RALLYE

Annual Report 2009

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RALLYE

Joint stock corporation with share capital of €127 080 420

Trade Register 054 500 574 RCS PARIS

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Rallye

This reference document includes the annual financial report:
– Responsible person
– Management report
– Consolidated financial statements
– Company financial statements
– Auditors' reports on the consolidated and Company financial statements

CORPORATE BODIES AND AUDITORS

BOARD OF DIRECTORS [1]

Jean-Charles NAOURI
Chairman

André CRESTEY
Vice Chairman

Didier CARLIER
Representing Foncière Euris

Philippe CHARRIER
Independent director

Jean CHODRON de COURCEL
Independent director

Jacques DERMAGNE
Independent director

Jacques DUMAS

Jean-Marie GRISARD
Rrepresenting Finatis

Didier LÉVÊQUE
Representing Matignon Corbeil Centre

Christian PAILLOT
Independent director

Catherine SOUBIE
Representing Euris

Jean LÉVY
Censor (advisor to the board)

(1) Proposed reappointments to be put to the general shareholders' meeting of May 19, 2010

GENERAL MANAGEMENT

Jean-Charles NAOURI
Chairman and Chief Executive Officer

Didier CARLIER
Deputy Managing Director

Catherine SOUBIE
Deputy Managing Director

AUDITORS

ERNST & YOUNG et Autres
represented by Henri-Pierre Navas

KPMG Audit
Département de KPMG SA
represented by Catherine Chassaing

CHAIRMAN'S MESSAGE

In 2009, Rallye's main subsidiary Casino posted solid results, proving that its business model is resistant against an unfavorable economic climate. Organically, sales (excluding fuel) were stable, proving the resistance of convenience stores in France and the sharp growth in international business. Organic EBITDA margins were also stable, and current operating income showed a slight decline of -4.5% (-2.5% organically), due to improved international margins and the rapid introduction of cost reduction plans. Casino significantly improved its operating efficiency and reinforced its financial flexibility, primarily thanks to improved free-cash flow and the asset disposal program, which is now two-thirds complete. Net financial debt fell significantly from €4,072 million at end 2009, and the Net financial debt/EBITDA ratio moved to 2.2x. The cash situation was also improved by a €1.5 billion bond issue in 2009 and through the February 2010 bond exchange.

In France, convenience stores proved to be resistant, since their positions are in line with consumers' expectations, while Cdiscount consolidated its position on top of the B-to-C e-commerce market, with double-digit growth in sales. Internationally, organic growth was strong, and current operating income was up significantly, boosted by cost- and inventory-cutting measures. Casino plans to continue and ramp up its action plans by reinforcing market share in France, pursuing strong, profitable growth internationally and improving operating efficiency. Finally, Casino aims to continue its action plan and has confirmed its target Net financial debt/EBITDA ratio of less than 2.2x by the end of 2010.

In 2009, Groupe GO Sport current operating income turned positive anew at + €1.1 million, a €14.9 million increase compared with 2008. Over the course of the year, GO Sport showed solid resistance despite the difficult economic circumstances, in particular in France, where GO Sport brand sales were down slightly by 2.8%, and in Poland, where like-for-like sales on a constant currency basis were up by 1.8%. Courir returned to positive growth in the fourth quarter following the executive management's measures taken to roll out an extensive textile offer and to rebalance the textile, accessory and footwear collections. GO Sport continued its action plan aimed at streamlining its store network and setting its brands apart from the competition. As GO Sport's solid 2009 resistance proves, these action plans are well-suited to the situation. GO Sport plans to continue improving profits by keeping a firm handle on costs and investments.

Finally, the investment portfolio, estimated at €517 million at December 31, 2009, made up €23 million of current operating income. In line with the stated objectives, €91 million in assets were disposed of during the fiscal year. The entire portfolio of high-quality assets should be sold off by 2012, with the objective of maximizing sale prices.

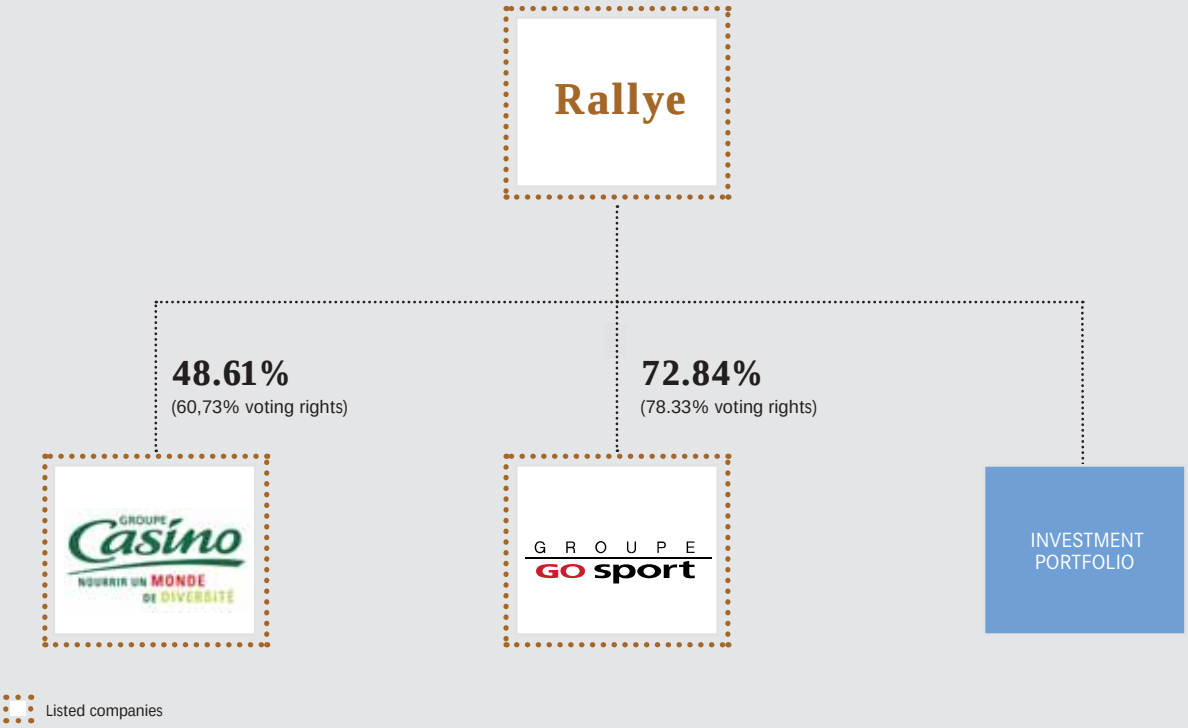
Overall, Rallye's consolidated sales and current operating income were down by -1.2% and -3.0% respectively, but net income, Group share, is positive again, standing at €101 million, compared with -€87 million in 2008. Rallye benefits from a strong cash situation, with €1.4 billion in unused, confirmed, immediately available credit lines, and over €680 million in cash and cash equivalents. Debt maturity was extended by raising €1 billion in bonds in 2009 and €500 million in March 2010, and by refinancing loans coming to term in 2010.

In light of this performance, the board of directors, in the May 19, 2010 General Meeting, will propose payment of a dividend of €1.83 per share, stable compared with 2008, partially paid in an interim dividend of €0.80 on October 2, 2009. The shareholders may choose to receive up to 50% of their dividend as shares. Foncière Euris, Rallye's majority shareholder, has stated that it will opt for payment in shares.

In conclusion, I would like to thank all of Rallye's employees and all our external service providers. Thanks to their enthusiasm and their commitment to their work, the Group can rest assured in its future.

Jean-Charles NAOURI

SIMPLIFIED ORGANIZATION GROUP DECEMBER 31, 2009



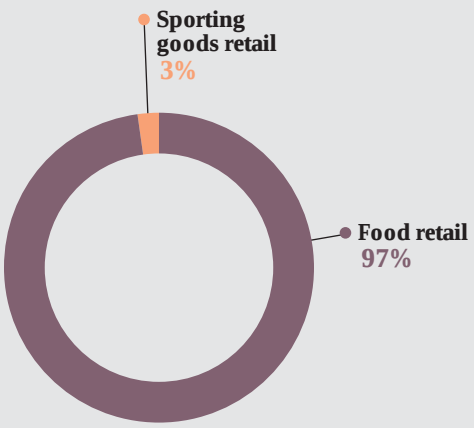
CONSOLIDATED HIGHLIGHTS

Continuing operations (in € millions)	**2009**	**2008** [1]	**2007**
Net sales	**27,478**	**27,820**	**25,736**
EBITDA [2]	1,889	1,931	1,883
Current operating income	**1,227**	**1,265**	**1,261**
Net income from continuing operations	**448**	**275**	**680**
Of which, Group's share	79	(83)	216
Net income from discontinued operations [3]	**226**	**1**	**154**
Of which, Group's share	22	(4)	72
Net income	**674**	**276**	**834**
Of which, Group's share	101	(87)	288
Equity - Group share	1,785	1,506	1,942
Market capitalization at December, 31	1,038	682	2,069
Headcount	168,047	169,176	166,002

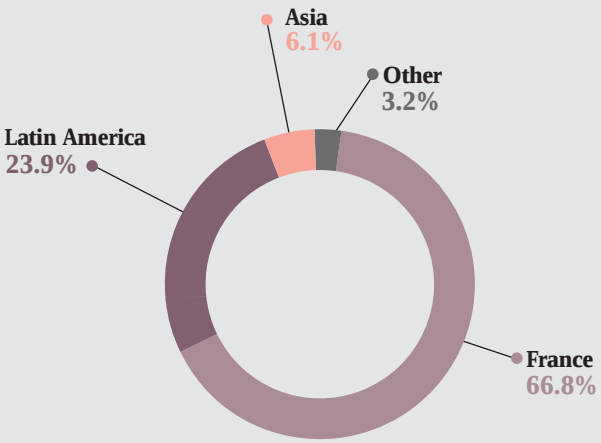
(1) IFRS 8 "Operating Segments" and IFRIC 13 "Customer Loyalty Programmes" have been applied from January 1, 2009. Comparative information for 2008 were adjusted accordingly
(2) EBITDA = Current operating income + current depreciation and amortisation expenses
(3) Super de Boer assets were disposed of at the end of 2009. In accordance with IFRS 5, the company's net income has been reclassified under "Discontinued operations" from January 1, 2008

KEY FIGURES 2009

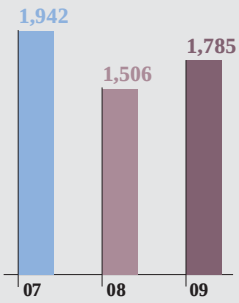
SALES BY ACTIVITY
AT DECEMBER 31, 2009



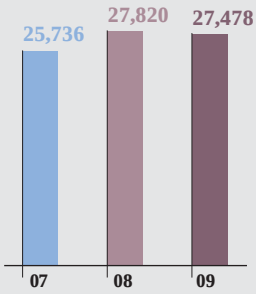
SALES BY GEOGRAPHICAL REGION
AT DECEMBER 31, 2009



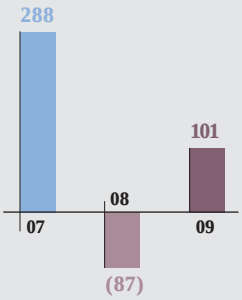
EQUITY,
GROUP SHARE
(In € millions)



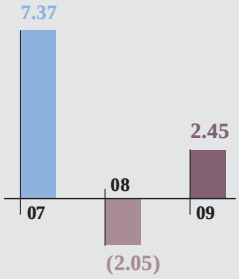
SALES
(In € millions)



NET INCOME,
GROUP SHARE
(In € millions)

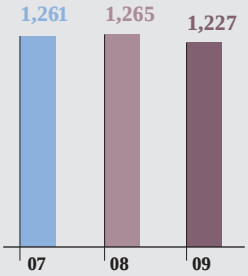


EPS,
GROUP SHARE
(In € per share)



07 : 39,078,298 **08** : 41,987,028 **09** : 41,164,717
Weighted average number of shares outstanding

CURRENT
OPERATING INCOME
(In € millions)



MANAGEMENT REPORT
Highlights

CASINO ENHANCES ITS STOCK MARKET PROFILE BY CONVERTING PRIORITY DIVIDEND SHARES INTO ORDINARY SHARES

Following the approval granted at the special meeting of holders of priority dividend shares and at the combined General and Extraordinary Shareholders' Meetings of May 19, 2009, on June 15, 2009 Casino converted all 14,589,469 priority dividend shares into 12,505,254 ordinary shares at an exchange ratio of 6 ordinary for 7 priority dividend shares.
This was in line with the Casino group's aim of simplifying its capital structure and improving its stock market profile by deepening the free float of ordinary shares.

CASINO CONTRIBUTES A PORTFOLIO OF ALCUDIA REAL ESTATE ASSETS TO MERCIALYS AND PAYS CASINO SHAREHOLDERS A DIVIDEND IN MERCIALYS SHARES

Casino announced on March 5, 2009 that it was transferring to its subsidiary Mercialys a portfolio of real estate assets from the Alcudia programme. These consisted of sites being developed by Casino and hypermarket sales and storage space with a total value of €334 million.

The transaction, a major milestone in the Alcudia development programme, is part of the strategy for extracting value and monetizing its real estate that the Group has been pursuing since 2005.
In exchange for these assets, Mercialys issued Casino with 14.2 million new shares raising the Group's stake in Mercialys from 59.7% to 66.1%.
Building on Mercialys' initial public offering in 2005 and to preserve its status as a SIIC (Listed Real Estate Investment Company), Casino wanted to directly associate its shareholders with Mercialys's development and the prospects for value creation offered by the asset transfer. Accordingly, on June 2, 2009 Casino distributed to all its shareholders, along with its ordinary cash dividend, a dividend paid in Mercialys shares at the rate of 1 Mercialys for 8 Casino shares held.
This left the Casino group holding around 50.4% of Mercialys's capital and voting rights, with Rallye holding another 7.6% (6.8 million shares).

RALLYE CONTINUED TO DEEPEN ITS LIQUIDITY, WITH TWO €500 MILLION BOND ISSUES, MATURING JANUARY 2015 AND NOVEMBER 2016

Rallye successfully placed two bond issues of €500 million each maturing January 20, 2015 and November 4, 2016, respectively. The two issues are to refinance existing debt, extend its maturity and reinforce Rallye's cash position.

CASINO SUPERMARCHÉ, Toulon-la-Valette, France

PETIT CASINO, Gagny, France

GO SPORT, Gaité Montparnasse, Paris, France

GÉANT CASINO, Arles Fourchon, France

MANAGEMENT REPORT
Highlights

The coupons on the two issues (8.375% and 7.625% respectively) were hedged to variable rate allowing Rallye to optimize its financial expense.
Rallye also redeemed, on January 20, 2009, its 5.375% coupon bonds issued in January 2004 for a total of €496 million.

CASINO: SALE OF SUPER DE BOER

On October 18, 2009, Super de Boer, a 57% owned subsidiary of Casino, agreed to sell to Jumbo 100% of its assets and liabilities for around €550 million.
This transaction allowed Casino to reduce its debt by around €400 million.

CASINO: RESILIENCE OF THE GROUP'S ECONOMIC MODEL IN 2009

Results for 2009 underline the resilience of the Group's economic model in a tough economic environment. Organic non-fuel sales were unchanged (-1% including fuel) reflecting the resilience of the convenience formats in France and sustained growth by the Group's international businesses. EBITDA and current operating margins were stable on an organic basis.
In France, sales were down by -3.8% on an organic basis and by -2.7% excluding fuel. Convenience formats held up well, underlining their good fit with consumer demand. Cdiscount posted double-digit sales growth, consolidating its leading position in B2C e-commerce. Current operating income fell by -11.1% or -9.7% on an organic basis. The resilience shown by current operating margin on an organic basis was due to the Group's strong mix of formats and the rapid roll-out of the cost-cutting programme.
International activities saw robust growth in revenue (+6.7%), driven by sustained organic growth (+4.9%) and Ponto Frio's consolidation into GPA (Grupo Pao de Açucar). Current operating income increased by +12% (+15% on an organic basis), reflecting robust sales growth and effective cost-cutting plans.

CASINO STRENGTHENS FINANCIAL FLEXIBILITY

Net debt was significantly reduced to €4,072 million at December 31, 2009 (vs. €4,851 million at December 31, 2008) and net debt/EBITDA fell to 2.2x (vs. 2.5x at December 31, 2008).

The cash position was bolstered by a €1.5 billion bond issue in 2009. In February 2010, Casino also successfully completed a bond exchange offer on debt maturing in 2012 and 2013. A new €888 million line maturing February 2017 was issued, and redemptions due in 2012 and 2013 were reduced by €440 million and €354 million respectively. The exchange improved the Group's debt profile and extended its average maturity.

GROUPE GO SPORT: RETURN TO BREAKEVEN WITH CURRENT OPERATING INCOME POSITIVE AT €1.1 MILLION, A €14.9 MILLION RISE ON 2008

In 2009, consolidated sales at Groupe Go Sport were €693.8 million, down by 4.4% on 2008 on a same-store basis and at constant exchange rates.
In France, revenue from the Go Sport banner was down on 2008, but there are tangible signs that the brand is holding up well in a weak environment for consumption. Courir's sales were down on the year but the fourth quarter showed a clearly improving trend. Internationally, Polish sales were up on a same-store basis and at constant exchange rates compared to 2008.
Current operating income turned positive anew at €1.1 million, a €14.9 million increase compared to 2008, due mainly to a tight grip on costs.
Net debt was €47.1 million at December 31, 2009 compared to €21 million at December 31, 2008, mainly as a result of compliance with the LME (French Law on Modernization of the Economy).
On October 29, 2009, the Group signed a memorandum of understanding with Sport 2000 France to pool their international purchasing through a 50/50 joint venture baptized International Sports Retail Development (ISRD), whose activities will cover international brands and suppliers common to the two partners. The new company's mission is to conduct commercial negotiations with suppliers and pitch them new high value-added international services which will also mean a more attractive commercial range for customers, better procurement terms for the two partners and, as a result, more competitive pricing.

