax.

## 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 €500,000,000 8.375 per cent. Bonds due 20 January 2015 of €50,000 principal amount per Bond (the "**Bonds**") of Rallye, a French *société anonyme* (the "**Issuer**"), was authorised by the *Président Directeur Général* of the Issuer on 18 September 2009, pursuant to a resolution of the *Conseil d'Administration* adopted on 27 August 2009.

The Issuer has entered into an agency agreement with BNP Paribas Securities Services as fiscal agent and paying agent on 2 October 2009 (the "**Agency Agreement**"). The fiscal agent and paying agent for the time being are referred to in these Conditions as the "**Fiscal Agent**", and the "**Paying Agent**". 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 office of the Paying Agent. Holders of the Bonds (the "**Bondholders**") are deemed to have notice of the provisions of the Agency Agreement and are 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 on 2 October 2009 (the "**Issue Date**") in dematerialised (*dématérialisé*) bearer form (*au porteur*) in the denomination of €50,000 per Bond. Title to the Bonds will be established and evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) 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 financial intermediary institution entitled to hold accounts on behalf of its customers with Euroclear France, and includes the depositary bank for Clearstream Banking *société anonyme* ("**Clearstream**") and Euroclear Bank S.A./N.V. ("**Euroclear**").

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

## 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 indebtedness and monetary 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 (*sûreté réelle*) ("**Security**"), except for any Security securing an amount up to €160 million in respect of the Issuer's assets other than the ordinary shares issued by Casino Guichard-Perrachon ("**Casino**") or other securities giving right to receive (through conversion, exchange, subscription or otherwise) equity securities issued by 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 9) pursuant to Condition 9.

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, 2 October 2009 at the rate of 8.375 per cent. per year (calculated on the principal amount of the Bonds) payable annually in arrears on 20 January of each year (each, an "**Interest Payment Date**"), commencing on 20 January 2011.

There will be a long first coupon in respect of the period commencing on, and including the Issue Date to, but excluding the first Interest Payment Date.

Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as

defined below), it shall be calculated on the basis of the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first but excluding the last day of such period). The period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next Interest Payment Date is called an "**Interest Period**".

Each Bond will cease to bear interest from the date on which it is to be redeemed, whether at maturity or earlier, 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 any 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 10 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).

Interest payments will be made subject to, and in accordance with, the provisions of Condition 5 below.

#### **4. Redemption and Purchase**

The Bonds may not be redeemed other than in accordance with this Condition 4 or Condition 7.

##### **(a) *Redemption at Maturity***

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed in cash at their principal amount (€50,000 per Bond) on 20 January 2015 (the "**Maturity Date**").

##### **(b) *Early Redemption at the Option of the Issuer for Taxation Reasons***

- (i) If, by reason of any change or amendment to the laws or regulations of the Republic of France or any authority therein or thereof having power to tax, or any change in the official application or interpretation of such laws or regulations, becoming effective after 2 October 2009 the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition 6 below, the Issuer may at any time, subject to having given not more than 45 nor less than 30 days' notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all, but not some only, of the Bonds at their principal amount together with any interest accrued to the date set for redemption

provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest reasonably practicable date on which the Issuer could make payment of principal or interest without withholding for French taxes.

- (ii) If the Issuer would on the occasion of the next payment in respect of the Bonds be prevented by French law from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 6 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and shall forthwith redeem all, but not some only, of the Bonds then outstanding at their principal amount plus any accrued interest up to the effective date of redemption upon giving not less than seven, nor more than 30 days' prior notice to the Bondholders (which notice shall be irrevocable) in accordance with Condition 10, provided that the due date for redemption of which notice hereunder shall be given shall be the latest reasonably practicable date on which the Issuer could make payment of principal or interest without withholding for French taxes or, if such date is past, as soon as practicable thereafter.

