RALLYE

Paris, July 29, 2011

INTERIM FINANCIAL REPORT

Article 222-4 of the AMF General Regulations

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1 ó STATEMENT BY THE PERSON IN CHARGE OF THE INTERIM FINANCIAL REPORT

I hereby certify that, to the best of my knowledge, the financial statements presented in the interim financial report have been prepared in accordance with applicable accounting standards; that they provide a true representation of the Rallye Groupøs assets, financial situation, and results; and that the interim report offers a faithful picture of the important events of the first six months of the fiscal year and their impact on the interim financial statements, of the main risks and uncertainties for the next six months of the year, and of major transactions with related parties.

Paris, July 29, 2011

Jean-Charles NAOURI
Chairman and Chief Executive Officer

2 ó INTERIM REPORT

Highlights of the first half of 2011

Rallye

- Increased stake in Casino

In late April/early May of 2011, Rallye acquired 2,897,280 Casino shares for þ212 million, thereby increasing its capital interest from 48.48% to 51.30% and its voting rights from 60.38% to 62.84%.

- Dividend paid in Rallye shares

The May 4, 2011, annual shareholdersø meeting of Rallye resolved to pay a dividend of þ1.83 per share for fiscal year 2010, unchanged as compared to the 2009 dividend. An interim dividend of þ0.80 per share was paid on October 7, 2010, leaving a balance of þ1.03. A resolution was made that shareholders could opt to collect this balance either in cash or in new company shares. 87.07% of the rights have been exercised in favor of receiving payment in shares.
This operation increases Rallyeøs shareholdersø equity by þ39 million by creating 1,321,416 new shares (2.9% of the capital), exercisable as of January 1, 2011, which will be assimilated with the company shares already in circulation.
Cash dividends of þ5.8 million were paid on June 6, 2011.

Casino

Casinoøs sales increased in the first half of 2011 by 18.80% as compared to the first half of 2010. International business posted sharp growth and further contributed to current operating income; in France, the first half was marked by healthy business activity.

Several events have also had an impact on the first half of 2011 at Casino:

- Casino buys the Charle brotherøs stake in Cdiscount

On January 6, 2011, Hervé, Christophe, and Nicolas Charle, Casinoøs partners in Cdiscount since 2000, sold their 16.56% residual stake to the Casino Group, which now holds 99.6% of Cdiscountøs capital.

- Acquisition of Carrefour Thailand business activities

The agreement entered into with Carrefour in November 2010 was formalized on January 7, 2011, with Big C Thailandøs purchase of Carrefour Thailandøs business activities. This acquisition comprises a portfolio of 42 stores (34 of which are hypermarkets) and 37 shopping malls, and makes Big C the co-leader in the hypermarket segment. The stores and shopping malls were acquired for þ868 million.

- Dispute with the Baud family

On February 10, 2011, after initially deciding in favor of Casino in July 2009, the arbitration panel rejected the Baud familyøs request for payment of Franprix and Leader Price dividends for the years 2006 and 2007 due to anomalies and irregularities found in the financial statements. Thus Casino, pursuant to the paneløs decision, only paid þ34 million, corresponding to (i) Franprix and Leader Price dividends for the year 2008; (ii) a supplement to the sale price of Franprix and Leader Price shares previously bought by Casino, and; (iii) late interest payments in addition to the þ18 million of interest already paid to the Baud family. This sum of þ34 million is far less than the þ67 million in provisions posted under õOther current liabilities.ö

- The Casino Groupøs debt profile was improved and its average maturity extended

On May 18, 2011, as part of its EMTN program, Casino issued þ850 million in new ten-year bonds with a 4.726% annual coupon. In connection with this, þ300 million in bonds maturing in February 2012 (6.0% coupon), April 2013 (6.375% coupon), and April 2014 (4.875% coupon) were exchanged. This bond issue also freed up þ530 million in additional resources.

- Casino increases its stake in Grupo Pão de Açúcar (GPA)

In May 2011, the percentage held by Casino in GPA was increased to 33.7% following the approval by GPAøs annual shareholdersø meeting of the issuance of 1.4 million preferred shares in favor of Casino at a price of 62.43 reais per share (yielding an amount equivalent to 85 million reais, or þ36 million).

During June, the Casino Group acquired 9 million preferred shares (3.4% of GPAøs capital) for $382 million (þ264 million), which increased its stake in GPA to 37.1%.

After June 30, 2011, the Group acquired 15.8 million additional preferred shares (6.1% of GPAøs capital), for $792 million (þ547 million), thereby increasing its stake in GPA to 43.2%.

Pursuant to agreements with the Diniz family and the shareholder agreement that governs the joint control of holding company Wilkes, GPA remains consolidated under the proportionate consolidation method.

- GPA Group situation

Beginning in late May 2011, the Brazilian and French press reported on ongoing negotiations between the Diniz Group (Casinoøs Brazilian partner), the Carrefour Group, and Gama 2 SPE Empreendimentos e Participaçoes (õGamaö), the financial investment vehicle wholly owned by a BTG Pactual-managed fund that is to be capitalized by the Brazilian National Development Bank (BNDES). In violation of shareholder agreements entered into by and between the Diniz family and Casino in 2006, the project foresaw a merger of Carrefourøs Brazilian assets with those of GPA in an equally owned joint company, while Gama would become a major Carrefour shareholder.

It is for this reason that Casino went before the International Chamber of Commerce in two arbitration proceedings against the Diniz Group on May 30 and July 1, 2011, to petition for the adherence to and performance of the November 27, 2006, shareholder agreement of their joint company Wilkes, which controls the Brazilian company GPA.

- Casino increases its integration into Latin America

On June 29, 2011, Exito acquired Casinoøs majority stake in Disco and Devoto (Uruguayan subsidiaries) for a total of $746 million US (þ520 million). At the same time, Exito announced its intention to increase share capital in Columbia by a maximum of $1.4 billion US.

The purchase and share capital increase were authorized in principle at Exitoøs July 6, 2011, annual stockholdersø meeting. The Casino Group, which, as of June 30, 2011, held 54.8% of Exito, plans to subscribe the capital issued in proportion to its shareholding in order to maintain its controlling interest in the company. The acquisition is now expected to be finalized during the second half of the year once the customary conditions precedent are fulfilled and the Exito shares are placed on the market.

Groupe GO Sport

Despite the difficult start to the year for the market in general, Groupe GO Sportøs sales were up 6.1% in the first half of 2011 in same-store sales at constant exchange rates as compared to the first half of 2010. Gross profits increased in absolute terms by þ6.1 million, spurred by increased sales. Current operating income remained stable at - þ11.7 million (- þ0.6 million as compared to June 30, 2010).

Events subsequent to the reporting period

The Board of Directors of Casino Guichard-Perrachon met on July 12, 2011, to examine the terms and conditions of the financial proposal submitted by Gama 2 SPE Empreendimentos e Participaçoes, Mr. Abilio Diniz, and Carrefour with regard to the plan to merge GPA with Carrefourøs Brazilian business activities, and to acquire a minority interest in Carrefour SA, publicly announced on June 28, 2011.

Subsequent to this discussion, the Board of Directors, with the sole exception of Mr. Abilio Diniz, were unanimous in finding that the plan was against the interests of GPA, all of its shareholders, and Casino.

In addition, the Board of Directors reaffirmed its support for Casinoøs international development policy focused on rapidly growing countries, as recently illustrated by the acquisition of Carrefourøs business activities in Thailand and the increased stake in GPA.

It also confirmed its strategic commitment to Brazil, which represents a major growth area for the Group, and to GPA (in which Casino is the primary shareholder with 43% of the share capital and jointly controls it through Wilkes).

On July 13, 2011, the Casino Group acknowledged the withdrawal by Abilio Diniz, BTG Pactual and Carrefour of their proposal.

These events are not likely to change the control of GPA, which continues to be exercised by Wilkes under the provisions set forth both in the Wilkes shareholder agreement, dated November 27, 2006, and that of GPA, dated December 20, 2006.

Progress report

Sales

Rallyeøs consolidated sales as of June 30, 2011, were þ16.5 billion, up 18.5% as compared to June 30, 2010. The breakdown by business operation is as follows:

(In þ millions)	06/30/2011	06/30/2010	Change
Casino	16,144	13,589	+18.8%
Groupe GO Sport	328	311	+5.4%
Others *	9	10	-
Total	16,480	13,910	+18.5%

* Holding company business and investment portfolio

In the first half of 2011, **Casino** posted consolidated sales of þ16.1 billion, a sharp 18.8% rise with exchange rates providing a favorable 0.5% impact, and the scope of consolidation having a positive effect of 11.2% from the Casas Bahia/Ponto Frio merger in Brazil and Big Cøs integration of Carrefour business activities in Thailand. Organic sales growth was up 7.1% during the first half (up 6.3% excluding fuel), which reflects a sharp acceleration over 2010 (up 3.9% excluding fuel over the entire year 2010), both in France and internationally.