MANAGEMENT REPORT

Business review

Rallye group is active in the food retail and specialist retail markets through its two subsidiaries Casino and Go Sport, respectively.

- Rallye's main asset, generating 97% of consolidated revenue, is Casino, one of France's leading mainly food retail chains with a network of multiformat stores and leading international positions in fast-growth regions such as South America and South-East Asia.
- Groupe Go Sport specializes in sporting goods, sold through its Go Sport and Courir banners and ranks as one of the leading sports goods retailers in France and Poland.

Rallye also manages a diversified investment portfolio, divided between financial investments, which can be either direct stakes or invested via specialist funds, and commercial real estate projects.

CASINO

In 2009, Casino made consolidated net sales of €26,757 million, a 1.2% decline on 2008. Current operating income was €1,209 million, a fall of 4.5% (-2.5% based on constant scope of consolidation and exchange rates).
The detail of group sales and current operating income is as follows:

(in € million)	2009	2008	Change
France	17,664	18,556	- 4.8%
International	9,093	8,519	+6.7%
South America	6,563	6,084	+7.9%
Asia	1,686	1,583	+6.5%
Other	844	852	-1.0%
TOTAL	**26,757**	**27,076**	**-1.2%**

Current operating income

(in € million)	2009	2008	Change
France	804	904	-11.1%
International	406	362	+12.0%
South America	248	254	-2.4%
Asia	92	81	+13.7%
Other	66	28	n.s.
TOTAL	**1,209**	**1,266**	**-4.5%**

I France

France contributes 66% of revenue and 67% of the group's current operating income.

Sales in France fell 4.8% compared to 2008. Scope effects were responsible for -1.1% mainly due to the deconsolidation of two Franprix-Leader Price franchisees at December 31, 2008 (1% impact on revenue). Fuel had a 2.1% negative impact. Excluding fuel, organic growth in French sales fell by 2.7%. Revenue at convenience formats (Monoprix, Casino Supermarkets and Franprix) held up well and another year of double-digit growth by Cdiscount helped offset lower sales at Géant Casino and Leader Price.

Current operating income fell by 11.1% compared to 2008. The fall was, however, limited as gross profit held firm thanks to the favorable impact of the format and brand mix and to the rapid implementation of the cost-cutting plan. Current operating margin fell by 32bp on the year, as margins narrowed at Géant. The convenience and discount formats maintained solid margins.

By format, Casino's revenue in France breaks down as follows:

Sales

(in € million)	2009	2008	Change
Géant hypermarkets	5,548	6,121	-9.4%
Discount (1)	4,007	4,260	-5.9%
Convenience (2)	6,690	6,841	-2.2%
Other activities	1,420	1,334	+6.4%
FRANCE: TOTAL	**17,664**	**18,556**	**- 4.8%**

(1) Franprix / Leader Price
(2) Casino Supermarkets, Monoprix and superettes

- Sales at **Franprix-Leader Price** fell by 5.9% compared to 2008. Franprix returned a satisfactory trading performance for the year as a whole with same-store sales holding steady. These healthy sales attest to the attractiveness of the banner, which also benefited from its successful new store concept. Sales at Leader Price fell by 9.1% on a same-store basis. The discount sector as a whole was hit in 2009 by lower spending from the format's traditional customers, who are sensitive to the economic environment. This resulted in a lower average basket for the sector.
- Sales at **Géant Casino hypermarkets** were down by 9.4%, reflecting the difficult trading climate that hypermarkets had to face in 2009, with a decline in discretionary spending and greater price-sensitivity among consumers. In this environment, Géant's same-store non-fuel sales fell by 6.3% (-4.9% for food and -9.6%

CDISCOUNT, Bordeaux, France

MONOPRIX, Aix-en-Provence, France

MANAGEMENT REPORT
Business review

for non-food). In the food retailing business, the banner adopted a measured commercial strategy with a moderate level of advertising and targeted price cuts at the bottom of the range. In non-food, it continued to work year-long on repositioning its offer to emphasize higher-ticket and higher-margin product families (apparel, home and leisure). The cost-cutting drive partly offset the impact of falling sales on current operating income and margin. Current operating income was €115 million at end-2009, a current operating margin of +2.1%, down by 111bp.

- **Casino Supermarkets** saw sales fall by 2.5% (-3.5% same store and non-fuel). Casino Supermarkets continued its expansion policy in 2009, opening four stores. The banner's market share held steady over the year. Current operating margin widened slightly.
- **Monoprix**'s sales were stable overall (-0.1%), thanks to a deliberate policy of expanding the chain in all its formats and the consolidation of Naturalia. During the year, the chain opened four Citymarchés, ten Monop', five Daily Monop' and two Naturalia stores. On a same store basis, sales were down by 1.7%. Monoprix's profitability was affected by the sustained expansion policy but remains high.
- **Superettes** sales were down 4.1%. The modest growth in superette margins reflects the policy of rationalizing stores, with 492 openings and 417 stores closed in 2009.
- The group's other businesses saw sales grow by 6.4% to €1,420 million.
- **Cdiscount**, France's leading e-merchant, recorded double-digit sales growth to €869 million in 2009. The banner's attractive price positioning, its quick commercial responsiveness and its ability to innovate helped boost visits and the site's transformation rate. In 2009, Cdiscount further expanded its range to include new lines (apparel, shoes and travel) while simultaneously developing new services such as VOD (video on demand).
- **Mercialys** posted double-digit growth in its rental revenue (+15.5%), driven by 6.1% organic growth. The year's main news was Casino's transfer of 25 projects developed under the Alcudia / "Esprit Voisin" programme for €334 million. The transfer was paid for in new shares, making it Mercialys's biggest expansion since the initial public offer and a key milestone in the Group's strategy to extract value from its real estate assets.
- **Casino Restauration** improved its business trends in the second half of the year to record positive growth in revenue at year end, thanks in part to its catering business.

I International

International sales rose by 6.7%. Organic growth in the international division was 4.9% driven by robust growth in South America (+5.7%) and Asia (+5.1%). International sales now contribute 34% of Group revenue. Current operating income rose by 12% (+15% in organic terms).
Current operating margin widened by +21bp to 4.5% (+41bp on an organic basis) mainly thanks to Asia. Stripping out Venezuela, South American margins widened by +28bp.

Casino's international business is concentrated on two key regions: South America with GPA (Grupo Pao de Açucar) in

CASINO HYPERMARCHÉ, Marseille, France

FRANPRIX, Caulaincourt, Paris 18ème, France

PASEO RIVERA INDARTE, Córdoba, Argentine

BIG C, Rajamri, Bangkok, Thaïlande

MANAGEMENT REPORT
Business review

Brazil and Exito in Colombia, and South-East Asia, via Big C in Thailand.

- **South America** saw robust organic growth in sales (+5.7%), driven by a 4.4% advance in same-store sales. These were boosted by GPA in Brazil, which recorded a good performance in food and non-food alike. Argentina, Uruguay and Venezuela continue to record solid growth in their same-store sales. In Colombia's difficult economic environment, total sales for Exito were down by 2.2% (-4.1% on a same store basis). The policy of expanding the Exito brand and several advertising campaigns late in the year limited the fall in sales, which was sharpest in the non-food segment.
  Current operating income for the region fell by 2.4%, hampered by the decline in Venezuela. Current operating margin shrank by 40bp or 14bp in organic terms. Outside Venezuela, margins in South America improved by 28bp thanks to significantly higher profitability in Brazil and firm margins in Colombia, supported by the company's operational excellence programme.
- Sales in **Asia** were up by 6.5%. Organic growth was solid (+5.1%) helped by Big C's expansion drive in 2008 and excellent same-store growth in Vietnam. Big C's same-store sales were affected by the lackluster economy and a falloff in tourist footfall due to political uncertainty in Thailand. Current operating income grew in double figures at +13.7% (+12.1% on an organic basis). Current operating margin widened by 34bp buoyed by Vietnam and Thailand alike. In Thailand, wider margins reflect the solidity of the dual retail/real estate model.

I Casino key figures

Casino: key figures 2009 and 2008:

(in € million)	2009	2008	Change 2009/2008
Net sales	**26,757**	27,076	-1.2%
EBITDA	**1,849**	1,909	-3.2%
Current operating income	**1,209**	1,266	-4.5%
Current operating margin	**4.5%**	4.7%	-16bp
Profit before tax	**828**	798	+3.7%
Net profit (loss)			
continuing operations, attributable to owners of the parent	**543**	499	+8.6%
discontinued operations, attributable to owners of the parent	**48**	(4)	
Net profit, attributable to owners of the parent	**591**	495	+19.3%
Net debt	**4,072**	4,851	

The stock market performance of Casino shares was as follows:

(in €)	at 12/31/2009	at 12/31/2008
Casino ordinary share	62.53	54.30

At December 31, 2009, Casino's stock market capitalization was €6.9 billion and Rallye owned 48.61% of the shares and 60.73% of the voting rights.

GROUPE GO SPORT

Consolidated net sales in the year to December 31, 2009 at Groupe Go Sport were €693.8 million, a 4.4% decline compared to 2008 on a same-store basis and at constant exchange rates.
In France, sales from the Go Sport banner fell by 2.8% compared to 2008, mainly due to lower footfall and average selling price, coupled with the absence of any major sporting competitions in 2009. However, there are clear signs that the banner held its ground in a deteriorating environment for consumption, such as stable apparel sales, successful advertising campaigns and further expansion of own-brand sales.
Courir (excluding Moviesport) reported a fall in sales of 6.7% for the year (-9.0% on a comparable basis). But there was a marked improvement in the fourth quarter, particularly December, with sales up +4.9% on the fourth quarter 2008. This reflects the first steps taken by the new management team, focused mainly on rolling out a wider apparel range, coupled with a better mix between apparel, accessories and footwear.
Internationally, sales from Poland rose by 1.8% on a same-store basis and at constant exchange rates compared to 2008.

MANAGEMENT REPORT
Business review

Sales in euros (-17.3% on same stores compared to 2008) were severely impacted by the unfavorable exchange rate. The franchise's growth is being driven by a rapidly expanding network with 10 more stores than in 2008.
Gross profit was €277.1 million, a €7.8 million fall in value terms on 2008, reflecting lower sales at the Go Sport banner in France and at Courir. In contrast, gross margin rose by 0.7 percentage points, to 39.9% thanks to the expansion of own-brand sales, a better product mix and inventory clearing.
Current operating income returned to the black at €1.1 million, a €14.9 million increase compared to 2008, due mainly to a tight grip on costs that more than offset falling sales in France and rising rents.
Cost-savings achieved in 2009 also supported strong growth in operating profit, up €11.8 million on 2008 at €2.9 million. Profit before tax includes a €2.9 million gain from the settlement of a legal dispute between the Group and a lessor following the programme to sell and lease back Go Sport stores launched in 2007.
Net debt was €47.1 million at December 31, 2009 compared to €21.0 million at December 31, 2008. The rise was mainly due to implementation of the LME (French Law on Modernization of the Economy) which requires shorter payment periods.
In 2009, Groupe Go Sport opened 16 Go Sport stores (five in France, three in Poland and eight under franchise) as well as ten Courir stores (four in France and six as franchises). The rationalization of French store sites continued with four Go Sport and two Courir stores being shut down. Also closed were 4 franchised Courir stores in Saudi Arabia.
This left the Group with a total of 387 outlets at December 31, 2009: 178 Go Sport (including 25 franchises), 208 Courir (including 25 franchises) and one Moviesport.

Go Sport consolidated key figures 2009 and 2008:

(in € million)	2009	2008
Net sales	693.8	726.6
Current operating income	1.1	(13.8)
Operating income	2.9	(8.9)
Profit before tax	0.4	(14.6)
Net profit (loss)	(1.4)	(15.9)
Free cash flow	20.3	16.1
Investment net of disposals	(12.5)	(23.0)

The price of the Groupe Go Sport share, which is listed in Compartment C of the Euronext Paris market, was €18.30 at December 31, 2009 giving it a year-end market capitalization of €69.1 million. Rallye owned 72.84% of the shares and 78.33% of the voting rights at that date.

GO SPORT, Gaité Montparnasse, France

COURIR, Rosny, France

INVESTMENT PORTFOLIO

Rallye's portfolio of financial investments was valued at €517 million at December 31, 2009, compared to €622 million at December 31, 2008. The weighting of financial investments and real estate developments was rebalanced over the year and at end-2009 the portfolio comprised financial investments with a fair value [1] of €350 million (vs. €379 million at end-2008) and real estate developments measured at their historical cost [2] of €167 million (vs. €243 million at end-2008).
In 2009, the financial investment portfolio contributed €23 million to Rallye's current operating income compared to €42 million in 2008.
The €350 million in **financial investments** are broadly diversified geographically: 39% North America, 39% Europe, 19% Asia, 3% rest of the world. Investments are also diversified by sector. LBOs make up 43% of financial investments, real estate funds 21%, energy 17%, growth capital 2% and other sectors 17%. The diversification of financial investments is not limited to geography and sector, but also includes the type of investment, partner and scale, generating a strong mutualization of risks which is further enhanced by the large number of investments and their small size. At December 31, 2009, the portfolio had around 140 lines, four-fifths being less than €4 million with a ceiling of €16 million in net cash invested. Systematic currency hedging allows the Group to eliminate exposure to exchange rate movements.

The €517 million investment portfolio also includes **real estate developments** valued at €167 million. These are high quality real estate assets, mostly held through Foncière Euris. Projects are well-diversified geographically, as follows:

- €47 million in Poland, with three shopping malls, one at Lodz which was opened in 2006 and two others, at Gdynia near Gdansk and Poznan;
- €43 million in France, with three shopping malls. The Carré de Soie in the Lyon suburbs opened in April 2009 and the Ruban Bleu, at Saint-Nazaire, has been opened since May 2008. The third mall is under construction at Paris-Beaugrenelle;
- €33 million in Russia, where the Leto mall in Saint Petersburg is approaching completion;
- €32 million in Germany, with one shopping mall (Loop5 near Frankfurt, opened October 2009) and a site near the Alexa shopping mall in Berlin (the Alexa mall itself was sold in December 2009);
- €12 million in the USA, with the residential development Repton Place near Boston, currently being marketed.

The strategy of scaling down the portfolio, announced in August 2008, led to a number of disposals in 2009. A total of €91 million in assets were sold over the year (including the €6 million leaseback refinancing of the Ruban Bleu mall at Saint-Nazaire). The group also exited €12 million of net investments during the year and recognized a €26 million impairment loss.

Disposals of **financial investments** totaled €34 million in 2009. The main sales were:

- AEG Power Solutions / SAFT, former Alcatel subsidiary, for €15 million (i.e. 15x the original investment);
- Carlyle Montrouge, office real estate, €17 million (i.e. 1.3x the original investment). The site was sold to the Crédit Agricole group.

Rallye also sold a number of **real estate programmes** for nearly €51 million:

- The Fleur d'Eau mall in Angers, bought in early April for €6 million (Rallye's share), by Foncière Investissement (Crédit Mutuel group) at a net selling price of €36 million;
- The Alexa mall in Berlin was sold to Union Investment in accordance with an agreement signed in December 2009, and settled with cash collection in mid-February 2010;
- Rallye sold part of its stake in the Natura shopping mall in Gdynia (Poland) significantly reducing its commitment.

Also, in August 2009, Rallye arranged a leaseback refinancing deal on the Ruban Bleu mall in Saint-Nazaire: its share of the transaction was €6 million.

Two shopping malls in the portfolio also opened in 2009: the Carré de Soie at Vaulx-en-Velin opened in April and Loop5, near Frankfurt, in October.

(1) The fair value of financial investments is their carrying amount in the financial statements (fair value - IAS 39) based on the latest available independent valuations (General Partner of the funds) written down where appropriate for recently identified events.
(2) Real estate developments are carried at historical cost and only restated on sale of the investments (IAS 16).

MANAGEMENT REPORT
Financial review

CONSOLIDATED FINANCIAL STATEMENTS

I Main changes to the scope of consolidation

- Deconsolidation of two franchisees in the Franprix-Leader Price sub-group from December 2008.
- Consolidation of Ponto Frio in the GPA group from July 1, 2009.
- Following this acquisition, the launch of a capital increase by GPA which took Casino's stake from 35% at end-June 2009 to 33.7% at September 21, 2009.
- Following the capital increase and renegotiation of Exito's sell option regarding Carulla Vivero, Casino owned 54.8% of Exito at December 31, 2009 (vs. 61.2% previously).
- The assets of Super de Boer were sold at the end of 2009. In accordance with IFRS 5, the Company's profit was transferred to "Discontinued operations" at January 1, 2008.

I Profit

Rallye made consolidated net sales of €27.5 billion against €27.8 billion in 2008, a fall of 1.2%. Sales are broken down in detail under the business review for each operating subsidiary.

Revenue by business line in the last two years was as follows:

(in € million)	2009		2008	
	Amount	%	Amount	%
Food and general retailing	26,757	97.4	27,076	97.3
Sporting goods retail	694	2.5	727	2.6
Other business*	27	-	17	-
TOTAL	**27,478**	**100.0**	**27,820**	**100.0**

(*) Holding company business and investment portfolio

Revenue by geographical region in the last two years was as follows:

(in € million)	2009		2008	
	Amount	%	Amount	%
France	18,310	66.64	19,252	69.20
Latin America	6,563	23.88	6,084	21.87
Asia	1,686	6.14	1,583	5.69
Other	919	3.34	901	3.24
TOTAL	**27,478**	**100.0**	**27,820**	**100.0**

Current operating income fell by 3.0% to €1,227 million, mainly due to a -4.5% decline in Casino's current operating income.
Current operating income is broken down in detail under the business review for each operating subsidiary.
Other operating income and expense was -€89 million, compared to -€133 million in 2008.
Cost of net debt was -€507 million, an 11% improvement on 2008 helped by the fall in interest rates and the reduction in group debt. Other financial income and expense was a net €17 million compared to a net €86 million in 2008, when Rallye had recognized a €69 million loss on its stock market portfolio.
Profit before tax was €648 million compared to €477 million in 2008.
The Group's share of income from companies accounted for by the equity method was €3 million against €14 million in 2008.
Net income, Group share was positive anew, at €101 million, after the -€87 million loss in 2008.