(c) ***Notice of redemption***

All Bonds in respect of which any notice of redemption is given by the Issuer under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

(d) ***Early Redemption at the Option of the Bondholders in the event of a change of control of Casino***

In the event of a Change of Control (as defined below), each Bondholder may request, during the early redemption period set out below, the early redemption of its Bonds at 100 per cent. of their principal amount (€50,000 per Bond) together with accrued interest up to the effective date of redemption (the "**Early Redemption Price**").

Any Change of Control shall be notified within 5 Business Days of its occurrence, to the Bondholders by the Issuer in accordance with Condition 10 and to the Luxembourg Stock Exchange, irrespective of whether the Change of Control results from a decrease of the Issuer's shareholding in Casino or from the increase of the shareholding in Casino of any other party.

Any such notification will indicate the date of the Change of Control, the period in which the early redemption of the Bonds may be requested, the effective date of redemption and the Early Redemption Price. The period when early redemption may be requested will run for at least 20 Business Days following the notification of the Change of Control to the Bondholders by the Issuer in accordance with Condition 10. To request the early redemption of its Bonds, the Bondholder must

transfer or cause to be transferred by its Account Holder (who holds the Bonds on behalf of the Bondholder in its book entries) its Bonds to be so redeemed to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer not later than the last Business Day of the above-mentioned early redemption period together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of the Paying Agent (a "**Put Option Notice**") and in which the Bondholder may specify a bank account to which payment is to be made under this section

A Put Option Notice once given is irrevocable and the Issuer will be required to redeem all Bonds in respect of which such Put Option Notice has been given as set out above no later than the tenth Business Day following the last day of the early redemption period set out above.

For the purposes of these Conditions:

- "**Business Day**" means any day, not being a Saturday or a Sunday, on which commercial banks and foreign exchange markets are open for general business in Paris and Luxembourg and on which the TARGET System is operating;
- "**Change of Control**" means a situation where for whatever reason other than following a merger of Casino:
  - (i) the Issuer, directly or indirectly, acting alone or in concert with others, holds a number of shares representing less than 40 per cent. of the voting rights in the general meetings of Casino, or
  - (ii) (x) the Issuer, directly or indirectly, acting alone or in concert with others, holds a number of shares representing at least 40 per cent. of the voting rights in the general meetings of Casino and (y) any other shareholder of Casino, directly or indirectly, acting alone or in concert with others, holds a number of shares representing a percentage of the voting rights in such general meetings which is higher than the percentage of voting rights attaching to the number of shares held, directly or indirectly, acting alone or in concert with others, by the Issuer.

For the purposes of these Conditions:

"**Acting in concert with others**" has the meaning given to such terms in Article L.233-10 of the French *Code de Commerce* (the "**Code**").

(e) **Purchases**

The Issuer or any of its subsidiaries may, in accordance with all applicable laws and regulations, at any time purchase Bonds for a cash consideration or otherwise, at any

price and at any condition, whether on or off the stock exchange, whether by means of a public offer or a public exchange offer or otherwise.

**(f) *Cancellation***

All Bonds which are redeemed or purchased by the Issuer will be promptly cancelled and accordingly may not be reissued or resold.

**(g) *Change of Control of the Issuer***

If Foncière Euris ceases directly or indirectly, acting alone or in concert with others, to control the Issuer within the meaning of Article L.233-3 of the Code, then the Issuer shall promptly:

- (i) publish notice of such loss of control in accordance with Condition 10,
- (ii) notify the Luxembourg Stock Exchange,
- (iii) prepare a supplement to this Prospectus,

and each Bondholder shall be permitted, until 30 days following publication of such notice, to require from the Issuer the early redemption of all or part of such Bondholder's Bonds, and the Issuer shall be obliged to redeem such Bondholder's Bonds, at their principal amount together with accrued interest up to the effective date of redemption.