In France, organic sales rose 3.7% in the first half (up 2.2% excluding fuel), boosted by the solid performance of the Casino Supermarché and Monoprix stores and the strong growth of Cdiscount. Total Franprix-Leader Price sales were up 12.1% during the first half. Monoprix posted a very satisfying sales performance (up 4.0%) on the half. Géant Casion sales were up 3.5% during the period. Excluding fuel, same-store sales were down 0.8%. The store continued its initiatives to increase its sales in both the food and non-food segments. Casino Supermarchés posted sales up 5.0% (down 0.6% in same-store sales excluding fuel), while small supermarkets recorded a limited loss of 0.8%. Sales in other business activities were solidly higher, backed by the strong growth of Cdiscount.

The increase in international sales was very high at 41.0% (organically, sales were up 12.9% in the first half). This organic growth (up 14.5% in South America, and 10.9% in Asia) was spurred by the growth in same-store sales in South America, expansion in Colombia and Brazil, as well as by the sustained growth of Big C on a comparable basis and continued strong growth in Vietnam

As of June 30, 2011, consolidated sales at **Groupe GO Sport** were þ327.6 million, up 6.1% on a same-store basis and at constant exchange rates as compared to the first half of 2010.

In France, Groupe GO Sportøs sales were up 3.8% in same-store sales in the first half of 2011, having benefited from the impact of transitioning 10 additional stores to the new concept. Sales of Courir were up 15.7% in same-store sales in the first half of 2011.

In Poland, Groupe GO Sportøs same-store sales at constant exchange rates grew 2.8% in the first half of 2011, as compared to 2010. After winter sportswear underperformed throughout the entire market at the beginning of the year, the storeøs sales have largely recovered, posting double-digit growth in the second quarter of 2011. This improved trend can largely be explained by the remodeling of 5 additional stores in the first half of 2011.

Current operating income

The Groupøs current operating income is þ563 million, up 7.2% over the first half of 2010. The breakdown by business operation is as follows:

(In þ millions)	06/30/2011	06/30/2010	Change
Casino	572	541	5.7%
Groupe GO Sport	-12	-11	-
Others *	3	-5	-
Total	563	525	7.2%

* Holding company business and investment portfolio

Casinoøs current operating income grew by 5.6%, buoyed by the sharp increase in international income. In France, current operating income shrank by 21.9%. This decline can be explained by the effect of deferring significant price reductions made in the second half of 2010 to the first half of 2011, and the increase in purchasing costs at the start of the year, which had gradual pricing repercussions starting in the second quarter of 2011. Internationally, current operating income has increased 54.6% (up 14.9% organically) with an operating margin up 7bp organically, which reflects the favorable trend of South American profits and the significant uptick in profits in Asia.

Groupe GO Sportøs current operating income was -þ11.7 million as of June 30, 2011, down þ0.6 million compared to the first half of 2010.

Net income, Group share

(In þ millions)	06/30/2011	06/30/2010
Current operating income	563	525
Cost of net financial debt	-326	-257
Other financial income and expenses	-2	-15
Net income from continuing operations	40	82
Net income from discontinued operations	-1	-8
Net income	39	74
Net income, Group share	-57	-60

Net income, Group share as of June 30, 2011, was - þ57 million versus - þ60 million as of June 30, 2010.

Shareholdersø equity

Shareholdersø equity, Group share totaled þ1,777 million as of June 30, 2011, versus þ1,982 million on December 31, 2010. The change was mainly due to:

- É first half net income, Group share of - þ57 million,
- É change in ownership interests in the subsidiaries of - þ74 million,
- É recognition of þ58 million in negative exchange differences.

Financial structure of the holding company scope of consolidation

Rallyeøs holding company scope of consolidation includes Rallye and its 100% owned subsidiaries that function as holding companies while holding Casino, Groupe GO Sport, and investment portfolio shares.

- Net debt of the Rallye holding company scope of consolidation

As of June 30, 2011, the restated net assets of the Rallye holding company scope of consolidation totaled þ4,226 million. These comprised þ3,676 million of Casino shares, þ47 million of Groupe GO Sport shares, and þ455 million in the investment portfolio, as well as various other assets totaling þ48 million.

Net debt of the Rallye holding company scope of consolidation totaled þ2,749 million as of June 30, 2011, and so is hedged 1.5 times by the restated assets.

This debt, which is comprised of a gross sum of þ3,239 million in bond and bank financing, plus a total of þ122 million in accrued interest and IFRS restatements, is net of þ567 million in monetary investments and recorded cash on hand.

- Investment portfolio of the Rallye holding company scope of consolidation

As of June 30, 2011, the investment portfolio totaled þ455 million versus þ435 million on December 31, 2010. It is made up of financial investments with a market value[1] of þ315 million and real estate developments measured at their historical cost[2] of þ140 million. The increase in the value of the portfolio over the course of the first half of 2011 can be explained by þ20 million in disposals (corresponding to seven lines of financial investments in the segments LBO / Capital Development and energy in Europe and the United States), þ11 million in investments net of cash collections and þ29 million in appreciated value.

Parent Company Results

Sales of the Rallye company totaled þ1.0 million as of June 30, 2011, compared to þ3.3 million as of June 30, 2010.
Net income for the Rallye company totaled þ48.4 million versus net income of - þ5.8 million as of June 30, 2010.

The Rallye Board of Directors resolved to pay an interim dividend of 0.80 euros per share, unchanged from the prior year. Shareholders will have the option to receive the entire interim dividend in shares.

Major transactions among related parties

Transactions with related parties are described in the Rallye Reference Document for fiscal year 2010, filed with the French Financial Markets Authority on April 11, 2011, under number D.11-279. They mainly concern current transactions with companies over which the Group exercises notable influence or joint control and which have been consolidated under the equity or the proportionate consolidation method. These transactions are concluded at market price.
Transactions with related parties who are natural persons (directors, executive officers, and members of their families) were not material, nor were transactions with the parent companies.

As of June 30, 2011, Foncière Euris owned 56.18% of Rallyeøs capital and 72.07% of its voting rights.

The only transaction during the first half between Rallye and Foncière Euris concerned the payment of the dividend balance for fiscal year 2010. Shareholders may opt to collect this balance either in cash or in new company shares. Foncière Euris chose to be paid in shares and therefore received 888,158 new company shares.

Rallye had at its disposal the board of directors of Euris, the Groupøs parent company, with which it entered into a consulting and support agreement regarding strategy in 2003.

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[1] The market value of financial investments is the accounting value used for the consolidated financial statements (fair value ó IAS 39) and is generally based on outside valuations (fund general partners) or pending transactions.
[2] Real estate developments are recorded at their historical cost and are not restated before the disposal of investments (IAS 40).

Relationships with related parties, including the methods for compensating company directors, have remained comparable to those of the 2010 fiscal year and no unusual transactions, in nature or amount, occurred during the period.

Main risks and uncertainties for the second half of 2011

The Groupøs business activities are exposed to certain risk factors described in the Rallye Reference Document related to fiscal year 2010 and filed with the French Financial Markets Authority on April 11, 2011, under number D.11-0279.

Trends and outlook

Rallye enjoys an improved liquidity situation with nearly þ2.3 billion in available resources, þ1.7 billion of which represent confirmed, unused, and immediately available lines of credit, and close to þ600 million in cash on hand. The maturity of these confirmed credit lines has also been extended to the first half of 2011 thanks in particular to the renewal of syndicated credit for a period of 5 years.

Rallye has an asset portfolio with solid fundamentals:

- **Casinoøs** performance in the first half of 2011 shows that its economic model is effective:
    - A growth profile bolstered by increased exposure to emerging countries featuring leading stores that consumers recognize as local,
    - A favorable mix of business activities in France.

  Casino is confident in its ability to deliver annual sales growth in excess of 10% over the next three years.

  In the second half of 2011, Casino intends to accelerate its transformation, and so confirms the objectives it set for 2011 at the beginning of the year:
    - ✓ Improve its market share in France, notably by continuing to expand its convenience and discount store models,
    - ✓ Increase the Franprix-Leader Price profit margin,
    - ✓ Maintain high and profitable organic growth internationally,
    - ✓ Reach target of more than 1 billion euros in disposals (versus þ700 million), þ680 million of which have already been committed.

  Casino has moreover set a goal to maintain its net debt/EBITDA ratio below 2.2x by the end of 2011.

- **Groupe GO Sport**, buoyed by its very encouraging results at all of its remodeled stores, plans to pursue the initiatives it established within each store in the second half of the year, focusing on differentiating the products offered, improving customer relations, and controlling costs and investments.

- With regard to **the investment portfolio**, sales will continue, both in private equity according to market conditions, and in commercial real estate. Over the course of the first half of 2011, Rallye disposed of 7 lines of its portfolio, primarily in the segments LBO / Capital development and energy in Europe and the US, for a total of þ20 million, at disposal prices sharply higher than their valuation in the Rallye portfolio, thereby generating significant returns on capital invested.