Rallye group's headcount in 2009 was 168,046 people. Group employees break down as follows by business line in the last two years:

(in € million)	2009		2008	
	Amount	%	Amount	%
Food retail*	163,208	97.12	164,068	96.98
Sporting goods retail	4,759	2.83	5,029	2.97
Other activities	79	0.05	79	0.05
Total	168,046	100.0	169,176	100.0

** Employees of associates are not included in the headcount. Employees of joint-ventures are recognized in proportion to the Group's stake in the company.*

I Financial structure

Equity attributable to owners of the parent totaled €1,785 million at December 31, 2009 against €1,509 million on December 31, 2008. The change was mainly due to:

- recognition of €240 million in positive exchange differences;
- Net income, Group share for 2009 of €101 million;
- payment of €75 million in dividends, including a €33 million interim dividend in respect of 2009, paid on October 2, 2009;
- net changes in assets measured at fair value of €13 million;
- the sale of €8 million of treasury stock.

At December 31, 2009, the EBITDA/financial expense coverage ratio (EBITDA is current operating income adjusted for current operating depreciation and amortization) was 3.73 compared to 3.43 in 2008.

Rallye group's net debt was €6,842 million at December 31, 2009 compared to €7,640 million at December 31, 2008, distributed among the following entities:

- Casino group, with net debt of €4,072 million compared to €4,851 million at end-2008;
- Groupe Go Sport, whose net debt rose to €47 million from €21 million at December 31, 2008;
- Companies within the Rallye holding company's scope, with net debt of €2,606 million compared to €2,688 million at end-2008;
- Rallye's investment subsidiaries, with net debt of €117 million (against €80 million in 2008), corresponding to specific financing packages for real estate developments in the investment portfolio without recourse against the holding companies.

Net debt/consolidated equity (leverage) over the last two years is as follows:

(in € million)	2009	2008
Net debt	6,842	7,642
Consolidated equity	6,958	6,012
Leverage	98%	127%

Also, the financial structure of companies within the Rallye holding company's scope, defined as Rallye plus all its wholly owned subsidiaries that act as holding companies and which own either Casino shares, Groupe Go Sport shares or the investment portfolio, is best understood by looking at two indicators:

- coverage of net financial expense of companies within the Rallye holding company's scope to dividends received; and
- coverage of net debt of companies within the Rallye holding company's scope to assets at fair value.

In 2009, companies within the Rallye holding company's scope received dividends totaling €284 million: 2.1x their net financial expense. This coverage ratio of 210% in 2009 compares to 110% and 172% in 2008 and 2007, respectively.
At December 31, 2009, the restated net assets of companies within the Rallye holding company's scope totaled €3,950 million. These comprised €3,355 million of Casino shares, €50 million of Go Sport shares and €517 million in the investment portfolio (other assets totaled €28 million). At December 31, 2009, debt held by companies within the Rallye holding company's scope totaled €2,606 million. At December 31, 2009, Rallye's restated net assets were therefore 1.52x the debt of companies within its holding company scope. The equivalent coverage ratios at December 31, 2008 and 2007 were 1.31 and 1.96, respectively.

MANAGEMENT REPORT
Panorama financier

RALLYE PARENT COMPANY FINANCIAL STATEMENTS

I Profit

Rallye made an operating loss of €24.6 million compared to a €22.1 million loss at December 31, 2008.
The Rallye parent company employed 35 people at December 31, 2009.
Rallye earned net financial income of €18.2 million, compared to €43.9 million for the year ended December 31, 2008. The main sources of income during the year were:

- income and dividends from subsidiaries and investments, including:
  - Casino: €81.8 million;
  - Mercialys: €1.0 million;
  - Cobivia: €13.5 million;
  - Omnium de Commerce et de Participation: €9.1 million;
  - Matignon Sablons: €1.4 million.
- income from the group's cash management of €1.6 million.
- reversal of a €1.8 million provision.

and, in the opposite direction, provisions taken for:

- impairment to the value of Parande investments of €85.5 million;
- bond redemption premiums of €5.6 million;
- stock options of €3 million.

Other interest and similar income mainly refers to remuneration of current accounts with subsidiaries. Interest and similar charges are mostly interest on borrowings.
The €155 million net exceptional income includes €130 million from the sale of 3.7 million Casino shares within the Group and a €20 million capital gain on the market sale of Mercialys shares as part of an equity swap.
Rallye's net income for the year was €148.3 million, compared to €47.5 million for 2008.
The French law on modernization of the economy, which affects payment periods to suppliers, had no significant impact on Rallye in 2009.

I Financial structure

Equity totaled €1,655.3 million at December 31, 2009 against €1,582.4 million on December 31, 2008, mainly due to:

- €148.3 million net income for 2009;

and, conversely:

- payment of €75.4 million in dividends, including a €33.1 million interim dividend in respect of 2009.

DIVIDEND POLICY

Rallye will propose at the General Shareholders' Meeting of May 19, 2010, paying a net dividend per share of €1.83 in respect of 2009, the same as in 2008 and 2007. An interim dividend of €0.80 per share against 2009 earnings was paid on October 2, 2009, leaving an outstanding balance of €1.03.
Rallye's dividend will reflect the Company's profits and the dividends paid by Casino. The company reserves the right to pay another interim dividend in 2010.
Rallye's statement of financial position for the year ended December 31, 2009 shows net income of €148,297,761.39, which the board of directors proposes to allocate as follows, the 10% legal reserve having already been reached:

(In €)	
Net income	148,297,761.39
Retained earnings	29,345,467.45
Net income available for distribution	**177,643,228.84**
Dividend	(77,519,056.20)
Balance to retained earnings	**100,124,172.64**

The net dividend per share will therefore be €1.83.

The whole of this dividend is eligible for the 40% rebate allowed under Article 158-3-2 of the French General Tax Code except where the flat-rate tax provided for under Article 117 quater of the General Tax Code applies.

An interim dividend of €0.80 per share, was paid on October 2, 2009. The balance of €1.03 per share will be paid on June 18, 2010. The shareholders may opt to take 50% of this payment in new shares.

Dividends paid on treasury stock held by the Company on the dividend payment date will be credited to "Retained earnings".

Dividends paid in the three last financial years and the associated tax credits are as follows:

(In €)	2008	2007	2006
Net dividend	1.83	1.83	1.74

A table comparing net income for the past year and the four preceding years appears on page 171 of this report.

Non-deductible expenses, under Article 223-4 of the French General Tax Code, incurred by the Company in the course of last year totaled €1,619.

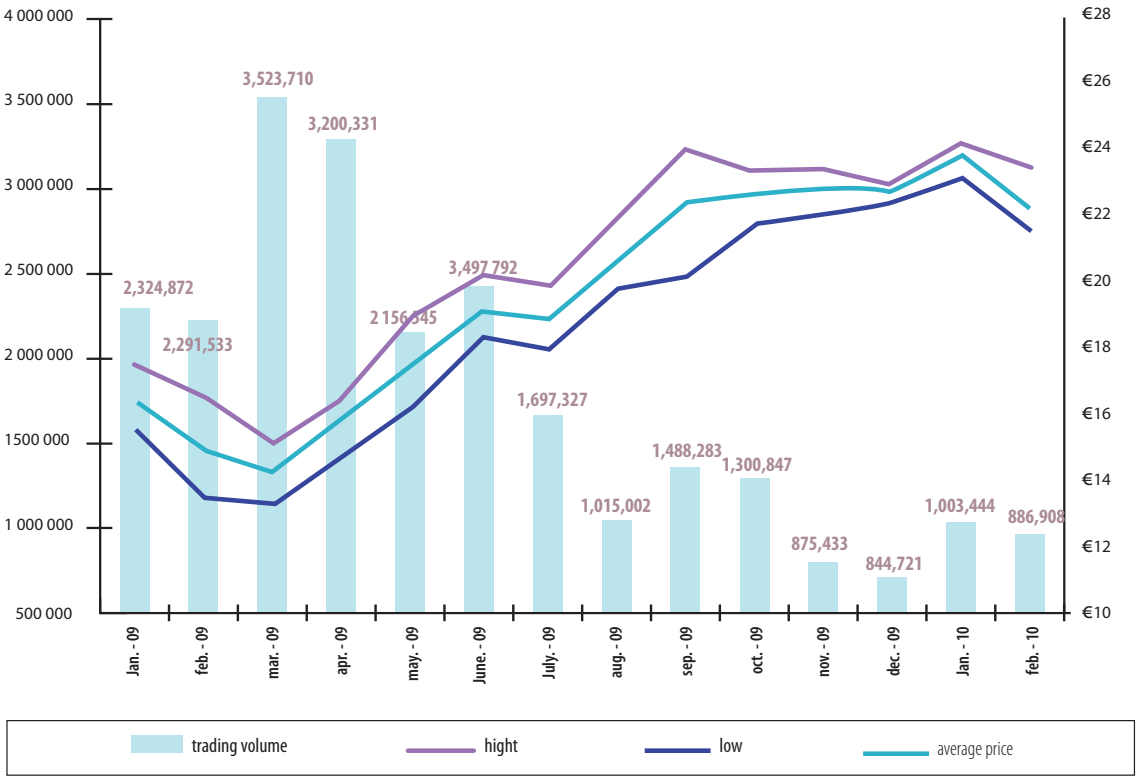
STOCK MARKET INFORMATION

Rallye shares are listed in Compartment A of the Euronext Paris market.

Code ISIN: FR0000060618	
High (09/18/2009)	€26.13
Low (03/03/2009)	€11.65
Share price at 12/31/2009	€24.50
Trading volume 2009 (number of shares)	23,216,396
Trading volume 2009 (value)	€411 million

At December 31, 2009, Rallye had a stock market capitalization of €1,038 million.

I Rallye share - Monthy price movement in 2009 and nearly 2010



MANAGEMENT REPORT
Recent trends and outlook

(Unaudited figures)

RECENT TRENDS

Rallye's consolidated sales totaled €6.8 billion in the first quarter 2010, up 5.4% on the first quarter 2009.

I Casino

Casino reported sustained consolidated sales growth of +5.6% in the first quarter of 2010. Sales were negatively impacted by the scope effect (-1.2%), due to the deconsolidation of stores in Venezuela[1] from January 1, 2010, and positively impacted by exchange rates and the increase in fuel prices (+3.4% and +0.9% respectively). Organic growth amounted to +3.5% in the first quarter, a sharp acceleration compared to the fourth quarter 2009.
In France, business trends improved with organic sales, excluding fuel, slightly down at -0.9%. The group's convenience stores, Casino Supermarkets, Monoprix, small supermarkets and Franprix, reported a marked improvement in performance with total sales up for the period. Cdiscount also maintained strong sales growth. The reinvestment of purchasing gains resulting from the centralization of private labels/value ranges has started to bear fruit, allowing Géant Casino and Leader Price to post a progressive upward trend over the period.
International markets, representing 36% of sales for the period, posted a sharp acceleration in organic growth of +10.6% (versus +4.8% in the fourth quarter 2009). South America posted double-digit growth (+13.3%), mainly driven by very strong growth in Brazil, while organic growth in Asia continued at a robust pace (+7.3%), due to healthy business activity in Thailand and continuing high growth in Vietnam.

I Groupe GO Sport

Consolidated sales amounted to €164 million in the first quarter, down 4.4% on a non- comparable basis compared to the first quarter 2009, and down 6.9% on a same-store and constant currency basis.
In France, GO Sport sales dropped 7.4% compared to the first quarter 2009 (-9.1% on a comparable basis), hit by a modest performance over the winter sales and a drop in the average selling price. Sales of the Courir brand are virtually stable compared to the first quarter 2009 (down -0.7% and -1.3% on a comparable basis). Performances picked up sharply in February and March, continuing an upward trend first reported in the fourth quarter 2009.
In Poland, GO Sport reported good sales growth on a constant currency basis (+6.8% in zlotys, on a non-comparable basis), due to an increase in footfall and the average basket and the opening of three new stores in 2009.

OUTLOOK

I Casino

The group will continue to improve its operating efficiency through ongoing cost and inventory reductions and a selective investment strategy.
Casino will persist with its €1 billion asset disposal programme and confirms its target of net debt/EBITDA below 2.2x by end-2010.
In France, the Casino group intends to strengthen market share by improving the banners' price competitiveness and faster expansion of the convenience and discount formats.
Internationally, the Group is looking to accelerate growth by sustained expansion, particularly in Brazil and Vietnam.

I Groupe Go Sport

The firm resilience of Groupe Go Sport in 2009, illustrated by its return to a positive trading profit, shows the relevance of the action plans put into effect since mid-2007.
The Group reiterates its confidence in the strategies at Go Sport, where the priority is differentiation, and at Courir, with the rollout of a new targeted action plan to reinvigorate the banner. The Group also plans to continue raising profitability by keeping a firm grip on costs and investment.

I Rallye

Rallye enjoys solid liquidity, with €1.4 billion in undrawn confirmed credit lines available for immediate use. The Group has no banking or bond redemptions due before the second half of 2011 and its sources of finance are perfectly secured. Rallye's cash position has been further bolstered by the €1 billion raised from the bond market in 2009.

Rallye liquidity position has even been strengthened by a €1bn bond issue in 2009 as well as by a €500m bond issue on March 15, 2010 maturing in March 2014. Those two operations have lenghtened the bond debt maturity of the company. In March 2010, Rallye also repurchased €116 million of its October 2011 outstanding bond.

Rallye confirms its commitment to further reducing net debt and improving the ratios of its financial structure over coming years, by continuing its programme of investment portfolio disposals.

(1) On January 17, 2010, President Hugo Chavez ordered the nationalization of Exito's supermarkets operated in Venezuela. The group is currently in discussions with the Venezuelan government to sell a majority stake of Cativen, which gathers all the Group's activities in Venezuela.

MANAGEMENT REPORT
Capital and shareholder information

SHARE CAPITAL

Rallye's share capital at December 31, 2009 was €127,080,420 represented by 42,360,140 shares with a nominal value of €3 each. No change on the previous year.

SHAREHOLDING STRUCTURE

At December 31, 2009, Foncière Euris owned 57.67% of the capital and 72.92% of the voting rights.

At December 31, 2009, Rallye held 891,789 shares, 2.11% of the capital.
No other shareholder, to the Company's knowledge, held more than 5% of the shares or voting rights at December 31, 2009.
During 2009, Richelieu Finance's holding fell below the threshold of 1% of Rallye's capital on July 20, 2009.
Pursuant to the provisions of Article 223-22 of the French Financial Market Authority (AMF) General Regulation applicable to the trading of Rallye securities by the Company's directors or other related parties, shareholders are informed of the following transactions:

Informant	Financial instrument	Date	Nature of transaction	Average weighted price	Amount
Christian Paillot (1)	Other financial instruments	12/10/2009	acquisition	€50,000	€500,000

(1) Director

The above disclosure was published on the AMF website.
To the Company's knowledge, no other corporate officer carried out any transaction in company shares in 2009.

SHARE EQUIVALENTS

I Stock options

The board of directors was authorized at the Extraordinary Shareholders' Meetings of June 9, 2004 and June 6, 2007, to award stock subscription options to group employees and officers.
At December 31, 2009, there were 1,202,702 options outstanding conferring the right to subscribe to 1,202,702 shares from the following share option schemes:

Grant date	Exercise date	Maturity date	Number of beneficiaries on initial grant	Adjusted subscription price (1)	Number of options granted:		Number of options exercised at 02/28/2010	Adjusted number of options (2) unexercised at 02/28/2010
					To company officers	To top ten employee beneficiaries		
06/08/2005	06/08/2008	12/07/2010	58	40.16	83,567	47,733	-	207,001
06/07/2006	06/07/2009	12/06/2011	61	36.84	84,250	74,190	-	238,807
10/01/2007	01/01/2011	03/31/2013	60	48.73	50,866	52,434	-	179,807
04/23/2008	07/23/2011	10/23/2013	66	43.15	80,234	72,624	-	254,566
04/27/2009	10/27/2011	10/26/2014	13	14.24	151,852	62,964	-	310,521
12/09/2009	06/09/2012	06/08/2015	1	24.62	-	-	-	12,000

(1) Options are granted based on the undiscounted market price.
(2) Number of options originally granted, less cancelled options (271,650 options were cancelled during 2009 and none were cancelled from January 1 to February 28, 2010).

MANAGEMENT REPORT
Capital and shareholder information

I Bonus shares

At the Extraordinary General Meetings of June 8, 2005 and June 4, 2008, shareholders authorized the Board of Directors to issue bonus shares to the Group's employees and corporate officers.

At December 31, 2009, there were 312,960 unvested bonus shares relating to the following plans:

	Vesting date of granted shares	Date from which the acquired shares can be sold	Number of beneficiaries on initial grant	Number of shares granted		
				To company officers	To top ten employee beneficiaries	Total number of shares granted adjusted at 02/28/2010 (3)
10/01/2007	01/01/2011 (1)	01/01/2013	60	6,359	9,204	29,356
04/23/2008	07/23/2011 (1)	07/23/2013	66	10,029	12,159	43,279
09/25/2008	09/25/2010 (2)	09/25/2012	9	22,800	5,750	41,150
04/27/2009	10/27/2011 (2)	10/27/2013	64	37,963	60,633	199,175

(1) The vesting of bonus shares granted to the beneficiaries is subject to company performance criteria, which are assessed annually. The criterion set by the Board of Directors is the ratio of Rallye holding company scope debt to restated assets.
(2) The vesting of bonus shares granted to the beneficiaries is only subject to a requirement that the beneficiary should still be working for the Company at the vesting date.
(3) Number of shares initially granted less rights cancelled following the departure of beneficiaries from the Company.