To request the early redemption of its Bonds, the Bondholder must transfer or cause to be transferred by its Account Holder (who holds the Bonds on behalf of the Bondholder in its book entries) its Bonds to be so redeemed to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer not later than the last Business Day of the above-mentioned early redemption period together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of the Paying Agent (a "**Put Option Notice**") and in which the Bondholder may specify a bank account to which payment is to be made under this section.

A Put Option Notice once given is irrevocable and the Issuer will be required to redeem all Bonds in respect of which such Put Option Notice has been given as set out above no later than the tenth Business Day following the last day of the early redemption period set out above.

**5. *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) specified by the payee with a bank in a city in

which banks have access to the TARGET System. “**TARGET System**” means the Trans-European Automated Real-Time Gross-Settlement Express Transfer (known as TARGET 2) System or any successor thereto.

All such payments shall be made to the Account Holders (including depositary banks for Clearstream or Euroclear) for the benefit of the Bondholders. All payments to the Account Holders made in such manner by the Issuer directly or by any Paying Agent on behalf of the Issuer, as the case may be, will discharge such paying party from its obligations with respect to such payments.

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.

**(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 business day (as defined below), 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 5(b), “**business day**” means a day (other than a Saturday or a Sunday or any public holiday in France) on which Euroclear France is open for general business and which is a TARGET business day.

**(c) *Fiscal Agent and Paying Agent***

The name of the initial Agent and its specified office are set forth below:

**Fiscal Agent and Paying Agent**

**BNP Paribas Securities Services**  
Immeuble Tolbiac  
25, Quai Panhard et Levassor  
75013 Paris  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and/or appoint additional or other Paying Agent or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Paying Agent having a specified office in a European city. The Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26

and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

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 10.

## **6. Tax Status**

### **(a) Tax exemption**

The Bonds which constitute *obligations* under French law are deemed to be issued outside France for the purpose of Article 131 *quater* of the *Code Général des Impôts* (French General Tax Code) pursuant to the French tax authorisation rulings 2007/59 (FP) dated 8 January 2008 and 2009/23 (FP) dated 7 April 2009. Accordingly, interest and other revenues in respect of the Bonds benefit at present from the exemption from the withholding tax set out under Article 125A III 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.

### **(b) Additional Amounts**

If French law should require that payments of principal or interest in respect of any Bond be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other 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, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Bond, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding, except that no such additional amounts shall be payable with respect to any Bond:

- (i) to, or to a third party on behalf of, a Bondholder who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Republic of France other than the mere holding of such Bond; or
- (ii) to or on behalf of a holder (or beneficial owner (*ayant droit*)) who could avoid such deduction or withholding by making a declaration of non-residence or similar claim for exemption but fails to do so; or

- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any other European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) to or on behalf of a holder with respect to any tax which is payable otherwise than by deduction or withholding from payments made under or with respect to any Bond.

Any references in these Conditions to principal and interest in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 6(b).

## **7. Events of Default; Illegality**

### **(a) Events of Default**

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

- (i) default by the Issuer in any payment when due of principal or interest in respect of any of the Bonds if such default shall not have been remedied within 15 calendar days thereafter; or
- (ii) default by the Issuer in the performance of, or compliance with, any of its other obligations under the Bonds (other than as referred to in Condition 7(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 Representative (as defined in Condition 9 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 *mandataire ad hoc* under French bankruptcy law or enter into a conciliation procedure (*procédure de conciliation*) with its creditors; 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 for the purposes of an amalgamation, reorganisation, consolidation, merger or spin-off 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 7(a)(iii); or