  In addition, financial investments are currently pending sale, and should help Rallye to collect þ11 million and post high transaction multiples on shareholderøs equity.

Rallye has confirmed its commitment to continue to improve its financial structure and sharply reduce its net financial debt.

Rallye Group Consolidated Income Statement

(In þ millions)	Notes	June 30, 2011	June 30, 2010
CONTINUING OPERATIONS			
Net sales before tax	5	16,480	13,910
Full purchase costs of goods sold		(12,210)	(10,327)
Gross margin		**4,270**	**3,583**
Other income		175	124
Cost of goods sold	6	(3,170)	(2,585)
General and administrative expenses	6	(712)	(597)
Current operating income	5	**563**	**525**
Other operating income	7	103	27
Other operating expenses	7	(237)	(101)
Operating income		**429**	**451**
Income from cash and cash equivalents	8	38	18
Cost of gross financial debt	8	(364)	(275)
Cost of net financial debt		(326)	(257)
Other financial income	8	109	38
Other financial expenses	8	(111)	(53)
Profit before tax		**101**	**179**
Income tax expense		(53)	(108)
Net income from associates		(8)	11
Net income from continuing operations		**40**	**82**
Company owners		**(56)**	**(56)**
Non-controlling interests		96	138
DISCONTINUED OPERATIONS			
Net income from discontinued operations		**(1)**	**(8)**
Company owners		**(1)**	**(4)**
Non-controlling interests		(0)	(4)
Consolidated net income		**39**	**74**
Company owners		**(57)**	**(60)**
Non-controlling interests		96	134
Consolidated net earnings per share attributable to company owners (in þ)			
Base		(1.27)	(1.34)
Diluted		(1.27)	(1.34)
Net income per share from continuing operations, attributable to company owners (in þ)			
Base		(1.25)	(1.26)
Diluted		(1.25)	(1.26)

Total Overall Income Statement

(In þ millions)	June 30, 2011	June 30, 2010
Consolidated net income	**39**	**74**
Currency translation adjustments on international operations (1)	(152)	716
Actuarial differences on obligations for defined benefit plans	15	0
Financial assets available for sale	29	20
Effective portion of the income or losses on hedging instruments	(2)	19
Income tax on elements of comprehensive income	(8)	(7)
Other elements of comprehensive income net of taxes	**(118)**	**748**
Total comprehensive income:	**(79)**	**822**
Company owners	**(85)**	**209**
Non-controlling interests	6	613

(1) The negative change in the first half of 2011 is primarily the result of Thai and Brazilian currency depreciation of þ63 million and þ48 million, respectively. The þ716 million change in the first half of 2010 is primarily the result of Brazilian, Colombian, and Thai currency appreciation of þ253 million, þ369 million, and þ108 million, respectively.

Statement of Financial Position

ASSETS (In þ millions)	Notes	June 30, 2011	December 31, 2010
Goodwill	9	8,695	7,669
Intangible assets	9	1,214	1,189
Property, plant and equipment	9	6,555	6,210
Investment property	9	1,587	1,528
Share of income/loss of associates		148	211
Non-current financial assets		1,215	1,016
Non-current hedging financial assets		69	150
Deferred tax assets		186	133
Total non-current assets		**19,669**	**18,105**
Inventories		3,347	3,064
Trade receivables		1,875	1,754
Other assets		1,949	1,819
Current tax receivables		84	86
Other current financial assets		240	308
Cash and cash equivalents	10	2,341	3,435
Assets held for sale	11	531	19
Total current assets		**10,367**	**10,485**
TOTAL ASSETS		**30,036**	**28,590**

SHAREHOLDERSøEQUITY AND LIABILITIES (in þ millions)	Notes	June 30, 2011	December 31, 2010
Capital	12	137	133
Reserves and income/loss, Group share		1,640	1,849
Shareholdersøequity attributable to company owners		1,777	**1,982**
Non-controlling interests		5,502	5,997
Shareholdersøequity		**7,279**	**7,979**
Provisions		317	311
Non-current financial liabilities	13	8,438	8,371
Other non-current liabilities		362	269
Deferred tax liabilities		454	457
Total non-current liabilities		**9,571**	**9,408**
Provisions		274	282
Trade payables		4,637	4,992
Current financial liabilities	13	4,255	2,469
Tax liabilities payable		46	64
Other current liabilities		3,720	3,397
Liabilities related to assets held for sale	11	254	
Total current liabilities		**13,186**	**11,203**
TOTAL SHAREHOLDERSøEQUITY AND LIABILITIES		**30,036**	**28,590**

Consolidated Cash Flow Statement

(In þ millions)		June 30, 2011	December 31, 2010
Net income attributable to company owners		(57)	(60)
Net income attributable to non-controlling interests		96	134
Consolidated income		**39**	**74**
Amortization, depreciation, and provisions		396	391
Unrealized gains and losses related to changes in fair value		3	12
Expenses and income calculated and related to stock options and the like		10	12
Other calculated expenses and income		(58)	42
Amortization, depreciation, provisions and other non-disbursable items		**351**	**457**
Income/loss on asset disposals		12	(24)
Losses / (profits) related to changes in interests in subsidiaries with loss of control or non-controlling interests		1	(6)
Share of income/loss of associates		8	(11)
Dividends received from associates		2	3
Cash Flow		**413**	**493**
Cost of net financial debt (excluding changes in fair value and amortization)		299	234
Tax liability (including deferred taxes)		52	106
Cash flow before cost of net debt and taxes		**764**	**833**
Taxes paid		(133)	(128)
Change in working capital requirement (1)		(744)	(882)
Net cash flow from operating activities (A)		**(113)**	**(177)**
Acquisition of tangible and intangible assets		(531)	(363)
Disposable of tangible and intangible assets		28	26
Acquisition of financial assets		(48)	(43)
Sale of financial assets		4	53
Change in loans and advances made		(1)	(3)
Impact of changes in scope of consolidation (2)		(1,241)	(28)
Net cash flow from investing activities (B)		**(1,789)**	**(358)**
Dividends paid to shareholders of the parent company		(6)	(27)
Dividends paid to minority shareholders of consolidated companies		(231)	(234)
Dividends paid to holders of perpetual super subordinated notes		(12)	(14)
Capital reductions / increases in cash		(3)	5
Sums received from exercise of stock options		2	4
Other transactions with minority shareholders		(304)	(168)
Purchases and sale of treasury stock		(131)	(3)
Acquisitions and sales of financial investments		8	
Bond issues		2,314	1,368
Bond redemptions		(760)	(1,111)
Net financial interest paid		(364)	(275)
Net cash flow from financing activities (C)		**513**	**(455)**
Impact of currency translation adjustments (D)		(35)	96
Change in cash (A+B+C+D)		**(1,424)**	**(894)**
Net cash at beginning of period		3,094	2,894
Net cash from activities held for sale			
Opening net cash from continuing activities (E)	10	3,094	2,894
Net cash from activities held for sale (F)		(6)	
Net cash at end of period		1,670	2,000
Net cash from continuing activities at closing (G)	10	1,664	
Change in cash and cash equivalents (G-E-F)		(1,424)	**(894)**

(1) Change in working capital requirement

(In þ millions)	June 30, 2011	June 30, 2010
Merchandise inventories	(124)	(24)
Real estate development inventories	(48)	(55)
Trade payables	(562)	(600)
Trade receivables and related accounts	129	31
Receivables related to credit activities	(172)	42
Financing of credit activities	222	(18)
Others	(189)	(258)
Change in working capital requirement	**(744)**	**(882)**

(2) Impact of changes in scope of consolidation

(In þ millions)	June 30, 2011	June 30, 2010
Sale price of securities, including:	**79**	**14**
Venezuela Sale	79	
Shopping Property Fund 1 (change in holding percentage)		*9*
GPA (change in holding percentage)		*3*
Other		*2*
Sale price of securities, including:	**(1,464)**	**(22)**
Big C Thailand - acquisition of Carrefour business activities	(1,018)	
GPA (change in holding percentage)	(262)	
Casino France Distribution sub-group	(41)	
Franprix-Leader Price sub-group (newly consolidated)	(108)	*(6)*
Store Assets sub-group	(34)	
Mercialys sub-group (newly consolidated)		*(4)*
Other	(1)	*(12)*
Cash balance of subsidiaries acquired or sold, including:	**144**	**(20)**
Carrefour Thailand business activities (takeover)	75	
GPA (change in holding percentage)	60	
Franprix-Leader Price sub-group	5	*3*
Casino France Distribution sub-group	3	
Loss of control of Venezuelan entities		*(21)*
Other	1	*(2)*
Impact of changes in scope of consolidation	**(1,241)**	**(28)**