COMPANY PURCHASES OF TREASURY STOCK

At December 31, 2009, the Company held 891,789 treasury shares acquired over the previous fiscal years to cover stock option plans and bonus share allocations granted to employees and corporate officers. These shares represented 2.11% of the Company's share capital. Their total acquisition cost was €12.3 million and they had a nominal value of €2 million.
At December 31, 2009, these treasury shares were entirely allocated to cover the bonus shares and stock option plans.
Rallye implemented a liquidity agreement with Rothschild & Cie Banque to encourage trading on the stock in the market. At December 31, 2009, the balance of the account was zero: 1,135,769 shares had been bought and 1,330,769 had been sold under the 2009 purchase programme at an average price of €17.45 and €19.07, respectively.
Shareholders at this Meeting are asked to renew the authorization for the Company to purchase its own shares, pursuant to Articles L.225-209 et seq. of the French Commercial Code.

The Board of Directors will be authorized, with the option to sub-delegate, to purchase the Company's shares for the following purposes:

- to cover the stock option plans granted to employees and corporate officers, in compliance with Articles L.225-177 et seq. of the French Commercial Code, as well as all corporate savings plans and share ownership plans;
- to allocate bonus shares to employees and management in compliance with the provisions of Articles L.225-197-1 et seq. of the French Commercial Code;
- to ensure active trading of the Company's shares under the liquidity agreement signed with an investment services firm, in accordance with the Code of Conduct issued by the AMAFI and approved by the AMF;
- to hold shares for delivery to holders of Company securities who exercise their right to receive shares through redemption, conversion, exchange, presentation of a warrant or any other instrument entitling them to receive existing shares;
- to hold shares in reserve to use at a later date as a means of exchange or payment in mergers or acquisition in accordance with the market practices authorized by the AMF;
- to cancel shares as part of the Company's capital reduction programme, within the limit of a maximum 10% of the Company's share capital per 24-month period.

The maximum purchase price is set at €75 per share.
The Board of Directors may adjust the maximum price if there is a change in the par value per share, a capital increase through the capitalization of retained earnings and a bonus share allocation, a share split or consolidation, a capital amortization or reduction, a distribution of reserves or other assets, and any other operation affecting equity, to reflect the impact of such transactions on the share value.
Under the terms of the authorization, the Company may hold a maximum of 10% of its share capital at February 28, 2010. This corresponds to a maximum of 4,236,014 shares and a maximum amount of €318 million.

The aforementioned shares can be acquired, sold, transferred or exchanged by any means and at any time, on the stock market or off, between trading parties or over the counter, including as blocks of shares or through the use of derivatives such as call options. Block share trading is possible for the entire repurchase programme.

The shares can also be loaned, in accordance with the provisions of Articles L.432-6 et seq. of the French Monetary and Financial Code.

Shareholders resolve in their General Meeting that the Company may continue to implement its repurchase programme, even in the event of a takeover bid or public offer on shares, bonds or other securities issued by the Company or at the Company's initiative.

The shareholders' authorization of the share repurchase programme will expire at the next Shareholders' Meeting convened to approve the 2010 financial statements and management report, and no later than November 19, 2011.

MANAGEMENT REPORT
Social and environmental information

(Articles 148-2 and 148-3 of Decree 2002-221 of February 20, 2002)

Rallye's business as a holding company, with 35 employees at December 31, 2009, had no significant direct social or environmental impacts.

The principal corporate social and environmental information concerning the business activities of Rallye and its main subsidiaries is presented below. The subsidiaries specialized in food and sporting goods retailing manage the social and environmental impact of their business. Additional information is provided in the annual reports of the subsidiaries concerned and more specifically in the sustainable development report for 2009 drawn up by Casino.

I Scope

For Casino, the company information presented here covers all companies that are wholly owned by the group in France, including Casino Guichard-Perrachon, Distribution France Casino (and subsidiaries Serca, Acos, Casino Vacances), Codim 2, Casino Restauration (and subsidiary Restauration Collective Casino – R2C), Easydis (and subsidiary C Chez Vous), Immobilière Groupe Casino (and subsidiary Sudéco), Casino Entreprise (and subsidiary Imagica), EMC Distribution, Comacas & Casino Services, C.I.T. and IGC Services as well as Monoprix (50% owned subsidiary of the Casino group).
Environmental data presented by Casino covers all stores under the banners Géant, Casino supermarket, Spar and Petit Casino (including Corsican branches of subsidiary Codim 2), Casino cafeterias and Easydis warehouses as well as Monoprix (50% owned subsidiary of the Casino group).

Additional information is available in the 2009 activity and sustainable development report of the Casino group.

For Groupe Go Sport, the information provided below covers all of the French consolidated subsidiaries: Groupe Go Sport, Go Sport France, Go Sport International and Courir France.

Through its social and environmental actions, the Group aims to promote good workplace relations, solidarity and responsibility in retailing and to express a commitment to preserve the environment.

PROMOTING GOOD WORKPLACE RELATIONS

I Safeguarding jobs and developing employees' professional skills

The skills and commitment of all of its employees are one of the keys to Casino's success. Since its inception, Casino has been fostering the development of quality relationships based on respect and communication. As a result of the diversity of the businesses and professions it is involved in, Casino offers its employees a great deal of professional mobility and opportunities for advancement: vertical advancement through in-house promotions, as well as horizontal transfers between different branches and chains, access to international positions, etc. In sum, there is a wide variety of career paths available, offering the opportunity to acquire complementary experience, and optimize your career.

Groupe Go Sport had a training budget in 2009 of €0.9 million. Professional training courses were stepped up in 2009 to help fill out the group's skills base and ensure operational excellence was spread consistently throughout the network. This allowed many employees to exercise their Individual Right to Education provided for by French law, with courses including technical training for each skill level, personnel management, health and safety, sales coaching, communications, etc. Since 2005, 1,210 people have taken a total of 20,000 training hours under the education rights law.

I Promoting health and safety in the workplace

In 2006, Casino conducted a study on health in the workplace and signed a national charter with the French health insurance fund (CNAM) on June 21, 2006. The 'Cap Prévention' programme, launched in 2007, went on through 2009 and has yielded positive results, with a continuous trend towards fewer and less serious workplace accidents over the past five years. Agreements were signed with the French salaried workers' health insurance fund (CNAMTS) to set up an accident prevention policy from the outset of store design and renovation, and this has helped significantly reduce the frequency of accidents over five years.
Groupe Go Sport also strives to constantly improve the health and safety of its employees. Training on dealing with aggression and robbery was included for the first time in in-store programmes.
At the Courir banner, an internal safety committee, which was created in 2005, is setting up action plans intended to improve workplace safety. It met four times in 2009, and continues to raise awareness on safety issues within the company and to prevent harassment among staff within the French store network.

I Commitment to diversity

In 2009, Casino continued to actively participate in the European Community's Initiative "Equal Lucidité" which aims to combat racial and sexual discrimination in access to jobs, career development and service relations and embodies a permanent commitment to equality through the signature of various charters and agreements.
Casino is also taking part in the "Equal Averroes" programme, which designs self-assessment tools companies can use to gauge their diversity. In May 2009, Casino was awarded the Diversity Label, recognizing its commitment to the prevention of discrimination, equality of opportunity and promotion of diversity.
Casino is also strongly committed to integrating disabled people in the workplace, as reflected in the new "Handipact"

(1) Combating discrimination and inequalities in the workplace and company.

agreement signed with the unions for 2006-2010 and aimed at promoting the recruitment, training, and qualifications of disabled people and raising awareness among employees.

In 2009, Groupe Go Sport continued to prioritize the recruitment and in-work support of people with disabilities, redesigning six workstations to compensate for disabilities and help employees continue to work effectively. The Group's "Mission Handicap" unit launched its seller/technician training cycle in September 2009 in the Ile de France region. The programme trained 12 jobseekers with disabilities in the trade and gave them a month-long internship in-store with a view to future recruitment.
At December 31, 2009, Groupe Go Sport (including all of its units) employs 49 disabled workers.

Workplace figures

2009 workplace indicators	Units	Rallye holding company	Casino (1)	Groupe Go Sport
Number of employees at December 31	no.	35	67,148	4,759
Percentage of women	%	63%	62%	51%
Percentage of part-time workers	%	26%	35%	26%
Number of long-term contracts (2)	no.	35	62,428	4,061
Number of short-term contracts (2)	no.		5,728	696
Average number of hours training per employee per year	hours	8	5	28.8
Number of long-term contract recruitments	no.	5	9,084	873
Number of short-term contract recruitments	no.		30,925	4,709
Number of economic layoffs	no.		112	
Net jobs created (3)	no.	1	(1,995)	(391)
Payroll (salaries, wages and social charges)	€m	8	2,180	99
Amount paid to the Works Committee	€m		16.2	0.6
Donations (solidarity, sports, culture)	€m		4.0	0.6

(1) Casino workplace figures cover all companies wholly owned by the group in France, and 100% of Monoprix.
(2) Average annual number of employees at month-end for Casino.
Number of employees at 12/31/2009, for Groupe Go Sport and Rallye.
(3) Long-term contract recruitments - Long-term contract layoffs.

SOLIDARITY AND RESPONSIBILITY IN RETAILING

I Promoting product safety and quality, and consumer health

Casino has always made the safety and quality of its products and consumer interests a key concern. Product traceability is ensured by the "Trace One" solution, a collaborative tool for the management of specifications used by Casino and its suppliers of food products. In addition, this tool guarantees product traceability, and it was used by 96% of its suppliers in 2009.

At Groupe Go Sport the procurement department is particularly aware of product quality and safety. Different tests are applied to manufacturers, with certification of sensitive products and compliance with standards. To protect its customers' health and the environment, since 2007 the Company has restricted the use in Group laboratories of substances classed as carcinogenic, mutagenic or toxic to reproduction (CMR) and listed in categories 1 and 2 as defined in Council Directive 67/548/EEC. It has done the same for persistent bioaccumulative and toxic (PBT) and very persistent and very bioaccumulative (vPvB) substances. Since 2008, Groupe Go Sport has disseminated information on these restrictions to all suppliers, requiring them to provide as needed proof that their goods have been produced in compliance with these requirements.

I Ensuring proper ethical and social conditions in product manufacturing

Casino carries out all of its main areas of business in-house, with a negligible amount of outsourcing. The action plan implemented by its purchasing department in 2000 is intended to promote and monitor respect for human rights in the workplace by its suppliers in developing countries. The Supplier Ethics Charter, which was prepared in compliance with the fundamental principles of the International Labour Organization (ILO), has been included in 100% of its reference contracts

MANAGEMENT REPORT
Social and environmental information

since 2002. In 2004, it was critiqued by Amnesty International. The programme of company audits of suppliers located in developing countries was continued through 2009. There were 96 initial and follow-up audits in China, Bangladesh, Pakistan, Tunisia, Morocco, Egypt and Thailand.
In order to involve its business partners in its sustainable development approach, Groupe Go Sport includes its 'Code of conduct for the sports sector' in the general purchase conditions sent to suppliers and their subcontractors. The code requires respect for the fundamental rights described in the eight recommendations of the International Labour Organization, respect for the fundamental principles of the International Labour Organization, protection of the environment in compliance with law and regulations in force, and promotion of these requirements to its subcontractors.
In addition, Groupe Go Sport is a member of an ethics commission within the FPS , which is responsible for setting out a social and environmental code of conduct ("Collectif de l'éthique sur l'étiquette" – cooperative promoting of ethical labeling).

TAKING ACTION TO PROTECT THE ENVIRONMENT

In 2009, Casino held its seventh environmental seminar, which brought together 35 participants from a range of functions and businesses within the group. Major environmental projects under way were discussed, and an environmental action plan for 2009-2012 drawn up.
Casino carried out its second carbon audit in 2009, to refine its action plan and capture data for the carbon index of Casino products. The Casino carbon index was launched in June 2008 and at end-2009 covered more than 400 products.

I Waste management

Casino generates small quantities of non-hazardous waste (cardboard, plastic and wood) and industrial waste requiring specific recycling (fluorescent tubes, cooking oil, office hardware). As well as reducing the quantity of waste produced (developing reusable containers, publishing less leaflets), Casino has made performance in waste sorting and recycling a priority and has set up waste collection and recovery agreements for this purpose.
An eco-design programme has been launched for Casino's own brand products along with the eco-labeling of all products on sale in its stores.
Groupe Go Sport is a member of the French organization "Eco-Systèmes" and as such participates in funding the recovery and recycling of end-of-life electrical and electronic equipment. In accordance with French Law 2006-1666, Groupe Go Sport also agreed to contribute financially to recovering and recycling the textile waste generated by the clothing and shoes it sells to its customers. In 2008, Groupe Go Sport played an active role in the creation of ECO TLC, of which it has become an associate member.

I Improving the environmental performance of products

Casino raises awareness among its customers of the benefits of sustainable agriculture through its 'Terre et Saveur' product range. The production methods used for this range are demanding both in environmental terms (soil protection, preservation of water resources, waste sorting) and in terms of animal welfare. In order to ensure compliance with best practice, audits are performed regularly on the production sites, product transformation sites and conditioning sites. As a result, the "Casino Bio" range of organic products carry the AB label issued by the French certification body, attesting that the goods have been produced without chemical substances or pesticides and have been tested by an independent government-approved entity.
Casino also encourages the use of wood from sustainable forests for the manufacture of the furniture it retails which is made from exotic wood. Casino is also committed to the development of ecolabeling, assessing products for the new "Casino carbon index" environmental label, which has appeared on more than 400 products since June 2008. It represents the greenhouse gas emissions resulting from the whole life-cycle of the product, from production to distribution. It also supports fair trade and the protection of fishing stock (particularly endangered deep-sea species). Casino carried out its second carbon audit across all its activities to assess the effectiveness of these actions as part of its three-year plan to cut greenhouse gas emissions.
Groupe Go Sport continues to contribute financially each year towards recycling distributed printed paper and packaging, both plastic and cardboard which customers bring home and in 2009 an internal action plan was implemented to market product packaging that better preserves natural resources and is more easily recyclable.
In early 2009 Groupe Go Sport participated in the French national working group on "Sports and camping equipment, mobility aids, games and toys". The committee was tasked with following up the report produced by the Operating Committee 23 "Consumption" under the auspices of the Grenelle de l'Environnment (environmental round table) which advocated compulsory labelling of environmental information on products by January 1, 2011, in accordance with the consumer code and ISO 14020 standards.

I Contributing to combating climate change and promoting sustainable building

Casino's gas emissions are essentially limited to carbon dioxide from the transportation of goods and the indirect carbon dioxide emissions generated by electricity consumption. Apart from saving energy on this front, the group has also managed to cut down the distances traveled for deliveries, thus saving more than 18.4 million kilometers or the equivalent of almost 18,000 tons of carbon dioxide emissions in 2009. The group has cut down on 83,000 tons of carbon dioxide emissions over five years.
The second carbon audit was carried out in 2009 on a sample of 400 sites and reinforced the plan to reduce greenhouse gas

emissions was set out for the period 2009-2012 (see more details in Casino's 2009 Sustainable Development Report).
Thanks to a railway and waterway freight transportation programme, 39% of merchandise is now shipped by these alternative modes of transportation.
The fleet of delivery vehicles located in urban areas has been equipped with isothermal containers using cryogenic refrigeration, thus reducing emissions of refrigerant gas and noise pollution, while improving compliance with refrigeration requirements.
Groupe Go Sport is also committed to combating climate change, and focuses particularly on reducing energy consumption and the use of substances of concern. Groupe Go Sport's development strategy both in France and internationally has always consisted in ensuring that all new stores comply with stringent current technical standards and laws and that the stores already in use are constantly renovated to bring them into conformity with the most recent standards.

I Limiting environmental damage

The majority of Casino's stores and warehouses are located in urban areas and their activities are low-risk in terms of pollution of the soil and ecosystems. Gas stations, pyralene transformers, refrigeration towers and air conditioning equipment are monitored closely and a programme has been laid down listing those that need priority upgrading to bring them into line with current standards:

- in order to limit the risks of soil and groundwater pollution, single membrane fuel containers are systematically being replaced by double membrane containers;
- recently built Casino stores comply with regulatory requirements regarding the recovery and treatment of rainwater in gas stations and supermarket parking areas. All the gas stations operated by the hypermarkets in France are equipped with hydrocarbon separators.

Improving energy efficiency

Store lighting and food refrigeration are the two highest consumers of energy, which are mainly generated by electricity. In 2009, efforts were made to:

- further raise awareness on the importance of saving energy;
- renovate and improve store lighting, as part of the European Commission's Green Light programme;
- work with refrigeration equipment manufacturers on a framework agreement to extend preventive maintenance and equipment renovation to avoid refrigerant gas leakages and the over-consumption of electricity; a "Containment" charter has been drafted and is included in all of our maintenance service contracts;
- further monitor and audit electrical consumption by the group's technical department;
- develop the work of the Group's "Green Yellow" subsidiary which installed, in 2009, 19,204 KWc of solar power capacity from PV panels.

Environmental figures

The key data below cover the French business of Casino and Monoprix (included at 100%).

Environmental data of importance to Casino	Units	2009	2008
Total quantity of waste sorted for recycling (1)	Metric tons	42,162	55,389
Tonnage of batteries collected from customers	Metric tons	326	352
Energy consumption by source			
Electricity	MWh	1,583,233	1,599,936
Natural gas	MWh	189,399	187,856
Fuel-oil	MWh	23,846	24,173
Water consumption	m³	2,247,527	2,543,979
Greenhouse gas emissions related to goods transportation (2)	Metric ton of CO2 eq.	133,826	152,006
Number of quality audits of supplier production sites	No.	609	679
Number of quality audits in stores	No.	2,065	2,055
Number of workplace audits on supplier production sites	No.	148	149

(1) Waste collected under national framework agreements
(2) Based on distances traveled, according to the GhG Protocol methodology (warehouse–store trips).

Casino is regularly in contact with professionals in the socially responsible investment industry (rating agencies, ethical investment funds) who have noted the group's steady progress in this field. In 2009, Casino was again listed in the indexes presenting socially responsible investment products FTSE4Good (Eiris rating agency), ASPI (Vigeo), Ethibel Pioneer ® and in E. Capital Partners' €uro Ethical Index.

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During the past year, the Company has continued to carefully apply the principles laid down by the AFEP/MEDEF corporate government code for listed companies.

STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS

The term of office of all the directors expires at the General Shareholders' Meeting of May 19, 2010. If the resolutions proposed are adopted, after the meeting, the Board of Directors will comprise eleven directors of which four will be independent:

- Jean-Charles Naouri, Chairman and Chief Executive Officer,
- André Crestey, Vice-Chairman,
- Didier Carlier, Representing Foncière Euris,
- Philippe Charrier, Independent Director,
- Jean Chodron de Courcel, Independent Director
- Jacques Dermagne, Independent Director
- Jacques Dumas,
- Jean-Marie Grisard, Representing Finatis,
- Didier Lévêque, Representing Matignon Corbeil Centre,
- Christian Paillot, Independent Director
- Catherine Soubie, Representing Euris,
- Jean Levy, Censor.

As part of its mission, the Appointments and Compensation Committee examined the membership of the Board of Directors, and in particular the independence of the directors in light of the recommendations of the "AFEP-MEDEF Code of Corporate Governance".
The members of the Board of Directors were selected on the basis of their skills, experience, and their ability to complement one another.
Four directors are independent under the meaning of the AFEP-MEDEF code: Philippe Charrier, Jean Chodron de Courcel, Jacques Dermagne and Christian Paillot.
The remaining members of Rallye's Board of Directors are either officers or executives from the Rallye parent company or its parent companies.
The Board does not include any director elected by employees.
The rules and modes of operation of the Board of Directors are as established by law, company by-laws and the Board's internal rules of procedure. They are described in detail below, in the "Chairman's report".
Directors are appointed for one year.

I CENSOR

Company by-laws allow for the appointment of one or several censors, chosen from among the shareholders. Appointed for one year, they take part in the meetings of the Board of Directors. In this capacity, they express their observations and opinions, and take part in deliberations with an advisory role. There may not be more than five censors in total.
The re-appointment of Jean Levy as Censor will be proposed at the Ordinary Shareholders' Meeting of May 19, 2010.

OFFICES AND POSITIONS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS

Information about the operation of the Board of Directors is given in the Chairman's report on the organization of the Board and the internal control procedures, on pages 42 to 48 of this reference document.
All serving directors in 2009 were reappointed for a one-year period at the General Shareholders' Meeting of June 3, 2009.

Directors whose reappointment is proposed at the General Shareholders' Meeting

I Jean-Charles Naouri

Chairman and Chief Executive Officer
First appointed to the Board of Directors: October 25, 1993
First appointed as Chairman and Chief Executive Officer: April 02, 1998
Date of birth: March 08, 1949. Age: 61.
Professional address: 83, rue du Faubourg Saint-Honoré – 75008 Paris

Biography
Jean-Charles Naouri is an alumnus of the École Normale Supérieure (majoring in science), Harvard University, and ENA, the French National School of Public Administration. An Inspecteur des Finances, he began his career with the Department of the Treasury at the French Ministry of Finance. He was appointed Principal Private Secretary to the Minister of Social Affairs and National Solidarity in 1982, and later to the Minister of the Economy, Finance, and the Budget in 1984. In 1987, he founded Euris.

Other offices and positions held in 2009 and continuing at March 31, 2010
Within the Euris group:
- Chairman of Euris SAS;
- Chairman and Chief Executive Officer of Casino, Guichard Perrachon SA;
- Chairman of the Board of Directors of Finatis SA;
- Director of Grupo Pao de Açucar (formerly CBD), Natixis SA and Fimalac SA;
- Member of the Supervisory Board of Wilkes Participaçoes;

- Manager of SCI Penthièvre Seine and SCI Penthièvre Neuilly;
- Member of the Consultative Committee of Banque de France;

Offices held in public interest organizations:
- President of the association "Promotion des talents";
- Vice-President of the Euris Foundation;
- Honorary Chairman and Director of the Institut de l'École Normale Supérieure.

Offices and positions held in the past five years (not including the offices and positions listed above)

- Chairman of the Board of Directors of Euris SA;
- Representative of Casino, Guichard-Perrachon, President of Distribution Casino France SAS;
- Member of the Supervisory Board of Groupe Marc de Lacharrière SCA and Super de Boer (formerly Laurus) and Natixis;
- Director of HSBC France;
- Managing Partner of Rothschild & Cie Banque;
- Censor of Fimalac and Caisse National des Caisses d'Epargne et de Prévoyance (CNCE).

Number of Rallye shares held: 328

I Philippe Charrier

Date of birth: August 02, 1954. Age: 55.
Professional address: 59, boulevard Exelmans – 75016 PARIS

Biography
After graduating from the HEC School of Management, Philippe Charrier joined the Finance Department of Procter & Gamble in 1978 where he spent most of his career, as VP Finance in France, VP Marketing in France, CEO in Morocco, and finally Chairman and CEO in France. He has been Vice-President and CEO of Oenobiol since 2006.

Other offices and positions held in 2009 and continuing at March 31, 2010
- Vice-president, Chief Executive Officer of Laboratoires Oenobiol SAS;
- Chairman of the Supervisory Board of the Spotless Group;
- Chairman of the Board of Directors of Dental Emco SA;
- Chairman of the Board of Directors of Alphident SA;
- Director of Lafarge SA (a listed company);
- Director of Fondation Nestlé pour la Nutrition;
- Member of the business club "Entreprise et Progrès";
- Founding member of the business club "Entreprise et handicap".

Offices and positions held in the past five years (not including the offices and positions listed above):
Chairman and Chief Executive Officer of Procter & Gamble France;
President of "Entreprise et Progrès" until March 31, 2009.

Number of Rallye shares held: 1,100

I André Crestey

Vice-Chairman and Director
First appointed to the Board of Directors: August 14, 1992
First appointed as Vice-Chairman of the Board of Directors: April 02, 1998
Date of birth: February 22, 1939. Age: 71.
Professional address: 83, rue du Faubourg Saint-Honoré – 75008 Paris

Biography
From 1977 to 1992, André Crestey was Chief Executive Officer of Euromarché. In 1992, he entered the Rallye group, where he served first as Chairman of the Management Board, then as Chairman and Chief Executive Officer (1993) and as Vice-Chairman and Chief Executive Officer from 1998 to 2001. Since 2001, he has been Vice-Chairman of the Board of Directors.

Other offices and positions held in 2009 and continuing at March 31, 2010
Within the Euris group:
- Director of Miramont Finance et Distribution SA and Groupe Go Sport SA (a listed company).

Outside the Euris group:
- Statutory president of the FCD;
- Director of Périfem.

Offices and positions held in the past five years (not including the offices and positions listed above):

Within the Euris group:
- Director of Foncière Euris SA (a listed company);
- Permanent representative of Omnium de Commerce et de Participations SAS to the Board of Directors of Casino, Guichard-Perrachon SA (a listed company).

Outside the Euris group:
- President of Perifem.

Number of Rallye shares held: 32,058

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Jean Chodron de Courcel

Director
First appointed to the Board of Directors: June 09, 2004
Date of birth: May 14, 1955. Age: 55.

Biography
Jean Chodron de Courcel is a graduate of HEC School of Management and an alumnus of ENA, the French National School of Public Administration. After having held various positions within the government administration and ministerial staff, in 1990, Jean Chodron de Courcel joined senior management at the Schneider group, then, in 1997, at Crédit Agricole Indosuez. From 1995 to 1997, he was Deputy Private Secretary to Prime Minister Alain Juppé. He was Deputy Managing Director of the Penauille Polyservices SA group. Since 2008, he has been a senior advisor at Hawkpoint Partner Limited

Other offices and positions held in 2009 and continuing at March 31, 2010
Senior advisor at Hawkpoint Partner Limited.

Offices and positions held in the past five years (not including the offices and positions listed above):
- Deputy Managing Director of Penauille Polyservices SA;
- Director of Penauille Polyservices SA;
- Chairman and Chief Executive of Globeground North America LLC (GGNA LLC) and of Servisair PLC;
- Censor of Rallye SA.

Number of Rallye shares held: 321

Jacques Dermagne

Director
First appointed to the Board of Directors: June 05, 2002
Date of birth: November 28, 1937. Age: 72.
Professional address: 9, place d'Iéna – 75016 Paris

Biography
In 1968, after studying law and literature, Jacques Dermagne entered the Conseil National du Commerce, where he became President in 1981. He was Executive Vice-President of the CNPF from 1980 to 1999, then was elected President of the Economic, Social and Environmental Council, and re-elected in 2004. In June 2003, he was appointed President of the International Association of Economic and Social Councils and Similar Institutions.

Other offices and positions held in 2009 and continuing at March 31, 2010
- President of France's Economic, Social and Environmental Council;
- Director of Unibail-Rodamco SA, BNP Paribas Personal Finances SA and Devanlay SA;
- Director of CELSA (Sorbonne).

Offices and positions held in the past five years (not including the offices and positions listed above):
- President of the Comité Français des Expositions et Conventions;
- Member of the Supervisory Board of DMC SA;
- Censor of France Convention SA.

Number of Rallye shares held: 500

Jacques Dumas

Director
First appointed to the Board of Directors: July 19, 1990
Date of birth: May 15, 1952. Age: 58.
Professional address: 83, rue du Faubourg Saint-Honoré – 75008 Paris

Biography
Jacques Dumas, who has a Master's Degree in Law, and is an alumnus of the Institut d'Études Politiques de Lyon, began his career as a lawyer, and then became Administrative Director at the Compagnie Française de l'Afrique Occidentale – CFAO (from 1978 to 1986). In 1987, he was appointed Deputy Company Secretary at the Rallye group, then Director of Legal Affairs at the Euris group (1994). He is now Deputy Managing Director at Euris, and Advisor to the Chairman of Casino.

Other offices and positions held in 2009 and continuing at March 31, 2010
Within the Euris group
- Advisor to the Chairman of Casino, Guichard-Perrachon;
- Deputy Managing Director of Euris SAS;
- Chairman and member of the Supervisory Board of Leader Price Holding;
- Director of Mercialys (a listed company);
- Member of the Supervisory Board of Franprix Holding;
- Permanent representative of Distribution Casino France to the Board of Directors of Baud SA;
- Permanent representative of Germinal SNC, President of Théïadis;
- Permanent representative of R.L.P.I., Director of Villette Discount SA and Clignancourt Discount SA;
- Permanent representative of Société de Distribution Parisienne (SDP), Director of Gregorim Distribution SA.

Outside the Euris group
- Manager of SCI Cognacq-Parmentier.

Offices and positions held in the past five years (not including the offices and positions listed above):
Within the Euris group
- Director of Legal Affairs of Euris;
- Chairman and Chief Executive Officer of La Bruyère SA;
- President of Alpétrol SAS and Kerrous SAS;
- Chairman of the Board of SAAD;
- Chairman of the Supervisory Board of Franprix Holding;

- Vice-Chairman of the Supervisory Board of Geimex;
- Director of Carpinienne de Participations SA, Groupe Go Sport SA, CDiscount SA, Monoprix SA and Miramont Finance et Distribution SA;
- Permanent representative of Asinco SA on the Board of Directors of Cafige SA and Financement Gestion Administration et Contrôle – F.I.G.E.A.C.;
- Permanent representative of Distribution Casino France SAS, Member of the Supervisory Board of Cofilead SAS;
- Permanent representative of Euris on the Boards of Directors of Casino, Guichard-Perrachon and Foncière Euris;
- Permanent representative of L'Habitation Moderne de Boulogne to the Boards of Directors of Colisée Finance SA and Colisée Finance II SA;
- Permanent representative of Parcade to the Board of Directors of Casino, Guichard-Perrachon;
- Permanent representative of the Athlete's Foot Group to the Board of Directors of AFME;
- Director of the Euris Foundation.

Number of Rallye shares held: 1,761

I Christian Paillot

Director
First appointed to the Board of Directors: April 15, 2004
Date of birth: September 09, 1947. Age: 62.

Biography
Christian Paillot has spent most of his career in manufacturing and distribution of photographic, video, and hi-fi equipment. He built and developed the French businesses of Akai, Konica and Samsung. He is now Vice-Chairman of the French Federation for Equestrian Sports.

Other offices and positions held in 2009 and continuing at March 31, 2010
Manager of Ecurie du Haras de Plaisance SARL, SCI Parim.
Offices and positions held in the past five years (not including the offices and positions listed above):
Chairman and Chief Executive Officer of Konica France SA;
President of Konica France SAS;
Chairman and Chief Executive Officer of Konica Photos Services SA;
Censor of Rallye SA;
Advisor to the Chairman of Konica Minolta France;
Director of FG Marine SA.

Number of Rallye shares held: 300.

I FINATIS

French Public Limited Company (SA) with share capital of €84,852,900
Registered office: 83, rue du Faubourg Saint-Honoré – 75008 Paris
712 039 163 R.C.S. Paris
Director

First appointed to the Board of Directors: June 02, 1998

Other offices held in 2009 and continuing at March 31, 2010:
Director of Carpinienne de Participations (a listed company), Casino, Guichard-Perrachon (a listed company) and Foncière Euris (a listed company).

Offices held in the past five years (not including the offices and positions listed above):
Director of Euris SA.

Number of Rallye shares held: 253

Permanent representative:
Jean-Marie Grisard
Date of birth: May 1, 1943. Age: 67.
Professional address: 83, rue du Faubourg Saint-Honoré – 75008 Paris

Biography
A graduate of HEC School of Management, Jean-Marie Grisard began his career with the mining group Penarroya-Le-Nickel-Imétal, where he held various positions in Paris and London. He was appointed Finance Director of Paris-Orléans in 1982. From 1998 to 2008, Jean-Marie Grisard held offices of Company Secretary within the Euris group.

Other offices and positions held in 2009 and continuing at March 31, 2010:
Within the Euris group:
- Director of Finatis (a listed company), Carpinienne de Participations SA (a listed company),
- Euris Limited, Euris North America Corporation - (ENAC), Euris Real Estate Corporation - (EREC),
- Euristates and Park Street Investments International Ltd.;
- Permanent representative of:
- Matignon Diderot to the Board of Directors of Casino, Guichard-Perrachon (a listed company);
- Director and Treasurer of the Euris Foundation;
- Member of the Executive Committee of the association "Promotion des Talents".

Outside the Euris group
- Manager of Frégatinvest SARL;
- Offices and positions held in the past five years (not including the offices and positions listed above):
- Company Secretary of Euris SA;

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- Company Secretary of Euris SAS (formerly Groupe Euris);
- Chairman of Matimmob 1 (SAS), Eurdev (SAS), Matignon Rousseau (SAS) and Matignon Diderot (SAS);
- Chief Executive Officer of Euris (SA), and Finatis (a listed company);
- Director of Foncière Euris (a listed company) and Green Street Investments International Ltd.;
- Permanent representative of Foncière Euris to the Board of Directors of Marigny Belfort;
- Permanent representative of Euris to the Board of Directors of Casino, Guichard-Perrachon;
- Permanent representative of Euris group to the Board of Directors of Euris.

I FONCIERE EURIS

French Public Limited Company (SA) with share capital of €149,648,910
Registered office: 83, rue du Faubourg Saint-Honoré - 75008 Paris
702 023 508 R.C.S. Paris

Director
First appointed to the Board of Directors: October 25, 1993

Other offices held in 2009 and continuing at March 31, 2010:

- Chairman of Matignon Abbeville SAS, Matignon Corbeil Centre SAS, Marigny-Elysées SAS, Marigny Expansion SAS, Marigny Foncière SAS, Matignon Bail SAS and Marigny Belfort SAS;
- Director of Casino, Guichard-Perrachon (a listed company);
- Manager of SCI Sofaret and SCI Les Herbiers;
- Co-manager of SNC Alta Marigny Carré de Soie.

Offices held in the past five years (not including the offices and positions listed above):

- Chairman of Marigny Concorde SAS;
- Director of Marigny Belfort SA, Marignan Consultants SA and Apsys International SA;
- Manager of SCI Pont de Grenelle.

Number of Rallye shares held: 24,430,858

Permanent representative:
Didier Carlier
Date of birth: January 05, 1952. Age: 58.
Professional address: 83, rue du Faubourg Saint-Honoré – 75008 Paris

Biography
Didier Carlier is a graduate of the École Supérieure de Commerce de Reims (Reims Management School) and a certified public accountant. He started his career in 1975 with Arthur Andersen (Audit Department), rising to the position of Manager. He subsequently served as Company Secretary at Équipements Mécaniques Spécialisés and as Chief Financial Officer at Hippopotamus. He joined the Rallye group in 1994, as Chief Financial Officer, and was appointed Deputy Managing Director in 2002.

Other offices and positions held in 2009 and continuing at March 31, 2010:
Group

- Deputy Managing Director of Rallye SA (a listed company);
- Chairman and Chief Executive Officer of Miramont Finance et Distribution SA, La Bruyère SA and Colisée Finance VI SA;
- President of Alpétrol SAS, Kerrous SAS, Les Magasins Jean SAS, L'Habitation Moderne de Boulogne SAS, Marigny Percier SAS, Parande SAS, Cobivia SAS, Omnium de Commerce et de Participations SAS, Matignon Sablons SAS, Genty Immobilier et Participations SAS, Soparin SAS, Colisée Finance III, Colisée Finance IV SAS and Colisée Finance V SAS;
- Chairman and Chief Executive Officer of MFD Inc USA;
- Managing Director of Club Sport Diffusion SA and Limpart Investments BV;
- Representative of Parande SAS, President of Pargest SAS, Parinvest SAS;
- Permanent representative of Euris SAS to the Board of Directors of Casino, Guichard-Perrachon SA (a listed company);
- Representative of Matignon Sablons SAS to the Board of Directors of Groupe Go Sport (a listed company);
- Manager of SCI de Kergorju, SCI des Sables, SCI des Perrières.

Outside the group

- Manager of SC Dicaro.
- Offices and positions held in the past five years (not including the offices and positions listed above):
- Group
- Chairman and Chief Executive Officer of Ancar SA;
- Chairman and Chief Executive Officer of Colisée Finance SA and Colisée Finance II SA;
- Chairman of Syjiga SAS, Parande Développement SAS, Parcade SAS ; MFD Finances SAS and Soparin SAS;
- Director of The Athlete's Foot Group Inc.;
- Manager of SCI de Periaz, SCI des Îles Cordées;
- Representative of Parande SAS, President of Sybellia SAS and Matignon Neuilly SAS; and Pargest Holding SAS;
- Permanent representative of Omnium de Commerce et de Participations SAS to the Board of Directors of Groupe Go Sport SA;
- Director of Clearfringe Ltd.