- (iv) if the Issuer fails to pay 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 when it 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 contests in good faith that such indebtedness is due or the validity of the calling of the guarantee or indemnity, 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 a definitive judgement has not been rendered;

then the Representative 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 their principal amount plus any accrued interest up to the effective date of payment. Notice of the fact that the Bonds have become due and payable pursuant to this Condition 7(a) shall be given by the Issuer, failing whom the Representative, to the Bondholders in accordance with Condition 10 not later than the second Business Day following the date of the Representative's 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 authorisation referred to in Condition 8 for the Issuer to perform or comply with any material obligation under the Bonds ("**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 9) within 30 calendar days after the date of default in the performance of the relevant obligation by reason of such Illegality;

then

- (i) the Representative 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 their principal amount plus any accrued interest up to the effective date of payment. Notice of the fact that the Bonds have become due and payable pursuant to this Condition 7(b) shall be given by the Issuer, failing whom the

Representative, to the Bondholders in accordance with Condition 10 not later than the second Business Day following the date of the Representative's 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 10 (which notice shall be irrevocable). In such case, the Bonds will be redeemed at their principal amount together with any accrued interest up to the effective date of redemption.

## **8. Issuer Authorisation**

If at any time an authorisation becomes necessary to permit the Issuer to pay the principal of, or interest on, the Bonds as a result of any change in the official application of, or any amendment to, the laws or regulations of France, the Issuer shall immediately apply for the necessary authorisations and forthwith provide copies of such application to the Fiscal Agent. The Issuer shall provide copies of such authorisations to the Fiscal Agent within a reasonable period after they are obtained.

## **9. Representation of the Bondholders**

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

The *Masse* will be governed by the provisions of the Code with the exception of the provisions of Articles L.228-48, L.228-59, L.228-65 II, R.228-63, R.228-67, R.228-69 and R.228-72, thereof, of the Code 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 10 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 one representative (the "**Representative**") 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) *Representative***

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

- (i) the Issuer;
- (ii) any entity holding (directly or indirectly) at least 10 per cent. of the share capital of the Issuer or at least 10 per cent. of the share capital of which is held by the Issuer;
- (iii) any entity guaranteeing all or part of any obligations of the Issuer;
- (iv) any member of the Board of Directors (*Conseil d'Administration*) of the Issuer, the Statutory Auditors (*Commissaires aux Comptes*) of the Issuer, 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 Representative shall be:

Florence Boucheroy  
60, boulevard de la Reine  
78000 Versailles  
France

The alternative representative of the *Masse* will be:

Emmanuel Remenant  
9, quai du Président Paul Doumer  
92920 Paris la Défense  
France

In the event of death, retirement or revocation of the Representative, such Representative will be replaced by the alternative representative named above.

All references to the “Representative” will be deemed to be references to the “alternative representative”. The alternative representative shall have the same powers as the Representative.

In the event of death, incompatibility, resignation or revocation of the alternative representative, a replacement representative will be elected by a meeting of the general assembly of the Bondholders.

The Issuer shall pay to the 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 Representative at the head office of the Issuer and at the office of the Paying Agent.

**(c) *Powers of the Representative***

The Representative 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 Representative, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative 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 Representative. One or more Bondholders, holding together at least one-thirtieth of outstanding Bonds may address to the Issuer and the Representative 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 10 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, by proxy, correspondence, or, if the *statuts* of the Issuer so specify<sup>1</sup>, videoconference or any other means of telecommunications allowing the identification of the participating Bondholders. Each Bond carries the right to one vote.

<sup>1</sup> *The statutes of the Issuer contemplate the right for a Bondholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Bondholders (articles 18 and 25-paragraph IV of the statutes).*

**(e) *Powers of General Meetings***

A General Meeting is empowered to deliberate on the fixing of the remuneration of the Representative 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 authorising the Representative 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 a fifth 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.

In accordance with Article R.228-71 of the Code, the right of each Bondholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

**(f) *Information to the Bondholders***

Each Bondholder or representative thereof 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 office of the Paying Agent and at any other place specified in the notice of meeting.

**(g) *Expenses***

The Issuer will pay all reasonable expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of meetings and remuneration of the Representative, and more generally all reasonable 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 10 not more than 90 days from the date thereof.