Table of Changes in Consolidated Shareholdersø Equity

(In þ millions)	Capital	Additional paid-in capital	Treasury shares	Income/loss realized directly in equity	Consolidated reserves and income/loss	Sh. equity attributable to owners	Non-controlling interests	Total shareholdersø equity
As of January 1, 2010	**127**	**1,309**	**(12)**	**211**	**150**	**1,785**	**5,175**	**6,960**
Income and expenses recognized directly in equity (1)				269		269	479	748
Consolidated net income for 2010 (2)					(60)	(60)	134	74
Total income and expenses recognized				**269**	**(60)**	**209**	**613**	**822**
Capital transactions (3)	2	14				16	4	20
Transactions in treasury shares			1			1	(3)	(2)
Dividends paid					(43)	(43)	(237)	(280)
Change in interests without gain or loss of control of subsidiaries					(5)	(5)	(7)	(12)
Changes in interest relating to the assumption or loss of control of subsidiaries						0	(11)	(11)
Other changes (4)					1	1	(151)	(150)
As of June 30, 2010	**129**	**1,323**	**(11)**	**480**	**43**	**1,964**	**5,383**	**7,347**
As of January 1, 2011	**133**	**1,348**	**(9)**	**452**	**58**	**1,982**	**5,997**	**7,979**
Income and expenses recognized directly in equity (1)				(28)		(28)	(90)	(118)
Consolidated net income for 2011 (2)					(57)	(57)	96	39
Total income and expenses recognized	**0**	**0**	**0**	**(28)**	**(57)**	**(85)**	**6**	**(79)**
Capital transactions (3)	4	35				39		39
Transactions in treasury shares (5)			(13)		(14)	(27)	(103)	(130)
Dividends paid					(45)	(45)	(230)	(275)
Change in interests without gain or loss of control of subsidiaries (6)					(74)	(74)	(235)	(309)
Changes in interest relating to the gain or loss of control of subsidiaries (7)						0	71	71
Other changes					(13)	(13)	(4)	(17)
As of June 30, 2011	**137**	**1,383**	**(22)**	**424**	**(145)**	**1,777**	**5,502**	**7,279**

(1) Details of the income and expenses booked directly in shareholdersø equity.

(In þ millions)	Cash flow hedging reserve	Currency translation adjustment reserve	Actuarial differences reserve	Reserve on financial assets available for sale	Total attributable to owners	Non-controlling interests	Total
As of January 1, 2010	**(4)**	**199**	**1**	**8**	**204**	**168**	**371**
Income and expenses realized directly in equity	6	249	(0)	14	269	479	748
As of June 30, 2010	**2**	**448**	**1**	**22**	**473**	**647**	**1,120**
As of January 1, 2011	**(2)**	**409**	**(4)**	**42**	**445**	**536**	**981**
Income and expenses realized directly in equity		(58)	4	26	(28)	(90)	(118)
As of June 30, 11	**(2)**	**351**	**0**	**68**	**417**	**446**	**863**

(2) Non-controlling interests come primarily from the Casino group, in which the Group held 48.65% in 2010 and 51.85% in 2011.
(3) The result of paying a portion of the dividends in shares (see Note 12.2)
(4) Includes a þ138 million impact in the form of non-controlling interests corresponding to the capital redemption made to the Whitehall fund managed by Goldman Sachs, coinciding with the 2009 sale of two real estate promotion sites in Poland.
(5) Includes -102 million corresponding to Casinoøs acquisition of 1.8 million of its own shares.
(6) Includes -50 million in group share and -161 million corresponding to Rallyeøs acquisition of 2.8 million Casino shares.
(7) The impact of þ71 million in the form of minority interests basically corresponds to the appearance of minority interests coinciding with the takeover within the Franprix-Leader Price sub-group (see Note 4.2.2) and acquisition of an additional stake in GPA (see Note 3.3) for þ38 million and þ35 million, respectively.

NOTE 1: GENERAL INFORMATION

Rallye is a French õSociété Anonymeö (joint stock company) registered in France and listed on Euronext Paris, in Eurolist Compartment A. The company and its subsidiaries are hereinafter referred to as the õGroupö or the õRallye Group.ö

The June 30, 2011, condensed consolidated financial statements reflect the companyøs financial position and that of its subsidiaries and joint companies, as well as the Groupøs interests in associates. The statements were subjected to a limited review by our auditors.

On July 28, 2011, the Board of Directors authorized the publication of Rallyeøs consolidated financial statements for the six-month period ending June 30, 2011.

NOTE 2: FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING METHODS

2.1. Compliance Statement

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the June 30, 2011, condensed consolidated financial statements of the Rallye group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union as of the date of the closure of the accounts.

These accounting standards are available on the European Commission website and include the international accounting standards (IAS and IFRS), the interpretations issued by the Standing Interpretation Committee (SIC), and the International Financial Reporting Interpretations Committee (IFRIC). (http://ec.europa.eu/internal_market/accounting/ias_fr.htm)

2.2. Preparation framework

The condensed interim consolidated financial statements were established in compliance with the international financial reporting standard IAS 34 (õInterim financial reportingö).

The interim consolidated financial statements are to be read as a supplement to the consolidated financial statements for the fiscal year ending December 31, 2010, as they appear in the Reference Document filed with the French Financial Markets Authority (AMF) on April 11, 2011, under the number D.10-0339.
The Rallye Groupøs consolidated financial statements as of December 31, 2010, are available on request from the companyøs financial services located at 32, rue de Ponthieu in Parisø 8th arrondissement, or at the Internet site www.rallye.fr.

The financial statements are expressed in millions of euros, the Groupøs functional and reporting currency. The tables provide figures that have been rounded to the nearest million euros. Mathematical calculations based on rounded figures may differ from reported aggregates and sub-totals.

2.3. Accounting methods

The accounting rules and methods applied in the preparation of the condensed interim financial statements are identical to those used for the consolidated financial statements for the fiscal year closing December 31, 2010, taking into account or with the exception of the new standards and interpretations listed hereafter.

2.3.1. Standards, amendments to standards, and interpretations applicable as of the start of the fiscal year beginning January 1, 2011

The application of the following revised or new standards and interpretations has become mandatory for the financial year 2011:

- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments;
- Amendment IAS 32 ó Classifying rights issuances;
- Amendment IFRIC 14 ó Advance payments on minimum financing requirements;
- IAS 24 amended ó Information required on related parties;
- Annual improvements of IFRS standards (May 6, 2010).

These newly-published IASB standards did not have a material impact on the Groupøs financial statements.

2.3.2. Standards published by the IASB to become compulsory after June 30, 2011, but not adopted by the European Union

Subject to their definitive adoption by the European Union, the standards, amendments to standards, and interpretations published by the IASB and presented hereinafter are compulsory as of June 30, 2011:

- Amendment IAS 1 ó Presentation of Financial Statements (applicable to annual reporting periods opening as of January 1, 2013);
- Amendment IAS 12 ó Tax deferment: collection of underlying assets (applicable to annual reporting periods opening as of January 1, 2012);
- Amendment IFRS 7 ó õFinancial Instrumentsö: information that must be provided when transferring financial assets (applicable as of July 1, 2011);
- Amendment IAS 19 ó Employee benefits: recording defined benefit plans (applicable to annual reporting periods opening as of January 1, 2013);
- IFRS 9 - Financial Instruments: classification and measurement (applicable to annual reporting periods opening as of January 1, 2013);
- IFRS 10 ó Consolidated Financial Statements (applicable to annual reporting periods opening as of January 1, 2013);
- IFRS 11 ó õJoint Agreementsö (applicable to annual reporting periods opening as of January 1, 2013);
- IFRS 12 ó Information required on interests in other entities (applicable to annual reporting periods opening as of January 1, 2013);
- IFRS 13 ó Fair value measurement (applicable to annual reporting periods opening as of January 1, 2013);
- IAS 28 amended ó Interests in associated and joint companies (applicable to annual reporting periods opening as of January 1, 2013).

The Group did not apply any of these new standards or interpretations in advance and is currently assessing the impacts resulting from the preliminary application of these new texts, especially those set forth in IFRS 11, which eliminates the proportionate consolidation of joint companies.

Applying IFRS 11 would mean derecognizing the share of assets (including goodwill) and liabilities of all entities under the Groupøs joint control (the largest of which are GPA and Monoprix) and then recording them using the equity method. On the income statement, a share of the earnings would be shown on the line õshare of net earnings of related companiesö by replacing the breakdown of income and expenses up to the consolidation percentage of each jointly controlled entity.

The Groupøs primary joint companies are GPA (37.1%) and Monoprix (50%). The condensed financial statements of the proportionately consolidated companies (including GPA and Monoprix) are presented below:

(In þ millions)	June 30, 2011	Of which GPA	Of which Monoprix	December 31, 2010	Of which GPA	Of which Monoprix
Share held		**(*)**	**50.00%**		**33.70%**	**50.00%**
Sales	5,144	3,314	978	**8,104**	4,633	1,916
Net income	82	26	38	**229**	112	88
Non-current assets	4,343	2,596	1,113	**4,110**	2,358	1,111
Current assets	3,778	2,649	310	**3,519**	2,344	329
Total Assets	**8,121**	**5,245**	**1,423**	**7,629**	**4,702**	**1,440**
Shareholdersø equity	3,145	1,908	586	**3,105**	1,840	611
Non-current liabilities	1,361	1,143	112	**1,083**	852	113
Current liabilities	3,614	2,194	724	**3,441**	2,009	716
Total liabilities	**8,121**	**5,245**	**1,423**	**7,629**	**4,702**	**1,440**

(*) 32.24% is the average percent of interest during the period for sales and net income, and 37.1% is the percent of interest as of June 30, 2011, on balance sheet items.