I EURIS

French Simplified Public Limited Company (SAS) with share capital of €169,806
Registered office: 83, rue du Faubourg Saint-Honoré - 75008 Paris
348 847 062 R.C.S. Paris

Director
First appointed to the Board of Directors: June 08, 2005

Other offices held in 2009 and continuing at March 31, 2010:

- Director of Finatis SA (a listed company), Foncière Euris SA (a listed company) and Casino, Guichard-Perrachon SA (a listed company).

Offices held in the past five years (not including the offices listed above)

- Chairman of Matignon Diderot SAS et Matignon Rousseau SAS

Number of Rallye shares held: 304

Permanent representative
Catherine Soubie
Date of birth: October 20, 1965. Age: 44.
Professional address: 83, rue du Faubourg Saint-Honoré – 75008 Paris

Biography
A graduate of the École Supérieure de Commerce de Paris (ESCP), Catherine Soubie began her career in 1989 with Lazard in London, then in Paris, where she was, among other positions, Manager in charge of Financial Affairs. She then joined Morgan Stanley in Paris, where she held the office of Managing Director. In 2005, she became Deputy Managing Director of Rallye.

Other offices and positions held in 2009 and continuing at March 31, 2010:
Within the Euris group

- Deputy Managing Director of Rallye SA;
- Director of Mercialys SA;
- Permanent representative of Euris SAS to the Board of Directors of Rallye SA;
- Permanent representative of Finatis SA to the Board of Directors of Casino, Guichard-Perrachon SA;
- Permanent representative of Casino, Guichard-Perrachon SA to the Board of Directors of Banque du Groupe Casino SA;
- Permanent representative of Rallye SA to the Board of Directors of Groupe Go Sport SA;
- Director of the Euris Foundation.

Outside the group

- Manager of Eurl Bozart;
- Director of Medica SA.

Offices and positions held in the past five years (not including the offices and positions listed above):
Group

- President and Director of the Board of Groupe Go Sport SA;
- Permanent representative of Miramont Finance et Distribution SA (a listed company), Director of Groupe Go Sport SA;
- Permanent representative of Matignon Sablons SAS to the Board of Directors of Groupe Go Sport SA;
- Director of Banque du Groupe Casino SA.

Outside the group

- Managing Director of Morgan Stanley.

I Matignon Corbeil Centre

French Simplified Public Limited Company (SAS) with share capital of €57,420,000
Registered office: 83, rue du Faubourg Saint-Honoré – 75008 Paris
392 679 247 R.C.S. Paris

Director
First appointed: June 04, 2008

Other offices held in 2009 and continuing at March 31, 2010:
None.

Offices held in the past five years:
None.

Number of Rallye shares held: 250

Permanent representative
Didier Lévêque
Date of birth: December 20, 1961. Age: 48.
Professional address: 83, rue du Faubourg Saint-Honoré – 75008 Paris

Biography
A graduate of HEC School of Management (1983), Didier Lévêque held an executive position at the Finance Department of the Roussel-Uclaf group from 1985 to 1989. He joined the Euris group in 1989 as Deputy Company Secretary. He now holds the position of Company Secretary.

Other offices and positions held in 2009 and continuing at March 31, 2010:
Within the Euris group

- Company Secretary of Euris SAS;
- Chairman and Chief Executive Officer of Euris North America Corporation (ENAC), Euristates Inc and Euris Real Estate Corporation (EREC);
- Chairman of Parande Brooklyn Corp.;
- Chairman of Par-Bel 2 (SAS), Matignon Diderot (SAS) and Matimmob 1 (SAS);
- Chief Executive Officer of Carpinienne de Participations SA (a listed company) and Finatis (a listed company);
- Director of Carpinienne de Participations (a listed company), Park Street Investments International Ltd., and Euris Limited;
- Permanent representative of Finatis to the Board of Directors of Foncière Euris (a listed company), of Omnium de Commerce et de Participations SAS to the Board of Directors of Casino, Guichard-Perrachon (a listed company), and of Matignon Diderot to the Board of Directors of Finatis (a listed company).

MANAGEMENT REPORT
Corporate Governance

Outside the Euris group
- Manager of EMC Avenir 2 SARL

Offices held in the past five years (not including the offices and positions listed above):
Within the Euris group
- Deputy Company Secretary of Euris SAS;
- President of Compagnie d'Investissements Trans-Européens - CITE SAS, Parinvest SAS, Dofinance SAS, Euristech SAS, Par-Bel 1 SAS, Parantech Expansion SAS, Montparnet SAS and Matignon-Tours SAS;
- Director of Green Street;
- Permanent representative of Carpinienne de Participations to the Board of Directors of Marigny-Belfort;
- Permanent representative of Euris to the Board of Directors of Foncière Euris (a listed company);
- Permanent representative of L'Habitation Moderne de Boulogne SAS to the Board of Directors of Colisée Finance SA;
- Representative of Euristech, President of Marigny-Artois SAS;
- Representative of Parinvest, President of Parfonds SAS.

Outside the Euris group
- Manager of EMC Avenir.

RETIRING DIRECTOR

I Pierre Feraud

Director
First appointed to the Board of Directors: June 16, 1995
Date of birth: September 28, 1940. Age: 69.
Professional address: 83, rue du Faubourg Saint-Honoré – 75008 Paris

Biography
A graduate of HEC School of Management and of the Institut d'Études Politiques de Paris, Pierre Féraud held various positions related to real estate development financing, as well as to the active management of real estate assets, mainly within the companies UIC-SOFAL and GMF. He joined Euris in 1991 and was appointed Chairman of Foncière Euris in 1992.

Other offices and positions held in 2009 and continuing at March 31, 2010:
Within the Euris group
- Chairman of the Board of Directors of Foncière Euris (a listed company) and Carpinienne de Participations (a listed company);
- Chairman of Pargest Holding SAS;
- Director of Mercialys (a listed company);
- Permanent representative of Euris to the Board of Directors of Finatis (a listed company);
- Representative of Centrum NS, manager of Manufaktura Luxembourg Sarl (Appointed in December 2008);
- Co-manager of Alexa Holding GmbH, Alexa Shopping Centre GmbH, Alexanderplatz Voltairestrasse GmbH, Centrum NS Sarl, Einkaufzsentrum am Alex GmbH, Guttenbergstrasse BAB5 GmbH,
- HBF Königswall, Loop 5 Shopping Centre, SCI Les Deux Lions, SCI Palais des Marchands and SCI Ruban Bleu Saint-Nazaire.

Outside the group
- Vice-Chairman of the Supervisory Board of Les Nouveaux Constructeurs SA (listed company).

Offices and positions held in the past five years (not including the offices and positions listed above):
Within the Euris group
- Chairman of the Board of Directors of Marigny Belfort SA;
- President of Mermoz Kléber SAS;
- Chief Executive Officer of Foncière Euris SA;
- Manager of Parande SAS;
- Permanent representative of Foncière Euris, Chairman of Marigny Belfort SAS, Marigny Elysées SAS, Marigny Expansion SAS, Marigny Foncière SAS, Matignon Abbeville SAS, Matignon Bail SAS and Matignon Corbeil Centre SAS;
- Permanent representative of Matignon Diderot to the Board of Directors of Euris;
- Representative of Foncière Euris, Chairman of Marigny Participations SAS, Marigny Valbréon SAS, Marigny Tours SAS, Les Moulins à Vent SAS and Marigny-Concorde SAS;
- Manager of Centrum Development, Centrum Gdynia, Centrum Wroclaw, Centrum Poznan, SCI Le Parc Alfred Daney, SCI Caserne de Bonne, SCI Les Halles de Bord de Loire, SCI Le Parc Agen Boe, SCI Apsys Robert de Flers, SCI Le Parc Soyaux, SCI Parc de la Marne, SCI Les Halles Neyrpic, SCI L'Amphithéâtre, SCI Cité Villette, SCI Les Rives de l'Orne and SCI Moulins Place d'Allier;
- Representative of Foncière Euris, manager of SCI Hôtel d'Arc 1800 and SCI Pont de Grenelle;
- Representative of Foncière Euris to the Board of Directors of Casino, Guichard-Perrachon SA (a listed company);
- Representative of Matignon Abbeville SAS, President of Mat-Bel 2;
- Representative of Foncière Euris, Manager of SCI Sofaret, SCI Les Herbiers and SNC Alta Marigny Carré de Soie;
- Representative of Marigny Elysées, Co-manager of SCCV des Jardins de Seine 1, SCCV des Jardins de Seine 2 and SNC Centre Commercial du Grand Argenteuil;
- Representative of Marigny Foncière, Co-manager of SNC Centre Commercial Porte de Châtillon and Manager of SCI Pont de Grenelle;
- Representative of Matignon Abbeville, Co-manager of Centrum K Sarl, Centrum J Sarl and Centrum Z Sarl and Centrum NS;
- Representative of Marigny-Foncière, Co-Manager of SCI Palais des Marchands;
- Representative of Marigny Valbréon, Co-Manager of Société d'Aménagement Valbréon SNC.

Outside the group

- Permanent representative of Foncière Euris to the Boards of Directors of Marignan Consultants and Apsys International.

Number of Rallye shares held: 4,180

I Gilbert Torelli

Director
First appointed to the Board of Directors: June 13, 2000
Date of birth: August 21, 1936. Age: 73.

Biography
Gilbert Torelli has spent his entire career at Moulinex, where he was successively in charge of sales, marketing, and distribution in France and abroad. He was Chief Executive Officer from 1990 to 1993 and Chairman of the Supervisory Board from 1994 to 1998.

Other offices and positions held in 2009 and continuing at March 31, 2010:
None.

Offices and positions held in the past five years (not including the offices and positions listed above):
None.

Number of Rallye shares held: 250.

CENSOR

I Jean Levy

Director
First appointed to the Board of Directors: June 23, 1994
Date of birth: November 09, 1932. Age: 77.

Biography
After graduating in economics from the Institut d'Études Politiques de Paris and in international economics from Yale, Jean Lévy spent most of his career at L'Oréal (1960–1987), where he was Vice-President for consumer products. He then joined Sanofi, where he was a member of the management committee from 1987 to 1992. Since 1991, as an independent counselor and company Director, he has held the offices of Chairman of AFCOHT (the French Association of Duty Free Commerce). He is an honorary member of Conseillers du Commerce Extérieur de la France.

Other offices and positions held in 2009 and continuing at March 31, 2010:

- Director of Interparfums Inc, Interparfums France, Price-Minister SA and Axcess SA;
- Director of Mont-Blanc SAS.

Offices and positions held in the past five years (not including the offices and positions listed above):

- Chairman of the Board of Directors of Histoire d'Or SA and Financière d'Or SA;
- President of the Institut du Libre Service;
- Director of Zannier SA, Opthtalmic;
- Director of Escada Beauté Groupe (Germany);
- Director of Vivactis SAS.

Number of Rallye shares held: 1

There are no family ties between the members of the Board of Directors. In compliance with the new provisions of the General Regulation of the Autorité des Marchés Financiers, which results from the transposition of the EU Prospectus Directive, it is stated that, to the Company's knowledge, none of the members of the Board of Directors have been found guilty of fraud or associated with bankruptcy, receivership or liquidation in the past five years. Furthermore, no judgment or official public sanction has been expressed against them by any statutory or regulatory authority, and no court of law has prevented them from acting as members of an administrative, managing or control body of a listed company, nor from taking part in the management or supervision of a listed company's affairs.

EXECUTIVE MANAGEMENT

The duties of Chairman of the Board of Directors and of Chief Executive Officer are unified under a joint office carried out by Jean-Charles Naouri.
At the end of the Ordinary Shareholders' Meeting of May 19, 2010, the Board of Directors will be asked to hand down a decision regarding the renewal of the offices of Chairman and CEO.
The CEO is vested with full powers to act in all circumstances on behalf of the Company. He exercises these powers within the limits of the Company's stated purpose, and subject to those powers that the law expressly grants to Shareholders' Meetings and to the Board of Directors. He acts on the Company's behalf in third-party relations.
However, in conformity with the internal rules of procedure, any decision likely to affect the Group's overall strategy must be previously authorized by the Board of Directors.
Catherine Soubie and Didier Carlier, who are both salaried employees, are Deputy Managing Directors.

MANAGEMENT REPORT
Corporate Governance

COMPENSATION RECEIVED BY EXECUTIVES AND CORPORATE OFFICERS

Remuneration paid to executives and corporate officers by Rallye, by all companies controlled by Rallye, and by the companies that control Rallye, is as follows:
The method and the amount of executives' fixed and variable remuneration are determined by the Board of Directors on the basis of recommendations made by the Appointments and Compensation Committee. The Board of Directors also determines the number and the issue price of company stock options, as well as the number of bonus shares that may be allocated to them.

I Compensation received by the Chairman and Chief Executive Officer

As in 2008, Jean-Charles Naouri received no remuneration or benefits from the Company, other than €10,000 in director's fees.
Jean-Charles Naouri is not part of any supplementary pension scheme and will not benefit from any premium on terminating his office. He has not been given any stock options, bonus shares in Rallye, or in the companies controlled by Rallye, or in the companies that control Rallye.
Director's fees and compensation and benefits of all kinds paid by to the Chairman and Chief Executive Officer by Rallye and the companies it controls and by the companies that control Rallye, are as follows:

	2008	2009
Compensation paid for the fiscal year	€2,530,600 (1)	€2,298,333 (2)
Valuation of options granted during the fiscal year	N/A	N/A
Valuation of bonus shares granted during the fiscal year	N/A	N/A
TOTAL	**€2,530,600**	**€2,298,333**

(1) Compensation and/or director's fees and/or benefits of all kind paid by Casino, Guichard-Perrachon (€1,348,100), Rallye (€10,000), Finatis (€2,500) and Euris (€1,170,000).
(2) Compensation and/or director's fees and/or benefits of all kind paid by Casino, Guichard-Perrachon (€945,833), Rallye (€10,000), Finatis (€2,500) and Euris (€1,340,000).

I Compensation received by the Deputy Managing Directors

The aggregate compensation received by the Deputy Managing Directors, who both salaried employees and Board Members, comprises a fixed part and a performance-based part dependent on the extent to which they contributed to meeting the year's targets and implementing and managing the financial operations of the Company and its subsidiaries.

Catherine Soubie

(In €)	2008		2009	
	Amounts due (3)	Amounts paid (4)	Amounts due (3)	Amounts paid (4)
Fixed compensation (1)	350,000	350,000	367,500	367,500
Variable compensation (1) (2)	367,500	350,000	393,448	367,500
Exceptional compensation				
Rallye Director's fees	10,000	10,000	10,000	10,000
Benefits in kind				
TOTAL	**727,500**	**710,000**	**770,948**	**745,000**

(1) Gross compensation before taxes.
(2) The basis for the determination of the variable compensation in 2009 is detailed in the Chairman's Report, page 44.
(3) Compensation granted in respect of 2009, irrespective of the payment date.
(4) Total remuneration paid by the Company during 2009.

Catherine Soubie received no remuneration from the controlled companies or the companies in control of Rallye, other than €51,816 in director's fees.

Catherine Soubie is permanent representative of Euris, a director and the parent company of Rallye. In 2009, Euris received from the companies it controls consulting and assistance fees as well as director's fees of €3,942,465 net of tax, of which €1,642,270 net of tax were received from Rallye.

Didier Carlier

(In €)	2008		2009	
	Amounts due [4]	Amounts paid [5]	Amounts due [4]	Amounts paid [5]
Fixed compensation [1]	310,000	310,000	335,000	335,000
Variable compensation [1] [2]	113,500	105,200	163,448	113,500
Exceptional compensation			200,000	
Rallye Director's fees	8,800	8,800	10,000	10,000
Benefits in kind				
TOTAL	**432,300**	**424,000**	**708,448**	**458,500**

(1) Gross compensation before taxes.
(2) The basis for the determination of the variable compensation in 2009 is detailed in the Chairman's Report, page 44.
(3) Exceptional compensation granted in respect of the major contribution to debt refinancing, and bank loans and credit lines renewal, in a sever financial crisis environment.
(4) Compensation granted in respect of 2009, irrespective of the payment date.
(5) Total remuneration paid by the Company during 2009.

Didier Carlier received no remuneration from the controlled companies or the companies in control of Rallye, other than €45,500 in director's fees.
Didier Carlier is also permanent representative of Foncière Euris, a director of Rallye. Foncière Euris did not receive any fees or director's fees from companies it controls or that control it.

Compensation received by other corporate officers

The Shareholders' Meeting, held on June 8, 2005, set the total amount of director's fees allocated to members of the Board of Directors and Committees at a maximum of €290,000. On the basis of recommendations from the Appointments and Compensation Committee, the rules governing the distribution of director's fees and the remuneration received by the Censor were set by the Board of Directors and are detailed in the Chairman's report.
The total amount of directors' fees and remuneration paid out in June 2009 for the previous year to Directors, to the Censor, and to members of the specialized committees totaled €272,143, as against €270,400 and €280,400 the years before.
The Ordinary Shareholders' Meeting of May 19, 2010 will propose to raise the maximum total amount of director's fees paid to Directors and members of committees up to €300,000.
The total amount of remuneration and director's fees paid out to company officers, other than the Chairman and CEO and the Deputy Managing Directors, by the Company, the companies it controls or the companies in control of Rallye, is as follows:

(In €)	Director's fees and compensation paid			
	2008		2009	
	Director's fees	Other compensation [1]	Director's fees	Other compensation [1]
Jean Chodron de Courcel	20,000		20,000	
André Crestey	50,000 [2]	87,325	50,000 [2]	83,000
Jacques Dermagne	40,000		40,000	
Jacques Dumas	20,000	585,861	20,000	674,835
Pierre Feraud	8,800	559,188	9,000	548,668 [3]
Jean-Marie Grisard	8,800	380,602 [4]	10,000	25,698
Jean Levy	30,000		27,714	
Didier Lévêque		338,277	10,000	481,095
Christian Paillot	30,000		30,000	
Gilbert Torelli	30,000		25,429	

(1) Director's fees and/or compensation and benefits of all kinds paid by the companies controlled by Rallye or in control of Rallye.
(2) An additional Director's fee of €20,000 was paid to André Crestey in connection with his office as Vice-Chairman of Rallye.
(3) Not including a €104,804 retirement payment.
(4) Jean-Marie Grisard also received a €241,874 retirement payment in 2008 net of tax and €97,500 net of tax in consulting fees paid to the company Frégatinvest of which he is the manager. In 2009, he received €130,000 net of tax in fees.

