

RALLYE

2007 Annual Results

**Current operating income up 21% to €1,261m
Net income Group's share to reach €288m**

The Board of Directors of Rallye, chaired by Jean-Charles NAOURI, met on March 19, 2008 in order to review the accounts for the year ended December 31, 2007.

2007 results

Provisional consolidated figures under auditors' review

(in €m)	2006	2007	Change
Net sales from continuing operations	23,281	25,755	+10.6%
EBITDA ⁽¹⁾	1,583	1,883	+19.0%
Current operating income	1,045	1,261	+20.7%
Net income from continuing operations	425	680	+60.0%
Net income from discontinued operations	174	154	-11.5%
Net income	599	834	+39.2%
Net income Group's share	147	288	+95.9%

(1) EBITDA = current operating income + current depreciation and amortisation expense

1. GROUP ACTIVITY

Rallye consolidated net sales reached €25.8bn, up 10.6% compared to 2006.

Current operating income, up 20.7% to €1,261m, demonstrates the effectiveness of Groupe Casino's operating action plans as well as the high-quality positioning of its asset portfolio in France and abroad, together with the good performance of the investment portfolio, with a €95m contribution to Rallye's current operating income (vs. €38m in 2006).

Net income Group's share was €288m versus €147m in 2006.

Rallye's investment portfolio at December 31, 2007 is valued at €614m, representing a €103m increase (+20%) compared to December 31, 2006, of which value appreciation of €116m and net divestments of -€13m.

2. SUBSIDIARIES ACTIVITY

CASINO:

➤ 2007 OBJECTIVES MET:

- ✓ ROBUST GROWTH IN SALES AND CURRENT OPERATING INCOME, LED BY INTERNATIONAL OPERATIONS
- ✓ SATISFACTORY PERFORMANCE OF FRANCE AND FAST SALES TURNAROUND AT FRANPRIX AND LEADER PRICE
- ✓ STRONGER FINANCIAL POSITION, WITH A NET DEBT TO EBITDA RATIO OF 2.45

Casino consolidated net sales reached €25.0bn in 2007, up 11.0%. EBITDA rose to €1,799m and current operating income to €1,196m, up 15.3% and 14.7% respectively.

In France, sales were up 3.1% (excluding Franprix and Leader Price). Current operating income rose 3.3%, reflecting the implementation of tailored marketing strategies for each banner, coupled with tight control over operating costs. Management of Franprix and Leader Price operations was taken over in the spring 2007, and both banners saw a turnaround in sales in the fourth quarter.

International operations confirm their role as a growth driver for Groupe Casino, benefiting from the full consolidation of Exito as of May 1, 2007 as well as from robust sales gains in South America and Asia. The profitability profile of international operations improved significantly thanks to increased margins in these two strategic regions and the remodelling of the asset portfolio. Sales and current operating income generated by the international operations were up 43.8% and 65.4% respectively.

Net result, Group's share reached €814m vs. €600m in 2006.

Groupe Casino's financial position was significantly strengthened, in particular through the completion, under excellent conditions, of the €2.5bn asset disposal plan. Net debt stood at €4,410 million at end 2007, virtually unchanged from a year earlier despite the consolidation of Exito. The net debt to EBITDA ratio was reduced to 2.45 from 2.81 at end 2006.

GROUPE GO SPORT: INCREASE IN PROFITABILITY AND STABILISATION OF SALES

In 2007, Groupe GO Sport consolidated net sales reached €773.1m, up 0.2%. In France, GO Sport banner saw a 2.0% drop in sales due to a high base effect after two years of market overperformance. Courir confirms its leadership position in the sneaker market with a 3.0% sales growth. The increase in international sales was driven by the strong growth registered in Poland (sales up 31.2%).

Current operating income was up €8.5m to reach -€3.4m (vs. -€11.9m at end 2006) on the back of an improving commercial margin (+0.5bp) and well-contained operating expenses.

Net income stood at €12.9m, incorporating a €23.1m net capital gain related to the disposal of 6 store properties.

Groupe GO Sport strengthened its capital structure with a net debt of €41m at end 2007 (vs. €80.9m in 2006) through property disposals for €34.3m (net proceeds before tax) and working capital improvements.

3. OUTLOOK

- **Casino** is now poised to deliver sustainable growth:
 - ✓ A well-positioned asset portfolio, with a favourable format mix in France, high growth potential at Franprix and Leader Price, and an international geographic footprint refocused on high potential countries
 - ✓ In France, implementation of a targeted marketing strategy for each banner and ramp-up of differentiation drivers
 - ✓ In international operations, faster expansion and development of the dual Retailing – Property management model
 - ✓ A more aligned and balanced profitability profile
- The following two objectives have been set for 2008:
- ✓ Faster organic growth in sales
 - ✓ Further growth in current operating income
- The actions undertaken in 2007, based on a repositioning of the offer, a reorganisation of the purchasing system and logistics as well as on tighter control over costs and investments, have already allowed **Group GO Sport** to initiate the first stages of its turnaround in 2007. This action plan will be further deployed in 2008 and should ensure the group's return to profitability.
 - In 2008, the **investment portfolio** should continue to create value and contribute to Rallye's results.

A dividend for financial year 2007 of 1.83 euros per share will be proposed at the Annual Shareholders' Meeting of June 4, 2008, up 5.2%. As an interim dividend of 0.80 euro per share was paid on October 5, 2007, the balance thus amounts to 1.03 euro per share.

For more information, please consult the company's Internet site: www.rallye.fr