These two joint companies are subject to the call and put options as set forth in Note 34.2.1 of the Notes to the consolidated financial statements for the year ending December 31, 2010.

With regard to GPA, the Casino group issued the Diniz family, the partner with whom it exercises joint control over GPA Brazil, two put options on the shares of the Wilkes holding company, making up 0.4% and 7.6% of GPAøs capital. The first option may be exercised as of June 2012 if ó as it is able to do on this date ó the Group appoints a chairman to the Board of Directors of the Wilkes holding company; the second option, conditional on the first, may be exercised for a period of eight years starting on June 2014. If Casino exercises its right to appoint the Wilkes chairman and does not obtain 50% of the common shares within 60 days, Casino retains its call option to acquire one Wilkes share at the price of 1 Brazilian real, thereby giving it an absolute majority stake in Wilkes. As of the date on which Casino appoints the Chairman of the Board of Directors, governances rules, specifically veto rights over the current jointly controlled Wilkes become null and void.
Therefore, up to June 2012, GPA is jointly held by the Diniz family and the Casino Group through the holding company Wilkes. As of June 2012, the Casino Group will have exclusive control over Wilkes, and thus GPA; based on this, the GPA Group will be fully consolidated in the Casino Groupøs accounts starting on that date.
The recent events described in Note 3.4 have no impact either on the current joint ownership, or on the call and put option agreements that may take effect starting in June 2012.

With regard to Monoprix, the Casino Group has a call option for 10% of that companyøs capital, which may be exercised beginning on January 1, 2012, and up until 2028, thereby offering it the option to take control of this entity. The Monoprix Group will therefore be fully integrated into the Casino Groupøs accounts with the proviso that, pursuant to the rules in effect, the Antitrust Authorities are notified of the operation when the option is exercised.

In the event GPA or Monoprix are fully consolidated into the consolidated financial statements, the accounting treatment will be based on the following approach:

- the company will be 100% consolidated in the earnings statement, and earnings will be divided between Group share and minority interests,
- all of the companyøs assets and liabilities will be 100% consolidated, with the option to fully recognize goodwill,
- interest the Group previously held in the company will be revaluated at fair value according to the earnings of the fiscal year,
- õputö minority interest will be eliminated from the balance sheet and a financial debt will be recognized; subsequent changes in the put debt will be offset by shareholdersø equity.

2.3.3. Net financial income (loss)

Net financial income (loss) comprises the cost of õnet financial debtö and õother financial income and expenses,ö according to the following definitions:

The cost of net financial debt comprises interest from the net financial debt, including revenues and gains and losses on the sale of cash equivalents, gains and losses on exchange-rate hedges, and the changes in the fair value of derivatives used in fair value hedge accounting for the debt and recognized as assets and liabilities.

Other financial income and expenses comprise financial income and expenses that do not fall within the cost of net financial debt.
Investment commissions and fees for unused lines of credit that appear under cost of net financial debt are henceforth included under õother financial expensesö in order to comply with the definition of the general item õother financial expensesö (see Note 8.2)

2.4. Using estimates and assumptions

The preparation of consolidated financial statements demands that executive management use estimates, assumptions, and hypotheses that may have an impact on the assets, liabilities, income, and expenses included in the financial statements, as well as on some of the data included in the Notes to the financial statements.
Estimates and assumptions relate to matters that are inherently uncertain and actual results could differ from those estimates. The Group regularly revises its estimates and assumptions in order to take into account past experience and to include factors deemed to be relevant in light of prevailing economic conditions.

When preparing these consolidated interim financial statements, the major assumptions adopted by executive management, and the major hypotheses used, are the same as those applied when preparing the consolidated financial statements for the fiscal year ending December 31, 2010.

NOTE 3: EVENTS DURING THE PERIOD

3.1 Dispute with the Baud family

The Court of Arbitration, appointed to hand down a final judgment in the Franprix-Leader Price dispute between the Casino Group and the Baud family, on damages and interest related to dividends and late interest, issued its ruling on February 4, 2011. It rejected the Baud familyøs request to receive dividends for fiscal years 2006 and 2007, and to be additionally compensated for their tax situation abroad due to anomalies and irregularities found in the accounts. Pursuant to the Courtøs judgment, Casino paid þ34 million in the first half of the year for compensation of 2008 dividends (þ28 million) and an additional sum from the sale of Franprix and Leader Price securities previously acquired by Casino for þ6 million. The entire impact of this judgment was accounted for in the 2010 consolidated financial statements, not including the settlement made during the first half of this year.

3.2 Mandatory 2011 Bond Exchange Transactions

On May 18, 2011, the Casino Group issued þ850 million in new 10-year bonds as part of its EMTN program, with an annual coupon of 4.726%. For this purpose, þ300 million in bonds maturing in February 2012 (6.0% coupon), April 2013 (6.375% coupon), and April 2014 (4.875% coupon) were exchanged. This issuance also freed up þ530 million in additional resources.

The accounting treatment for these transactions is described in Note 13.1

3.3 Increased stake in GPA

GPAøs annual shareholders meeting of March 31, 2011, approved the issuance of 1.4 million preferred shares to Casino, at a price of 62.43 reais per share (equivalent to 85 million reais or þ36 million). This issuance pays for the tax savings generated by depreciating a portion of the goodwill associated with GPA, and was finalized in May after GPA shareholders exercised their preemptive rights. Casino therefore received 626,360 shares, bringing its holding percentage to 33.7% and 45 million reais in cash. This 33.7% also includes the dilutive effect of stock options exercised throughout the period. This operation generated an accretion income of þ22 million, recorded under õother operating income.ö

During the month of June, the Casino Group acquired 9 million preferred shares (3.4% of GPAøs capital) for 382 million dollars (þ263 million), bringing its stake in GPAøs capital to 37.1%.

Subsequent to June 30, 2011, the Casino Group purchased 15.8 million additional preferred shares (6.1% of GPAøs capital) for 792 million dollars (þ547 million), bringing its stake in GPAøs capital to 43.2%.

Under agreements with the Diniz family and the shareholders agreement, which governs the joint ownership of Wilkes holding, GPA remains consolidated under the proportionate consolidation method.

3.4 GPA Group position

Beginning in late May 2011, the Brazilian and French press reported on ongoing negotiations between the Diniz Group (Casinoøs Brazilian partner), the Carrefour Group, and Gama 2 SPE Empreendimentos et Participaçoes (õGamaö), the financial investment vehicle wholly owned by a BTG Pactual-managed fund to be capitalized by the Brazilian National Development Bank (BNDES). In violation of shareholder agreements entered into by and between the Diniz family and Casino in 2006, within their joint company Wilkes, the project foresaw, without prior cooperation or agreement between the shareholders, a merger of Carrefourøs Brazilian assets with those of GPA in an equally owned joint company, while Gama would become a major Carrefour shareholder.

It is for this reason that Casino went before the International Chamber of Commerce in two arbitration proceedings against the Diniz Group on May 30 and July 1, 2011, to petition for the adherence to, and performance of, the November 27, 2006 shareholder agreement of their joint company Wilkes, which controls the Brazilian company GPA.

The Casino Guichard-Perrachon Board of Directors then met on July 12, 2011, to examine the terms and conditions of the financial proposal submitted the Diniz Group, the Carrefour Group and Gama publicly announced on June 28, 2011. On completing this discussion, the Board of Directors, with the sole exception of Abilio Diniz, who did not vote, were unanimous in finding that the plan was against the interests of GPA, all of its shareholders, and Casino.

On July 13, 2011, the Casino Group acknowledged the withdrawal by Abilio Diniz, BTG Pactual and Carrefour of their proposal.

These events are not likely to change the control of GPA, which continues to be exercised by Wilkes under the provisions set forth both in the Wilkes shareholder agreement, dated November 27, 2006, as well as that of GPA, dated December 20, 2006 (see note 2.3.2).

3.5 Sale to Exito of its interests in Disco and Devoto

On June 29, 2011, Exito acquired Casinoøs stake in Disco and Devoto (Uruguayan subsidiaries under joint control in the case of Disco, and under exclusive control in the case of Devoto) for a total of $746 million (þ520 million). At the same time, Exito announced its intention issue a maximum of $1.4 billion in share capital in Colombia.

The share capital purchases and issuances were authorized in principle at Exitoøs July 6, 2011, annual shareholdersø meeting. The Casino Group, which as of June 30, 2011, held 54.8% of Exito, plans to subscribe the capital issued in proportion to its shareholding in order to maintain its controlling interest in the company. The acquisition is now expected to be finalized during the second half of the year once the customary conditions precedent are fulfilled and the Exito shares are placed on the market.