MANAGEMENT REPORT
Corporate Governance

STOCK OPTIONS AND BONUS SHARES GRANTED TO CORPORATE OFFICERS AND OPTIONS EXERCISED

In 2009, stock options granted to corporate officers by the Company were as follows:

Officer	Grant date	Exercise date	Maturity date	Number of options granted	Exercise price
Didier Carlier	04/27/2009	10/27/2011	10/26/2014	37,037	€14.24
Jacques Dumas	04/27/2009	10/27/2011	10/26/2014	11,111	€14.24
Didier Lévêque	04/27/2009	10/27/2011	10/26/2014	37,037	€14.24
Catherine Soubie	04/27/2009	10/27/2011	10/26/2014	66,667	€14.24

In 2009, stock options granted to corporate officers by controlled companies were as follows:

By Groupe Go Sport

Officer	Grant date	Exercise date	Maturity date	Number of options granted	Exercise price
Didier Carlier	05/18/2009	11/17/2011	11/17/2014	3,000	€9.87
Jacques Dumas	05/18/2009	11/17/2011	11/17/2014	3,000	€9.87
Catherine Soubie	05/18/2009	11/17/2011	11/17/2014	3,000	€9.87

In 2009, bonus shares allocated to corporate officers by the Company were as follows:

Officer	Grant date	Vesting date	Date from which the acquired shares can be sold	Number of shares granted	Value per share
Didier Carlier	04/27/2009	10/27/2011	10/27/2013	9,259 (1)	€14.24
Jacques Dumas	04/27/2009	10/27/2011	10/27/2013	2,778 (1)	€14.24
Didier Lévêque	04/27/2009	10/27/2011	10/27/2013	9,259 (1)	€14.24
Catherine Soubie	04/27/2009	10/27/2011	10/27/2013	16,667 (1)	€14.24

(1) The vesting of bonus shares granted to the beneficiaries is subject to a requirement that the beneficiary should still be working for the Company at the vesting date.

In 2009, bonus shares allocated to corporate officers by controlled companies were as follows:

By Casino, Guichard-Perrachon

Officer	Grant date	Vesting date	Date from which the acquired shares can be sold	Number of shares granted	Value per share
Jacques Dumas	04/08/2009	10/08/2011	10/08/2013	8,000(1)	€49.47

(1) The vesting of bonus shares granted to the beneficiaries is subject to a requirement that the beneficiary should still be working for the Company at the vesting date as well as company performance assessed over two years by the change in organic revenue growth (on a same-store basis) of the French business entities that are fully or proportionately consolidated, including Franprix-Leader Price and Monoprix but excluding Vindémia.

In 2009, the corporate officers did not exercise any stock options.

In 2009, bonus shares allocated to corporate officers by the Company vested as follows:

Officer	Grant date	Vesting date	Number of bonus shares originally granted	Number of bonus shares vested (1)	Date from which the acquired shares can be sold
Didier Carlier	06/07/2006	06/07/2009	2,188	1,896	06/7/2011
Jacques Dumas	06/07/2006	06/07/2009	656	569	06/7/2011
Pierre Feraud	06/07/2006	06/07/2009	1,563	1,355	06/7/2011
Jean-Marie Grisard	06/07/2006	06/07/2009	2,188	1,896	06/7/2011
Didier Lévêque	06/07/2006	06/07/2009	2,188	1,896	06/7/2011
Catherine Soubie	06/07/2006	06/07/2009	3,938	3,413	06/7/2011

(1) The vesting of bonus shares granted to the beneficiaries was subject to company performance criteria, which are evaluated on an annual basis. The criterion set by the Board of Directors is that of the cover ratio of net debt owed by the Rallye holding company's scope to restated assets.

In 2009, bonus shares allocated to corporate officers by controlled companies vested as follows:

By Casino, Guichard-Perrachon

Officer	Grant date	Vesting date	Number of bonus shares originally granted	Number of bonus shares vested (1)	Date from which the acquired shares can be sold
Jacques Dumas	04/13/2006	04/13/2009	1,600	891	04/13/2011

(1) The vesting of bonus shares granted to the beneficiaries was subject to company performance criteria, which are evaluated on an annual basis. The criterion set by the Board of Directors was organic growth in same-store sales of the fully or proportionately consolidated French businesses except for Monoprix and Vindémia.

MANAGEMENT REPORT
Corporate Governance

CONFLICTS OF INTEREST IN THE CORPORATE BODIES AND EXECUTIVE MANAGEMENT REGULATED AGREEMENTS

As part of the day-to-day management of the Group, the Company is involved in normal business relationships with all its subsidiaries. It also benefits from consultancy services provided by Euris, the parent company majority-owned by Jean-Charles Naouri, with which a strategic consultancy agreement was signed in 2003 (see page 192).
Jean-Charles Naouri, Didier Carlier, André Crestey, Jacques Dumas, Pierre Feraud, Jean-Marie Grisard, Didier Lévêque and Catherine Soubie, Directors or permanent representatives of Rallye and Euris group companies have management functions and/or are members of the corporate bodies of companies within the Rallye and Euris groups and receive the corresponding compensation and/or director's fees.
These relationships aside, there are no conflicts of interest between duties to the Company of the members of the Board of Directors and general management and their private interests.
The duties of the Audit and Appointments and Compensation Committee prevent conflicts of interest from arising and ensure that the majority shareholder does not abuse his control.
The Company has granted no loans or guarantees benefiting members of the Board of Directors.

AUDITORS

In compliance with legal requirements, Rallye appoints two statutory and two deputy auditors.

I Statutory auditors

• KPMG
Signing partner: Catherine Chassaing (since 2004).
First appointed: June 29, 1993.
Last mandate expires: at the end of the Shareholders' Meeting in respect of 2013.

• ERNST AND YOUNG ET AL.
Signing partner: Henri-Pierre Navas (since 2004).
First appointed: June 1, 1999.
Last mandate expires: at the end of the Shareholders' Meeting in respect of 2011.

I Deputy auditors

• Patrick-Hubert Petit
KPMG deputy auditor.
First appointed: June 06, 2001.
Last mandate expires: at the end of the Shareholders' Meeting in respect of 2013.

• Philippe Peuch-Lestrade
ERNST AND YOUNG ET AL. deputy auditor
First appointed: June 9, 2004.
Last mandate expires: at the end of the Shareholders' Meeting in respect of 2011.

One or other of the same audit firms are auditors to the Company's main subsidiaries.

I Turnover of the annual reports signatories

In conformity with the French Financial Security Law of August 1st, 2003, Catherine Chassaing and Henri-Pierre Navas, signing partners representing respectively KPMG and Ernst & Young, will cease their mission of accounts legal control at the end of the Ordinary Shareholder's Meeting in respect of 2009.

FEES PAID TO AUDIT FIRMS AND THEIR NETWORKS BY THE GROUP IN 2008 AND 2009

(In euros)	Ernst & Young				KPMG			
	Amount		%		Amount		%	
	2009	2008	2009	2008	2009	2008	2009	2008
Audit								
Auditing, signing off, examination of company and consolidated accounts								
Issuer	210,201	165,273	4	3	207,679	182,050	14	17
Fully consolidated subsidiaries	4,689,856	4,855,821	91	88	733,199	816,225	49	78
Additional assignments								
Issuer								
Fully consolidated subsidiaries	219,425	439,574	4	8	27,100	15,500	2	1
Sub-total	**5,119,482**	**5,460,668**	**99**	**99**	**967,979**	**1,013,775**	**64**	**96**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax, corporate	21,942	16,320			533,000	25,890	36	3
Other (give details if more than 10% of audit fees)	47,500	49,160	1	1		11,693		1
Sub-total	**69,442**	**65,480**	**1**	**1**	**533,000**	**37,583**	**36**	**4**
TOTAL	**5,188,924**	**5,526,148**	**100**	**100**	**1,500,979**	**1,051,358**	**100**	**100**

CHAIRMAN'S REPORT
of the board of directors

In accordance with the provisions of Article L 225-37 of the French Commercial Code, the present report has been prepared by the Chairman of the Board of Directors.
This report is intended to present corporate governance as applied by the Board of Directors and by the Executive Management, and to describe the Company's internal control and risk management procedures.
This report is attached to the management report prepared by the Board of Directors describing the activities of the Company and its subsidiaries during the year ending December 31, 2009. It is made available to the shareholders before the Annual General Meeting.
By virtue of Article L 225-235 of the French Commercial Code, the Statutory Auditors have prepared a report on the internal control procedures concerning the preparation and processing of accounting and financial information, as well as a statement on the preparation of other necessary information.

I - CODE OF CORPORATE GOVERNANCE

As part of the company's good governance process, the board of directors confirmed that the company uses the AFEP/MEDEF Code of Corporate Governance, especially for writing this report.
The code is available for consultation on the Company's website: www.rallye.fr

II - BOARD OF DIRECTORS

I Composition of the Board of Directors

A list of the members making up the Board of Directors is presented on page 28.

I Preparation and organization of the Board of Directors' work

The requirements governing the preparation and organization of the work of the Board of Directors are defined by law, as well as by the Company by-laws, the Board's rules of procedure, and those of the specialized committees it includes.

Organization and operation of the Board of Directors

The joint office of Chairman of the Board and Chief Executive Officer is held by Jean-Charles NAOURI.
The organization and operation of the Board of Directors are governed by rules of procedure as adopted in April 2003 and amended by the Board of Directors' meetings of April 21, 2005 and March 21, 2007. The by-laws bring together and specify the various rules which apply to the Company, whether by law, or by the Company rules and by-laws. They also include principles of 'corporate governance' and prescribe their implementation.
The rules of procedure describe the modus operandi, as well as the powers and attributions of the Board of Directors and of its specialized committees, namely the audit committee and the appointment and compensation committee.
The rules of procedure set out the rules of ethics applicable to members of the Board of Directors, in particular the obligations of confidentiality under Article L 465-1 of the French Monetary and Financial Code and by Articles 621-1 et seq. of the regulations of the French Financial Markets Authority (AMF) relative to insider trading, as well as the abstention obligation concerning all transactions with the Company's shares during the fifteen-day period preceding the publication of the Company's annual and interim financial statements.
They also mention the registration of directors on the list of permanent insiders drawn up by the Company as part of the regulatory provisions intended to better preventing insider trading and breaches.
The rules of procedure also include provisions governing declarations that officers, their equivalent and individuals having close personal ties to them must make regarding their transactions in Company shares.
The rules of procedure set out the principle of formal and regular assessments of the Board of Directors' operations.
They also spell out the terms and conditions for its meetings and deliberations and allow directors to attend Board meetings by videoconference or telecommunication.
The office of Censor was created in 2002 to encourage qualified individuals to become members of the Board of Directors. The Censor attends Board meetings, expresses his observations and opinions and takes part in the proceedings, with consultative powers.

Missions and powers of the Board of Directors and the Chairman and CEO

- In accordance with the provisions of Article L 225-35 of the Commercial Code, the Board of Directors lays down guidelines for the Company's business and ensures that these guidelines are implemented. Subject to the powers expressly attributed to the Shareholders' Meetings, and within the limits of the Company's purpose of business, the Board of Directors deals with all issues that concern the Company's operations. Through its proceedings, it resolves the issues confronting the Company. It also carries out all the verifications it deems necessary.
- The Board of Directors reviews and closes the consolidated financial statements and the parent company financial statements, both annual and interim. It presents reports on the activities and performance of the Company and its subsidiaries. It reviews the Company's management forecasts. It determines the amount of senior executive compensation, and decides whether to grant share purchase or subscription options and bonus shares.
- The Chairman of the Board of Directors organizes and manages the work of the Board of Directors. He convenes the meetings of the Board of Directors and is in charge of setting the agenda and producing the minutes of these meetings. He ensures that the Company's management bodies are functioning and, in particular, that the directors are in a position to fulfill their mission.

- The Chief Executive Officer, in accordance with Article L 225-56 of the Commercial Code, has the broadest powers to act on behalf of the Company in every circumstance. He exercises these powers within the limits of the Company's purpose of business and subject to the powers expressly attributed by law to the Shareholders' Meetings and to the Board of Directors. He represents the Company with respect to third parties.
- However, in application of the rules of procedure, any transaction liable to have an impact on the group's strategy, financial structure, or business must be previously approved by the Board of Directors.

Independence of the Directors

As part of its mission, the Appointments and Compensation Committee is in charge of monitoring the situation of each of the Directors in light of the relationship that may exist, if applicable, with the Company or companies in the Group, which might compromise a director's free judgment or lead to potential conflicts of interest with the Company.
Therefore, each year the Committee carries out an annual inspection of the makeup of the Board of Directors, and, in particular, of the independence of the Directors in light of the assessment criteria laid down by the AFEP and MEDEF code of corporate governance.

Board activities over the past year

In 2009, the Board of Directors met seven times. The attendance rate was 99%.

Approval of the financial statements – the business of the Company and its subsidiaries
The Board of Directors examined the statements for the year ended December 31, 2008, and the final statements for the first half of 2009, as well as the management forecasts. It also established the reports and the text of the resolutions brought to the Ordinary and Extraordinary General Meeting held on June 3, 2009.
The Board took note of the Group's activity for each quarter, its number of employees, level of debt, and available sources of funds.
The Board of Directors approved different operations subject to its authorization. This included, in particular, the provision of guarantees on behalf of the Company's subsidiaries when financial or real estate operations were being carried out. It also looked into lines of credit set up by the Company and its subsidiaries. It authorized the issue of two new bond features.
The Board also took stock of financial asset disposals made by the group.
The Board of Directors also decided to pay out an interim dividend in October 2009.

Compensation
After consulting with the Appointments and Compensation Committee, the Board of Directors set variable 2008 remuneration, fixed 2009 remuneration and the terms for determining variable 2009 remuneration for both Deputy Managing Directors, specifying that the Chairman and Chief Executive Officer does not receive any fixed or variable remuneration.
It also examined the Directors' and Censor's fees, as well as the remuneration paid to the members of the board committees. It decided on the issuance of stock options and bonus shares, to executives and employees of the Group and its affiliates.

Corporate governance
The Board of Directors examined its situation with regard to the principles of corporate governance: composition and organization of the board of directors and board committees, and independence of the directors.
The Board of Directors learned about the evaluation of its organization and function, whose conclusions are presented below, page 45.
The Board decided to put forward the appointment of an independent board member to the Ordinary General Meeting. It also decided to appoint a new member of the audit committee.
The Board of Directors was informed of all of the work of the Committees, as described below.

Board Committees
The Board of Directors is assisted by two specialized committees founded in 2000: the Audit Committee and the Appointments and Compensation Committee.
The Board of Directors appointed the members of the Committees and defined the committees' powers and rules of operation.

The Audit Committee

Composition
The Audit Committee has three members, two of whom are independent, André CRESTEY, Chairman, Philippe CHARRIER and Christian PAILLOT, who have been appointed for the duration of their terms as directors.

Missions
The Audit Committee's mission is helping the Board of Directors in its task of reviewing and closing the annual and interim financial statements. It also assists the Board whenever an event occurs that is likely to have a significant impact on the situation of the Company or its subsidiaries in terms of commitments and/or risk. It provides assistance on issues relating to compliance with the legal and regulatory framework and on the major disputes underway.
The rules governing the organization and operation of the Audit Committee, as well as the Committee's powers and missions, have been defined by the Board of Directors and are included in the rules of procedure of the Board. They were detailed and completed in a charter adopted in April 2004.

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Activities in 2009
The Audit Committee met twice in 2009, with all members in attendance at each meeting.
When the interim and annual financial statements were closed, the Audit Committee verified the closing process and took note of the comments and conclusions of the statutory auditors concerning consolidation procedures and the Company's accounts.
The Committee also reviewed off-balance-sheet commitments, risks and accounting decisions on provisions as well as the relevant changes in the legal and accounting framework.
The Committee reviewed prevention documents and the Chairman's report on internal control procedures in force within the Company.
The Chairman of the Audit Committee reported back to the Board on work done at each of these meetings.

The Appointments and Compensation Committee

Composition
The Appointments and Compensation Committee has three members, two of whom are independent: Jacques DERMAGNE, Chairman, Jacques DUMAS and Gilbert TORELLI, who have been appointed for the duration of their terms as directors.
The Chairman and CEO is entitled to attend the committee's meetings as a non-voting member, to present his proposals notably concerning senior executive compensation and stock option and bonus shares allocations.

Missions
The Appointments and Compensation Committee is notably in charge of helping the Board of Directors review applications for senior management positions, select new directors, define and check executive compensation and stock subscription or purchase option and bonus share policies. If necessary, it reviews benefits and other forms of compensation for executives.
The Appointments and Compensation Committee has drafted a charter, adopted in 2004, confirming its powers and missions, as regards verifying that the corporate governance principles and the code of ethics, notably in the Board of Directors' rules of procedure, are respected and applied.

Activities in 2009
The Appointments and Compensation Committee was convened four times in 2009, with an attendance rate of 100%.
The Appointments and Compensation Committee focused its recommendations on the proposed renewal of the term of office of the Chairman and Chief Executive Officer, the Vice-Chairman, the Directors and the Censor, as well as the composition of the board committees.
The Committee examined the independence of the members of the Board in light of the recommendations included in the AFEP and MEDEF corporate governance report.
The Committee issued a favorable opinion on the methods for setting the fixed 2009 and variable 2008 remuneration of the Deputy Managing Directors.
It also looked at the methods for determining the Deputy Managing Directors' variable 2009 remuneration.
The Committee examined the executive management's proposal on the issuance of stock options and bonus shares to executives and employees of the Company and of related companies, as well as the directors' fees to be allocated to Members of the Board, the Censor, and to the members of the board committees.
The Committee Chairman reported to the Board of Directors on the work of the Appointments and Compensation Committee.