**10. Notices**

Any notice to the Bondholders shall be valid if delivered to the Bondholders through Euroclear France, Euroclear and Clearstream, Luxembourg, provided that as long as the Bonds are admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, such notice shall also be published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange website (*www.bourse.lu*). Any such notice shall be deemed to have been given on the date of delivery of such notice to Euroclear France, Euroclear and Clearstream, Luxembourg or, where relevant and if later, 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.

**11. Prescription**

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

**12. 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 in respect of the amount, the issue price or 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 defence of their common interests, be grouped in a *masse* having legal personality.

**13. Governing Law and Jurisdiction**

The Bonds are governed by the laws and Republic of France.

The Courts having jurisdiction over disputes in which the Issuer is the defendant, will be those within the jurisdiction of the *Cour d'Appel* of Paris and, in other cases, will be those designated in accordance with the nature of the dispute, unless otherwise provided by the French Civil Procedure Code (*Code de Procédure Civile*).

## **USE OF PROCEEDS**

The net proceeds from the issue of the Bonds, which will be €490,555,000 will be used by Rallye for general corporate purposes, including in particular the refinancing of existing debt and the lengthening of the average maturity of its indebtedness.

## RECENT DEVELOPMENTS

### CASINO

**Super de Boer announced on 18 September 2009 that it received an offer from Jumbo for all its assets and liabilities - Casino Guichard-Perrachon S.A., which holds approximately 57% of the shares of Super de Boer, supports the offer**

The offer is based on certain assumptions and is subject to customary conditions and procedures. The offer represents a value of EUR 4.20 per share, reduced with dividend withholding taxes that in certain circumstances could become payable in respect of the distribution of the purchase price by Super de Boer to certain shareholders.

The Board of Management and the Supervisory Board of Super de Boer currently assess the offer and its assumptions and conditions and are in discussions with Jumbo regarding the offer. In view of the status of such assessment Super de Boer cannot provide additional information at this time.

Casino Guichard-Perrachon S.A., which holds approximately 57% of the shares of Super de Boer, supports the offer, provided the Board of Management and the Supervisory Board of Super de Boer decide to support the offer.

### RALLYE

**Rallye announced on 11 September 2009 that it has sold more than 50% of its stake in Mercialys**

Since 2 June 2009, date of collection of a 7.6 per cent. stake in Mercialys following the distribution in kind of a part of Casino 2008 dividend, Rallye sold 3.7 million shares in the market, out of the 6.8 million shares received, for an amount of €89m. Rallye therefore now holds 3.1 million shares, valued at €80m as at 11 September 2009 (valuation based on Mercialys closing share price as at 11 September 2009 of €25.78 per share).

## TAXATION

*The statements herein regarding taxation are based on the laws in force in the Republic of France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax advisor as to the French or, as the case may be, the Luxembourg tax consequences of any investment in, or ownership and disposition of, the Bonds.*

### **European Savings Tax Directive**

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member State are required, since 1st July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “**paying agent**” is widely defined and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interests payments. The rate of such withholding tax equals 15 per cent. from 1st July 2005 to 30 June 2008, 20 per cent. from 1st July 2008 to 30 June 2011 and 35 per cent. as from 1st July 2011. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of several jurisdictions (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same jurisdictions countries of a withholding tax on such payments at the rates defined for the corresponding periods and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1st July 2005.

The Directive was implemented into French law under article 242 ter of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

The Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union were implemented in Luxembourg by the Laws of 21 June 2005 (the “Laws”).

### **French Taxation**

The Bonds, which constitute *obligations* under French law, are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French *Code Général des Impôts* as construed by the French tax authorities (Rulings 2007/59 and 2009/23 of the *Direction de la législation fiscale* dated 8 January 2008 and 7 April 2009 respectively). Consequently, payments of interest and other revenues with respect to the Bonds will benefit from the exemption from the withholding tax set out in Article 125 A III of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

### **Luxembourg Withholding Taxation**

There is no Luxembourg withholding tax payable on payments received upon repayment of the principal of the Bonds.