This transaction will be included in the financial statements for the second half of 2011.

NOTE 4: TRANSACTIONS ON THE SCOPE OF CONSOLIDATION

4.1. Changes in the scope of consolidation

During the first half of 2011, the following main changes in the scope of consolidation took place:

- **Main entries and exits from the scope of consolidation:**

Company name / sub-group	Business Activity	Country	Transaction	Consolidation method
Carrefour Thailand Business (1)	Distribution	Thailand	Takeover	FC
Franprix-Leader Price sub-group (2)	Distribution	France	Takeover	FC
Casino France Distribution Sub-group (3)	Distribution	France	Takeover	FC
Store assets sub-group(4)	Distribution	France	Takeover	FC

(1) See note 4.2.1
(2) See note 4.2.2
(3) Acquisition of hypermarkets and supermarkets from the Deprez and JEKK groups for þ24 and þ18 million, respectively, generating goodwill of þ14 million and þ18 million
(4) Acquisition of one hypermarket from the Bazeilles Group for þ27 million, generating goodwill of þ3 million

- **Main changes in holding percentage without modification of the consolidation method:**

Company name / sub-group	Business Activity	Country	Change in holding %	Consolidation method
Casino, Guichard-Perrachon	Distribution	France	2.63%	FC
CDiscount (1)	e-commerce	France	16.56%	FC
GPA (2)	Distribution	Brazil	3.40%	PC

(1) See Note 4.2.3
(2) Corresponds to the acquisition of 3.44% of GPAøs capital (see Note 3.3), which resulted in repaying in preferred shares the tax savings inherent in depreciating the goodwill in the GPA financial statements, which has a positive 0.07% impact on the holding percentage, offset up to 0.1% by the dilution resulting from exercising the stock options at GPA.

4.2. Other highlights

4.2.1 Acquisition of Carrefourøs business activities in Thailand

The agreement entered into with Carrfour in November 2010 was formalized on January 7, 2011, with the purchase of Carrefour Thailandøs business activities through the subsidiary Big C Thailand. This

acquisition, which comprises a portfolio of 42 stores (34 of which are hypermarkets) and 37 shopping malls, allows Big C Thailand to broaden its geographic presence, especially in the Bangkok region, to enlarge its customer reach, and to implement synergies by applying Big C Thailandøs operating model to Carrefourøs business.

Stores and shopping malls were acquired following the purchase of 100% of the securities of CenCar Limited, Nava Nakarintr Limited, and SSCP (Thailand) Limited for þ851 million (34 billion bahts). The contract also provided for settling a financial debt of þ151 million (5.9 billion baths) held by Nava Nakarintr Limited and SSCP (Thailand) Limited.

This acquisition was financed by obtaining a bond with a par value of 38.5 billion baths (þ981 million) and a term of one year, which can be extended by six months through a renewal option.

The contribution of Carrefour Thailandøs business activities to the Casino Groupøs sales and net income before tax for the period from January 7 to June 30, 2011, is þ381 million and þ12 million, respectively. With regard to the acquisition date, there would have been no major difference in these two aggregates if the Carrefour Thailand business activities had been acquired as of January 1, 2011.

Direct costs associated with this acquisition were þ19 million, þ10 million of which were charged to expenses on 2010.

Fair value of identifiable assets and liabilities

As of the takeover date, the fair value of identifiable assets and liabilities of Carrefour Thailandøs business activities on Big C Thailandøs financial statements, as provisionally determined by independent experts, can be summarized as follows:

(In þ millions)	Book value on the acquisition date	Fair value adjustment	Fair value as of January 7, 2011
Non-current assets	299	93	392
Deferred tax assets	5	7	11
Inventories	50		50
Trade receivables	9		9
Other current assets	9	1	10
Cash and cash equivalents	75		75
Assets	**447**	**101**	**547**
Provisions	1	20	21
Trade payables	128		128
Other current liabilities	30		30
Deferred tax liabilities		32	32
Liabilities	**160**	**53**	**212**

Identifiable assets and liabilities, net (A)	**335**
Fair value of the consideration transferred for the takeover of Carrefour Thailand (B)	**1,018**
Purchase price	*851*
Currency hedging associated with the purchase price	*16*
Repayment of a financial debt	*151*
Goodwill at the exchange rate on January 7, 2011 (B-A)	**683**

This provisional assessment may be subject to change during the twelve month period starting January 7, 2011. The main fair value adjustments applied to real estate assets (þ101 million) based on the provisional report by a real estate expert and the recording of liabilities and contingent liabilities of þ20 million. For contingent liabilities, a possible request for liability guarantee allowances will be considered in the second half of the year. Tax deferments associated with these adjustments were þ26 million.

Goodwill is mainly attributable to anticipated synergies with Big C Thailand.

The purchase price is subject to a price adjustment clause based on the final statements of entities acquired as of December 31, 2010. This adjustment is currently being discussed with the seller and is not considered material.

4.2.2 Franprix ó Leader Price sub-group operations

On February 1, 2011, Franprix ó Leader Price took exclusive control of three sub-groups in France (Sarjel, Pro Distribution, and Distri Sud-Ouest) in which it already held a minority interest.
The first two takeovers were achieved by acquiring an additional 11% in capital in these two groups, which brought their holding to 60%. Minority shareholders have a put option on their shares until 2017, which was recorded under financial debt for þ37 million. The third takeover resulted when the seller exercised a put option for 50.9% of the company at a price of þ95 million (bringing the Groupøs holding to 100%).

As a result, these companies previously recorded by the equity method are now fully consolidated as of their acquisition date. These transactions represent the overall purchase of 285 Franprix and Leader Price stores and have generated recognized goodwill of þ552 million and net income from revaluating previously held interest shares of þ46 million (see Note 7). The contribution of these stores to Casinoøs sales and net income before tax for the period from February 1 to June 30, 2011, is þ430 million and þ2 million, respectively.

The goal of the Casino Group moreover is to transfer the control of the Distri Sud Ouest Group as part of a strategy to expand and establish partnerships with Franprix ó Leader Price franchisees. Having fulfilled the criteria for classifying these as assets and liabilities held for sale, the associated assets and liabilities of this Group were reclassified on the balance sheet of June 30, 2011 (see Note 11).

4.2.3 Buy-out of Charle brothersø interest in Cdiscount

On January 6, 2011, the Casino Group bought the remaining 16.56% interest in Cdiscount from the Charle brothers, thereby bringing its holding to 99.57% of the capital. Pursuant to IAS 27, this buy-out was considered a transaction between shareholders and resulted in lower shareholdersø equity, Group share, by þ30 million.

4.2.4 Acquisition of Casas Bahia

On November 9, 2010, GPA subsidiary Globex Utilidades S.A. took over Nova Casa Bahia SA (õNCBö), a company that holds the operating assets for the distribution business of Casa Bahia Comercial Ltda (õCasas Bahiaö), the leading non-food distributer in Brazil. NCBøs assets and liabilities are pending a fair value assessment, which will be finalized in the second half of 2011.

NOTE 5: SEGMENT INFORMATION

In application of IFRS 8, õOperating segments,ö the information shown is based on internal reporting used by the management to assess the performance of the various segments. The information published below complies with the IFRS reference framework as adopted by the European Union.

5.1 Definition of operating segments

The operating segments used correspond to the three main activities of the Group:
- food and general retailing;
- sporting goods retailing;
- financial holdings and investments.

5.2 Key indicators by operating segment

Period ending as of June 30, 2011

(In þ millions)	Food and general retailing				Sporting goods retailing		Holdings and financial investments		Continuing operations June 30, 2011
	France	Latin America	Asia	Other international segments	France	Other international segments	France	Other international segments	
Sales	9,102	5,186	1,431	425	299	29	2	6	16,480
Current operating income	270	197	96	8	(13)	1	(10)	14	563

Period ending June 30, 2010:

(In þ millions)	Food and general retailing				Sporting goods retailing		Holdings and financial investments		Continuing operations June 30, 2010
	France	Latin America	Asia	Other international segments	France	Other international segments	France	Other international segments	
Sales	8,597	3,608	970	414	285	26	4	6	13,910
Current operating income	346	132	55	8	(12)	1	(7)	2	525

Non-current assets* by geographic region are as follows:

(In þ millions)	Food and general retailing				Sporting goods retailing		Holdings and financial investments		Total
	France	Latin America	Asia	Other international segments	France	Other international segments	France	Other international segments	
As of June 30, 2011	10,488	5,514	1,765	319	108	6	21	207	18,428
As of December 31, 2010	10,128	5,298	900	317	107	5	23	212	16,990

(*) Non-current assets include goodwill, property, plant and equipment, and intangible assets, investment properties, interests in related companies, and long-term prepaid expenses.

NOTE 6: INFORMATION ON CURRENT OPERATING INCOME

6.1 Seasonal nature of the business

The Groupøs business activities are slightly seasonal in nature, with more business in the second half, especially in the month of December.

6.2 Expense type by function

Period ending as of June 30, 2011:

(In þ millions)	Logistics *	Cost of goods sold	General and administrative expenses	**Total**
Personnel expenses	(246)	(1,396)	(390)	(2,032)
Other expenses	(381)	(1,482)	(263)	(2,126)
Allowance for depreciation	(19)	(291)	(59)	(369)
Total	**(646)**	**(3,170)**	**(712)**	(4,528)

(*) Logistics is included under õFull cost of goods soldö

Period ending as of June 30, 2010:

(In þ millions)	Logistics *	Cost of goods sold	General and administrative expenses	**Total**
Personnel expenses	(170)	(1,179)	(314)	**(1,663)**
Other expenses	(351)	(1,142)	(225)	**(1,718)**
Allowances for depreciation	(15)	(264)	(58)	**(337)**
Total	**(536)**	**(2,585)**	**(597)**	**(3,718)**

(*) Logistics is included under õFull cost of goods soldö

NOTE 7: OTHER OPERATING INCOME AND EXPENSES

(In þ millions)	**June 30, 2011**	**June 30, 2010**
Total other operating income	103	27
Total other operating expenses	(237)	(101)
Total operating income and expenses	**(134)**	**(74)**
Breakdown by type:		
Income/loss on asset disposals		**15**
Of which, gains on disposal of Franprix & Leader Price (1)		14
Other operating income and expenses	**(134)**	**(89)**
Net losses on value of assets	(18)	(18)
Restructuring provisions and expenses (2)	(42)	(36)
Provisions and expenses for contingencies and disputes	(5)	(25)
Nova Casas Bahia and Carrefour Thailand consolidation costs	(22)	
Property tax (Colombia) (3)	(72)	
Results from gain/loss of control (4)	35	(1)
Others	(10)	(9)
Total	**(134)**	**(74)**

(1) As of June 30, 2010, the gain from the disposal of the Franprix ó Leader Price sub-group came under a partnership agreement between its subsidiary RLPI and Nougein SA, consisting in the creation of a new company, Leader Centre Gestion (õLCGö), to which RLPI and Nougein SA have contributed their assets. Impacts of this operation include a gain on the share of the interest transferred and a revaluation of the share retained. This operation generated a capital gain of þ14 million.

(2) This restructuring expense for the first half of 2011 essentially involves the Casino France and Franprix-Leader Price segments, totaling þ18 million. As of the first half of 2010, it mainly affected the plan to streamline Casino Franceøs fleet of stores and warehouses.

(3) This is a property tax determined on the shareholders equity of subsidiary Exito as of January 1, 2011, payable in eight half-yearly installments. The debt was recorded for the updated value of payments to be made over the next four years.

(4) This income of þ35 million recorded as of June 30, 2011, comes from þ48 million in revaluated previously held interests associated with the takeovers by the sub-group Franprix-Leader Price in February 2011 (see Note. 4.2.2), offset by þ13 million in transaction costs.

NOTE 8: FINANCIAL INCOME

8.1 Cost of net financial debt

(In þ millions)	June 30, 2011	June 30, 2010
Gain from the sale of cash-equivalents	2	3
Income from cash and cash equivalents	37	15
Income from cash and cash equivalents	38	18
Interest expenses on financing activities after hedging (1)	(362)	(272)
Interest expense on lease finance contracts	(2)	(3)
Cost of net financial debt	(364)	(275)
Cost of net financial debt	**(325)**	**(257)**

(1) The increase between 2011 and 2010 comes especially from Thai and Brazilian activities

8.2 Other financial income and expenses

(In þ millions)	June 30, 2011	June 30, 2010
Financial income from investments	1	1
Foreign exchange gains (excluding financing activities)	14	8
Income from discounting and undiscounting calculations	15	1
Fair value of derivative associated with the TRS Exito operation (1)	29	0
Positive change in the fair value of non-hedging derivatives	19	1
Other financial income	31	27
Total other financial income	109	38
Foreign exchange losses (excluding financing activities)	(44)	(7)
Expenses from discounting and undiscounting calculations	(11)	(4)
Negative change in the fair value of non-hedging derivatives	(7)	(9)
Other financial expenses (2)	(49)	(33)
Total other financial expenses	(111)	(53)
Total other financial income and expenses	**(2)**	**(15)**

(1) Until December 31, 2010, the Casino Group recorded the negative change in fair value of TRS Exito under õother operating income and expensesö and in provisions for contingencies; the positive change in fair value has not been recognized as a precaution. Since this half-yearly statement, the Casino Group has decided to apply the accounting treatment of fair-value derivatives by earnings to TRS Exito; this change led the Group to recognize a positive value of þ29 million under õother financial income and expensesö and in non-hedging derivatives recognized as assets.

(2) As of June 30, 2011, this item included þ15 million in expenses associated with unused credit lines; as of June 30, 2010, these expenses appeared in the cost of financial debt for þ13 million.

NOTE 9: GOODWILL, TANGIBLE AND INTANGIBLE ASSETS, AND INVESTMENT PROPERTY

The þ1.027 billion increase in goodwill compared with December 31, 2010 is essentially the result of Big Cøs acquisition of Carrefour Thailandøs business activities (see Note 4.2.1), Franprix ó Leader Priceøs acquisition of the companies Sarjel and Pro Distribution, the increased stake in GPA (see Note 3.3) for þ628 million, þ219 million and þ182 million, respectively. The difference in foreign exchange rates has an overall downward impact of þ68 million, especially on Thai and Brazilian currencies.

During the first half of 2011, acquisitions of tangible and intangible assets and investment property totaled þ508 million, compared to þ360 million for the same period of 2010.

Every year the Group runs an impairment test on its goodwill as of December 31, after the executive management approves the medium-term plans. With regard to any excess between the value in use and the book value resulting from the annual 2010 tests, test updates did not reveal any impairment as of June 30, 2011.

As of June 30, 2011, the Groupøs operating subsidiaries reviewed the impairment indicators for both the goodwill and the fixed assets. Certain Cash Generating Units (CGUs) presented impairment indicators and impairment tests were affected as a result.
With regard to other fixed assets, impairment test updates also did not reveal any material impairments as of June 30, 2011.

NOTE 10: NET CASH AND CASH-EQUIVALENTS

The aggregate õNet cash and cash equivalentsö breaks down as follows:

(In þ millions)	June 30, 2011	December 31, 2010
Cash-equivalents	1,324	2,121
Cash	1,017	1,314
Cash and cash equivalents	**2,341**	**3,435**
Bank overdrafts	(677)	(341)
Net cash and cash-equivalents	**1,664**	**3,094**

õCash and cash-equivalentsö include þ166 million in cash received on the assignment of receivables that meet IAS 39 financial asset de-recognition criteria, versus þ187 million as of December 31, 2010.

NOTE 11: ASSETS HELD FOR SALE AND RELATED LIABILITIES

Assets held for sale break down as follows:

(In þ millions)	June 30, 2011	December 31, 2010
Franprix-Leader Price sub-group assets *	449	1
Mercialys real estate assets	59	
Real estate assets in Poland	8	8
Alexa shopping	10	10
Other	5	
Assets and liabilities held for sale	**531**	**19**
Liabilities related to assets held for sale*	**254**	

(*) Corresponds to the Distri Sud-Ouest Group, earmarked for disposal

NOTE 12: SHARE CAPITAL

12.1 Share capital

As of June 30, 2011, the share capital comprised 45,621,419 shares representing a par value of þ137 million.

12.2 Changes in share capital

Common shares issue and fully paid (par value of þ3 per share)

	June 30, 2011	December 31, 2010
Number of shares as of January 1	**44,300,003**	**42,360,140**
2009 dividend payment in shares (balance)		688,754
2010 dividend payment in shares (interim dividends or balance)	1,321,416	1,251,109
Number of shares at the end of the period	**45,621,419**	**44,300,003**

12.3 Dividend payments

At the annual shareholdersø meeting on May 4, 2011, it was resolved to pay a dividend of þ1.83 per share for fiscal year 2010. An interim dividend of þ0.80 per share was paid in October 2010. The balance is now þ1.03 per share.

It was resolved that shareholders could opt to collect this balance either in cash or in new company shares. The issue price for new shares was set at þ29.61, which is 90% of the average opening price for the twenty trading sessions preceding the annual shareholdersø meeting, less the dividend amount. 87.1% of votes favored payment in shares.

This operation increases Rallyeøs shareholdersø equity by þ39.1 million, by creating 1,321,416 new company shares (3% of the share capital). Cash payments for dividends totaled þ5.8 million and were issued on June 6, 2011.