### **Individuals**

#### ***Luxembourg residents***

A 10 per cent. withholding tax has been introduced, since 1st January 2006 on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents. Only interest accrued after 1st July 2005 falls within the scope of this withholding tax. Income from current accounts, provided that the interest rate is not higher than 0.75 per cent., are exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed 250 euro per person and per paying agent is exempted from the withholding tax.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

#### ***Luxembourg non-residents***

Subject to the application of the Directive and the Laws, there is no withholding tax for Bondholders non-resident of Luxembourg on payments of interest (including accrued but unpaid interest).

Under the Directive and the Laws, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1st July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest payments elects for the exchange of information. The same regime applies to payments to individuals resident in certain dependent territories.

The withholding tax rate is 20 per cent. (as from 1st July 2008), increasing to 35 per cent. (as from 1st July 2011). The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

### **Corporations**

There is no withholding tax for Luxembourg resident and non-resident corporations Bondholders on payments of interest (including accrued but unpaid interest).

**All prospective Bondholders should seek independent advice as to their tax positions.**

## SUBSCRIPTION AND SALE

### Subscription Arrangements

BNP Paribas, CALYON, Deutsche Bank AG, London Branch, Natixis, Société Générale and The Royal Bank of Scotland plc (the "**Managers**") have, pursuant to a subscription agreement dated 30 September 2009 (the "**Subscription 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 Managers are entitled to terminate the Subscription 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 the best of its knowledge, 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 Prospectus 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 Prospectus 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 Prospectus, 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 the Republic of France and has represented and agreed that (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 (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*. 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 Prospectus 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 have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or, and may not be offered or sold, directly or indirectly, in the United States 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 being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S under the Securities Act (“**Regulation S**”). Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

Each Manager 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 of the Bonds, 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 such 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 and not otherwise defined in this Prospectus have the meanings given to them in 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 Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION

### **Corporate Authorisations**

The issue of the Bonds was authorised by the *Président Directeur Général* of the Issuer on 18 September 2009 pursuant to a resolution of the *Conseil d'administration* of the Issuer adopted on 27 August 2009.

### **Listing of the Bonds**

Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List.

### **Clearing of the Bonds**

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

ISIN Number: FR0010806745

Euroclear and Clearstream Common Code: 045449424

The address of Euroclear France is 115, rue Réaumur, 75081 Paris Cedex 02, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

### **No Significant Change in the Issuer's Financial or Trading Position - No Material Adverse Change**

Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2009 and there has been no material adverse change in the prospects of the Issuer or of the Group since 31 December 2008.

### **Legal and Administration Proceedings**

Except as disclosed in this Prospectus, there has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or Group's financial position or profitability.

### **Yield**

The yield of the Bonds is 8.50 per cent. per annum and is calculated at the issue date on the basis of the issue price of the Bonds. It is not an indication of future yield.

**Documents available**

Copies of:

- (i) the *statuts* of the Issuer;
- (ii) the Agency Agreement;
- (iii) this Prospectus;
- (iv) the historical financial information of the Issuer for the years ended 31 December 2007 and 2008; and
- (v) the documents incorporated by reference.

will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the primary business office of the Issuer.

The Prospectus and the documents incorporated by reference in the Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**Auditors**

Ernst & Young et Autres and KPMG Audit are the statutory auditors of the Issuer. Ernst & Young et Autres and KPMG Audit have audited, and rendered unqualified reports on, the consolidated financial statements of the Issuer as at, and for the two years ended, 31 December 2007 and 31 December 2008. Ernst & Young et Autres and KPMG Audit are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes*) and regulated by the *Haut Conseil du Commissariat aux Comptes*.

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**LUXEMBOURG LISTING AGENT**

**BNP Paribas Securities Services, Luxembourg Branch**

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