NOTE 13: BORROWINGS, DEBTS, AND FINANCIAL LIABILITIES

13.1 Breakdown of net financial debt

(In þ millions)	June 30, 2011			December 31, 2010		
	Non-current share	Current share	Total	Non-current share	Current share	Total
Bond issues	**6,437**	**1,215**	**7,652**	6,301	846	7,147
Other financial debt	**1,839**	**2,851**	**4,690**	1,945	1,404	3,349
Lease contracts	**56**	**41**	**97**	63	43	106
Debt connected with put options on minority interests	**69**	**41**	**110**	1	57	58
Financial derivatives recognized as liabilities	**37**	**107**	**144**	61	119	180
Total financial liabilities	**8,438**	**4,255**	**12,693**	**8,371**	**2,469**	**10,840**
Financial derivatives recognized as assets	**(69)**	**(72)**	**(141)**	(150)	(123)	(273)
Receivables related to disposal of Cativen (Venezuela)	**(80)**	**(186)**	**(266)**	(83)	(299)	(382)
Marketable securities and similar assets	**0**	**(170)**	**(170)**	0	(185)	(185)
Cash and cash equivalents	**0**	**(2,341)**	**(2,341)**	0	(3,435)	(3,435)
Total financial assets	**(149)**	**(2,769)**	**(2,918)**	**(233)**	**(4,042)**	**(4,275)**
Net financial debt	**8,289**	**1,486**	**9,775**	**8,138**	**(1,573)**	**6,565**

The main changes during the first half of the year essentially resulted from the following operations:

- new borrowings totaling þ2,650 million, including those associated with: (i) the bond exchange, which generated an additional resource of þ530 million (see below); (ii) the acquisition of Carrefourøs business activities in Thailand (þ981 million); (iii) additional acquisitions of GPA (þ254 million): and (iv) the issuance of commercial paper by Casino, Guichard-Perrachon (þ242 million). The balance from the changes results from new borrowings and bank overdrafts by subsidiaries (especially GPA and Franprix-Leader Price);
- repayment of þ959 million in loans, especially GPA, Franprix ó Leader Price, Exito and Casino, Guichard-Perrachon;
- new debts of þ52 million associated with commitments to buy back minority interests, essentially connected with the Franprix ó Leader Price transactions described in Note 4.2.2.
- +þ230 millions change in the scope of consolidations, especially transactions performed within Franprix ó Leader Price.

- **Bond exchange operations**

On May 18, 2011, as part of its EMTN program, Casino issued þ850 million in new ten-year bonds with a 4.726% annual coupon (see Note 3.2). At this time, þ300 million in bonds maturing in February 2012 (6.0% coupon), April 2013 (6.375% coupon), and April 2014 (4.875% coupon) were exchanged. This bond issue also freed up þ530 million in additional resources.

The new bond matures in 2021 at an effective interest rate of 5.13%.

Pursuant to IAS 39 on the de-recognition of a financial liability, this transaction was treated as an extension of financial debts because the changes to the contractøs terms and conditions were not considered material. The impact of the bond exchange constitutes an adjustment to the book value of the 2021 bond, and is amortized on an actuarial basis over the remaining term of the modified liability. This accounting treatment also applies to premiums, thus unamortized issue expenses associated with exchanged bond issues and all costs incurred in connection with the exchange (commissions, fees, exchange premiums) will be amortized until 2021. In addition, the impact of unwinding hedging operations associated with the initial debts will be amortized over the term of the new debt.

This new bond contains the commitment and default clauses that are standard for this type of contract: maintenance of the loan at the same level (pari passu), limitation of the securities allocated to other lenders (negative pledge), and cross-default. It also contains an early repayment clause in the event the Casino, Guichard-Perrachon long-term senior debt rating is downgraded to õnon-investment gradeö subsequent to a change in Casino, Guichard-Perrachonøs majority shareholder, as well as a õcoupon step-upö clause, which will increase the interest rate by 125bp if the Casino, Guichard-Perrachon long-term senior debt rating is downgraded to õnon-investment grade.ö

13.2 Debt repayment schedule

(In þ millions)	**June 30, 2011**	**Less than 1 year**	**1-5 years**	**Over 5 years**	**December 31, 2010**
Financial liabilities					
Bond issues	**7,652**	1,215	3,717	2,720	7,147
Other borrowings	**4,690**	2,851	1,769	70	3,349
Lease finance contracts	**97**	41	50	6	106
Financial derivatives (fair value hedging)	**144**	107	16	21	179
Debt connected with put options on minority interests	**110**	41	69		59
Trade payables	**4,637**	4,637			4,992
Other debt	**4,082**	3,720	362		3,666

NOTE 14: CONTINGENT LIABILITIES AND ASSETS

14.1 Geimex dispute

With regard to Geimex, owner of the Leader Price brand abroad, 50% of which is owned by the Casino Group and 50%, by the Baud family, disputes are ongoing between the two shareholders, as described in Note 34 of the Notes to the 2010 Financial Statements. There has been no material change during the first half of the year; the arbitration proceeding continues and the court is expected to issue a judgment in the first half of 2012.

14.2 Thailand Disaster

In connection with the events that took place in Bangkok in the second quarter of 2010, the subsidiary Big C Thailand suffered losses resulting in the total or partial destruction of a certain number of assets and operating losses since the start of the disaster valued at a total of some þ24 million as of June 30, 2011, þ6 million of which occurred in the past half year. Damage to property, operating losses, and expenses are covered by insurance. Adjusters for the primary insurance policy covering 70% of the disaster finalized their quantification of the property damage portion, which totals approximately þ29 million.
During the previous six months, the Casino Group posted a þ12 million insurance benefit, þ9 million of which is for property damage and þ3 million, for operating losses. As of June 30, 2011, the insurance claim totaled þ16 million. A þ9 million benefit under a secondary policy has not yet been recognized in the financial statements and adjusters for this insurer have just begun their appraisal.

14.3 Disputes with the tax authority

The Casino group was subject to a tax audit for the 1998 fiscal year, related on the one hand to recovering tax losses considered abusive by the tax authority, and, on the other hand, to the issue of whether a provision for depreciating fixed assets could be deducted. With regard to the second audit issue, the appeal before the Conseil døEtat was rejected in May 2011. After the loss in value on the

fixed assets was shown to be justified, the Casino Group is confident it will be able to claim it as a deductable. The non-provisioned amount in dispute is þ7 million.

NOTE 15: RELATED PARTIES

Rallye is controlled by Foncière Euris, which is in turn held by Finatis, and then by Euris. As of June 30, 2011, Foncière Euris held 57.91% of Rallyeøs share capital and 73.07% of the voting rights.
The Rallye Group benefits from the guidance of Euris, the Groupøs ultimate controlling company, under the terms of a strategic advisory services agreement signed in 2003.
Relationships with related parties, including the methods for compensating company directors, have remained comparable to those of the 2010 fiscal year and no unusual transactions, in nature or amount, occurred during the period.

The main transaction during the first half of the year between Rallye and Foncière Euris concerned the payment of the dividend balance for fiscal year 2010. Foncière Euris chose to be paid in new company shares.

NOTE 16: EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Events other than those related to Brazil mentioned in Note 3.4

Formalization of a partnership agreement between Casino and Groupe Crédit Mutuel ó CIC

On July 27, 2010, the Casino Group announced the signing of a long-term partnership in France in the area of financial products and services with Groupe Crédit Mutuel-CIC, via its subsidiary, Banque Groupe Casino (õBGCö).

After Casino exercised its put option on all securities held by LaSer Cofinoga (a 40% stake), and after the implementation, on July 7, 2011, of agreements entered into between the parties, the Casino Group took over BGC and then transferred 50% of its interest on that same day to Crédit Mutuel-CIC. Prior to formalizing this transaction, BGC assigned a portfolio of outstanding disputed or overleveraged loans to LaSer Cofinoga at a net book value of þ132 million.

This operation was approved by the relevant regulatory authorities on July 4, 2011. Following the operation, BGC was held and jointly controlled by Casino and Crédit Mutuel-CIC, 50% each.

4 ó STATUTORY AUDITORSøREVIEW REPORT ON THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditorsø report issued in French and it is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

For the six-month period ended 30 June 2011

To the Shareholders,

Following our appointment as statutory auditors by your annual general meeting and in accordance with article L. 451-1-2 III of the French Monetary and Financial Code (õCode monétaire et financierö), we hereby report to you on:

- the review of Rallyeøs condensed interim consolidated financial statements for the six-month period ended 30 June 2011, as attached herein;

- the verification of information contained in the half-yearly management report.

These condensed interim consolidated financial statements are the responsability of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France. A review of interim financial information consists of making inquiries, primarly of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we don not express an audit opinion.
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared in all material respects in accordance with IAS 34, the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

2. Specific verification

We have also verified information given in the half-yearly management report on the condensed consolidated interim financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed consolidated interim financial statements.

Paris-La Défense and Neuilly-sur-Seine, July 28, 2011
The Statutory Auditors
French original signed by

KPMG Audit
Department of KPMG S.A.
Patrick-Hubert Petit

ERNST & YOUNG et Autres
Pierre Bourgeois