Principles and rules determining compensation and benefits granted to corporate officers.

The means and the amount of officers' compensation are determined by the Board of Directors on the basis of recommendations made by the Appointments and Compensation Committee.
The Board of Directors determines the compensation of the two Deputy Managing Directors; the Chairman and CEO does not receive compensation from the Company.
The compensation paid to the two Deputy Managing Directors includes both a fixed and variable portion. The basis for their determination is decided on each year by the Board of Directors, after consulting with the Appointments and Compensation Committee, and if necessary, after examining studies carried out by external consultants.
Variable remuneration is based on quantitative group goals, qualitative individual goals and on a general evaluation of managerial attitudes and behavior.
The quantitative group objectives are evaluated according to criteria that correspond to significant group activity indicators: sales, debt and financial expenses evolution.
The Board of Directors, after consulting with the Appointments and Compensation Committee, sets the rules for the distribution of director's fees to be paid to Directors and to the Censor as well as compensation to be paid to the members of board committees, as follows:

- Director's fees include a flat fee of €4,000 and a variable payment of €16,000 based on attendance at Board Meetings, noting that director's fees for directors, senior managers, and those in charge of the Group have been reduced by half and that the variable payment foregone by absent directors is not re-allocated;
- The Vice-Chairman receives an additional flat fee of €20,000;
- Additional Director's fees are paid to committee members, at a flat fee of €10,000. The fee is double this amount for each committee chairman.

Information given to the Directors

In compliance with Article L. 225-35 of the French Commercial Code, the Chairman and Chief Executive Officer provides each member of the Board with all of the documents and information necessary for the accomplishment of his mission.

Therefore, all the necessary information pertaining to the issues to be examined by the Board is provided to the members prior to each Board meeting. Each member receives an information file containing all the documents and information pertaining to the subjects inscribed on the agenda for the meeting.
The Board of Directors is also informed by Executive Management once every quarter of the state of business for the Company and its main subsidiaries. The information includes sales, income trends, debt and the position of credit lines that the Company and its main subsidiaries can draw on, as well as a summary table of the workforce employed by the Company and its main subsidiaries.
Once every six months, the Board of Directors also reviews the Group's off-balance-sheet commitments.

Assessment of the conditions in which the Board of Directors operates

Pursuant to the code of corporate governance, the rules of procedure provide for an annual discussion and a regular evaluation of the operation of the Board of Directors, to be performed by the Appointments and Compensation Committee, with the help, if necessary, of an external consultant.
A new evaluation of the organization and operation of the Board of Directors was implemented at the end of 2008, through a questionnaire sent to each director.
The evaluations and observations made by the members of the Board of Directors indicate that the organization and operation of the Board is entirely satisfactory with respect to the ethics and principles of corporate governance.
The Directors have expressed the desire to appoint an additional independent director and an additional member of the Audit Committee, and for an additional Board meeting to be held at year-end.

III - PARTICIPATION IN SHAREHOLDERS' MEETINGS

Information concerning the terms of shareholders' participation in Shareholders' Meetings is detailed in Articles 25, 27, and 28 of the corporate by-laws (see page 183). This information is repeated in the official convening notice which the Company publishes prior to each Shareholders' meeting.

IV - ISSUES WHICH MAY HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

The Company's capital structure and any direct or indirect interests in the Company's capital structure of which it is aware by virtue of Articles L 233-7 and L 233-12 of the French Commercial Code are described beginning on page 21 et seq.
There are no statutory restrictions to the exercise of the voting rights and transfers of shares, nor are there any agreements of which the Company is aware under Article L 233-11 providing for preferential terms of sale or acquisition of shares, nor are there, to the Company's knowledge, any agreements between shareholders which might restrict the transfer of shares or the exercise of voting rights.
The Company has not issued any shares with extraordinary control rights attached, and there is no control mechanism provided for in any employee share plan, when the latter does not exercise its control rights.
The rules which apply to the appointment and replacement of the members of the Board of Directors, as well as to the modification of Company by-laws are described beginning on pages 180 et seq.
The powers of the Board of Directors are described on pages 42 and 181. With respect to the issue of shares, the delegations conferred to the Board of Directors are indicated on page 186, and as regards the repurchase of shares, the powers of the Board of Directors are described on page 23.
Any agreements entered into by the Company which are modified or come to an end in the event of a change in the control of the Company are mentioned on pages 199 et seq.
In addition, there are no agreements providing for compensation of the members of the Board of Directors or of employees should they resign or be dismissed without just cause or if their position is made redundant as a result of a public offer.

V - INTERNAL CONTROL PROCEDURES SET IN PLACE BY RALLYE

The information below was obtained from all those responsible for implementing Rallye's internal control procedures. Based on this information validated by Executive management, a factual description of the control environment and procedures is given.

I Definition and objectives of internal control procedures

Framework

Rallye uses the internationally-recognized definition of "COSO" (1) that is compatible with AFEP's and MEDEF's definition (2): internal control is implemented by an organization's board of directors, executives and staff, and it aims to provide reasonable assurance that the following goals will be met:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting;
- Compliance with applicable laws and regulations.

The internal control procedures applied by the Group are thus designed:

(1) Committee Of Sponsoring Organizations of the Treadway Commission.
(2) Recommendations of the French Association for Private Enterprise (Association française des entreprises privées, AFEP) and of MEDEF, the French Confederation of Business Enterprises (Mouvement des entreprises de France), dated December 17, 2003 and entitled, "The application of the provisions of the Law on financial security governing the internal control procedures set in place by the Company".

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- on the one hand, to ensure that the Company's affairs are conducted in accordance with applicable laws and regulations, internal policies, corporate values, standards and rules, and the strategy and objectives set forth by senior management;
- on the other hand, to ensure that the accounting, financial and management information reported to the governance bodies provides a true image of the operations and position of the Company and Group.

The main objective of the internal control system is to identify, prevent and manage risks resulting from the Company's operations and especially the risks of errors or fraud in accounting and financial information, in order to ensure the effectiveness and efficiency of the entity and the high quality of its accounting system and financial reporting.
As is the case with all control systems, however, it can only provide a reasonable assurance, rather than an absolute guarantee, that risks have been eliminated or brought under complete control.

Control environment

The control environment within the Company consists mainly of the corporate governance principles and the Group's organization principles. It has been designed carefully and is applied scrupulously, so that all types of risk can be managed as a whole and so as to provide a reasonable assessment of potential risks of any kind facing the Group.

I Description of control procedures in place

The scope of internal control over accounting and financial information comprises the parent company and the operating subsidiaries included in the Group's consolidated financial statements (the latter use an internal audit department to manage their own internal control).

General organization of internal control

The internal control procedures are part of the general policy framework laid down by the Board of Directors and implemented under the direct responsibility of the Company's management.
The main people involved in managing the internal control system are as follows:

Executive management and the administration and finance department
Rallye's administration and finance department, which reports back to executive management, supervises all of the staff departments: controlling, accounting, cash management and legal affairs.

The Board of Directors and the Audit Committee
Given their missions as defined in the Company by-laws and the rules of procedure, the Board of Directors and the Audit Committee take part in the internal control process by expressing opinions and making recommendations to senior management and through the analyses and investigations that they carry out or commission.

Statutory auditors and independent consultants
The Statutory Auditors give their opinion on the individual and consolidated financial statements, in accordance with the legal and regulatory requirements, on an annual basis. They also examine the Company's interim consolidated financial statements and verify the information given in the interim report. They are consulted regularly regarding the accounting treatment of ongoing operations. As part of their mission, the Statutory Auditors also examine how the internal control procedures are organized and applied in practice. If necessary, they are asked to make recommendations.

Dissemination of information within the Group

The Group ensures that the relevant information is disseminated and provided to those concerned so that they can fulfill their responsibilities, in compliance with Group standards.
With the objective of providing reliable financial information and communication, Rallye strives to ensure that all organization respects certain references as it carries out its functions: consolidated and accounting procedure manual, general accounting plan, code of ethics described in the board of directors' rules of procedure, Audit Committee charter and Appointments and Compensation Committee charter.

Identification and assessment of risks

The Group identifies and assesses the main risks that could hinder the achievement of its objectives. It takes measures to limit the occurrence and effects of such risks, thus promoting a risk control environment.
In the course of its business, the Group is exposed to a range of risks.
These risks and the provisions designed to control them are partially detailed in Note 33 "Financial risk management policies and objectives" to the 2009 consolidated financial statements.
The main risks related to the Group's financial instruments are discussed: interest rate risks, currency exchange risks, credit risks, liquidity risks and security risks.

The operational risks related to business operations, the legal risks and the description of the insurance policies are detailed in the Company's Reference Document in the chapter entitled "Other information – information on Rallye's activity".

Control activities

In order to enhance its control over identified risks, the Group has put in place control procedures for both operational processes and financial information.
Within the Company, internal control procedures are centralized. Because Rallye is a holding company, its procedures are aimed mainly at drafting and processing financial and accounting information to ensure that the consolidated financial statements are reliable and to monitor the subsidiaries.

In the operating subsidiaries:
Each Rallye subsidiary has its own internal audit department whose mission is to assess internal control activities and procedures in order to obtain a reasonable assurance that the subsidiary's own risks are under control.
The Group controls the quality of the information supplied by the subsidiaries, notably by appointing the same person to several executive bodies, but also through the meetings of the Audit Committees and Appointments and Compensation Committees. The committees, together with senior management, receive the support of the staff departments in the subsidiaries.
Information is also verified when Rallye's central controlling department monitors the subsidiaries' information systems. It is also verified at monthly meetings with the operating subsidiaries.
The Company's financial communication and that of its subsidiaries rely increasingly on shared software to generate quantitative data. The security of the subsidiaries' IT systems is taken into account from the design stage and is implemented through constant monitoring.
The Company's legal department performs any specific investigations or examinations that it deems necessary, on the prevention and detection of any legal irregularity or anomaly in Group management. It regularly communicates with the executive management and the administrative and financial management on the state of the main disputes that could affect the subsidiaries and the main possible risks.

At Rallye:

> Monitoring operating risks:

- *Cash, financing and expenditures*
  The cash management team, within the administration and finance department, is in charge of drafting financial forecasts (e.g., financing and investment policy proposals, financing plans and cash budgets), of managing and verifying the group's cash position on a daily basis, and of monitoring the banking terms previously negotiated.
  Company cash must only be invested in instruments whose maturity is in keeping with the planned duration of the investment and must never be invested in speculative or risky instruments.
  Executive management receives weekly reports of cash movements during the week and the positions of the credit lines, along with the respective terms and conditions.
  Permanent financing arrangements can optimize management of the balance sheet and of financial debt, and enhance the Group's financial structure. They must be approved by the Board of Directors if necessary depending on their level of complexity (e.g., bilateral lines, bond issues, structured financing, etc.). Independent consultants validate the legal, technical and accounting aspects of structured financing as necessary.
  All expenditures must follow a formal authorization procedure, so as to facilitate and reinforce the control of Company spending, from financial investments to general administrative expenses. Invoices must be authorized at the appropriate management level before the payment can be made.

- *Market risk monitoring*
  The Company's market risk monitoring policy is described in the Reference Document in the chapter "Other information – Information on Rallye's activity". In light of the priorities it uncovers, managers regularly adapt the corresponding control measures.

- *Investment portfolio*
  Investments and divestments require prior approval to ensure that they comply with the Group's strategy and profitability criteria. Changes in the investment portfolio are reported to executive management on a weekly basis.

- *Payroll and compensation*
  The administration and finance department is in charge of payroll organization and management.
  The legal department regularly monitors changes in legal and social data that may affect payroll management.
  The Appointments and Compensation Committee reviews compensation for senior executives, which is then submitted for approval to the Board of Directors. Compensation for all other employees is validated by executive management.

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of the board of directors

- *IT system security*
  In order to ensure the effectiveness of the internal control procedures, as well as the security and the integrity of all of its data and their processing, as well as its ability to deal with possible major damage to its systems, whether accidental or due to acts of malfeasance, the entire system is secured by the following:
  – a system providing authorization and protected access to the network;
  – sites which are physically secured (through access checks, and fire detection systems, for instance);
  – daily data backups to off-site electronic storage media.

> Producing and processing financial and accounting data:

- *Production of the individual and consolidated financial statements*
  The Group's administration and finance department is responsible for preparing the financial statements. These can be a source of financial risk, particularly as regards the accounting records, the consolidation process, and the recognition of off-balance sheet commitments.
  The accounting department implements a standard internal accounting system in accordance with accounting procedure manuals, using "Agresso" software to produce the parent company financial statements, and "Equilibre" software to produce the consolidated financial statements.
  The accounting department is also in charge of ensuring that the methods employed are consistent, reliable and homogenous and that accounts closing schedules are respected, in line with deadlines set by the Board of Directors and its Committees.
  Each subsidiary has a monthly budget, which is sent to central controlling at Rallye. The monthly statements are analyzed and compared with accounting and consolidated forecasts.
  Consolidation of the financial statements is performed every six months, as a centralized procedure, carried out by the consolidation team on the basis of information provided by the subsidiaries. The team performs an overall review of the Group's financial statements, and prepares a file which includes all the restatements and eliminations made, and documents the checks performed, thereby ensuring traceability.
  In addition, the Consolidation Department is in charge of the update of the consolidation procedures, the inclusion the subsidiaries in the scope of consolidation, the information processing and the maintenance of the consolidation instruments.
  In the course of their mission to give an opinion on the individual and consolidated financial statements, the Statutory Auditors prepare a report intended for the Group shareholders, in which they certify that the financial statements are accurate, truthful, and faithful. For 2009, the Statutory Auditors found no significant weakness or deficiency in the internal control system.
  The Group regularly monitors the off-balance-sheet commitments, which are provided in detail in the Notes to the consolidated financial statements. The list of such commitments linked to current and exceptional operations is included in a report every half-year, to determine whether there is a need to make a provision for risks incurred as a result of such commitments.
  The assets of the holding company, as well as its level of debt, are monitored on a weekly basis. In this process, the value of the holding company's assets, at both market and investment value, is compared to its net financial debt.

- *Controlling*
  This department reports to the Chief Financial Officer.
  The department's mission is to:
  – monitor key business indicators for the Company and its subsidiaries;
  – monitor action plans, control budgets and analyze differences;
  – produce monthly Group management and financial reports for senior management;
  – help prepare the financial statements;
  – elaborate the budget and the three-year plan.

- *Financial communication*
  The financial communication department is in charge of fulfilling the obligations of periodic dissemination of financial information to the market and to stock market regulatory bodies. It communicates the Company's strategy and performance to the financial markets.
  From January 20, 2007, in accordance with Article L 451-1-2 of the French Monetary and Financial Code, which results from the transposition of the so-called EU "Transparency" Directive (Directive 2004/109/EC), Rallye is making a "Regulated Information" section available on its website http://www.rallye.fr/fr/investisseurs/information-reglementee and is transmitting this information electronically to a professional news distributor that fulfills the AMF requirements. In this section, the documents relating to published regulated information from 2007 onwards are published and archived for five years.

STATUTORY AUDITORS' REPORT

prepared in accordance with article L. 225-235 of the French Commercial Code, on the report by Rallye's Chairman of the Board Fiscal year ended December 31, 2009

To the Shareholders,

In our capacity as Statutory Auditors of Rallye, and in accordance with Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2009.
It is incumbent upon the Chairman to draw up and submit to the Board of Directors for their approval a report on the internal control and risk management in place within the Company, and to provide therein other information as required by Article L. 225-37 of the French Commercial Code concerning, in particular, its provisions on corporate governance.
It is our duty to:

- inform you of our observations on the information contained in the Chairman's Report, with respect to the internal control and risk management procedures concerning the preparation and processing of accounting and financial information, and
- attest that this report contains other information required as per Article L. 225-37 of the French Commercial Code, having specified that we are not required to verify the truthfulness of the said other information.

We have performed our task in accordance with the professional guidelines applicable in France.

INFORMATION CONCERNING THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES PERTAINING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION.

Professional guidelines require us to perform procedures to assess the fairness of the information set out in the chairman's report on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information. These procedures consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information supporting the information as set out in the Chairman's report and the existing documentation;
- obtaining an understanding of the work performed to prepare this information and the existing documentation;
- determining whether any significant weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information, which we may have found during our engagement, have been appropriately disclosed in the Chairman's report.

On the basis of these procedures, we have no matters to report in connection with the information on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, contained in the Chairman of the Board's report, prepared in accordance with article L. 225-37 of the French Commercial Code.

OTHER INFORMATION

We certify that the Chairman of the Board's report includes the other information required by Article L. 225-37 of the French Commercial Code.

Paris-La Défense and Neuilly-sur-Seine, April 6, 2010

KPMG AUDIT
Departement of KPMG S.A.
Catherine CHASSAING

ERNST & YOUNG et Autres
Henri-Pierre NAVAS

CONSOLIDATED FINANCIAL STATEMENTS

Rallye

FINANCIAL AND LEGAL INFORMATION 2009

CONSOLIDATED FINANCIAL STATEMENTS

Rallye Group consolidated income statement

(In € millions)	Notes	2009	2008 restated*
CONTINUING OPERATIONS			
Net sales	4	27,478	27,820
Full purchase costs of goods sold	4	(20,247)	(20,485)
Gross margin		**7,231**	**7,335**
Other income	4	354	169
Selling costs	4	(5,228)	(5,161)
General and administrative expenses	4	(1,130)	(1,078)
Current operating income		**1,227**	**1,265**
Other operating income	5	265	73
Other operating expenses	5	(354)	(206)
Operating income		**1,138**	**1,132**
Income from cash and cash equivalents	7	33	62
Cost of net financial debt	7	(540)	(631)
Other financial income	8	122	180
Other financial expenses	8	(105)	(266)
Income before tax		**648**	**477**
Income tax expense	9	(203)	(216)
Income from associated companies	10	3	14
Net income – continuing operations		**448**	**275**
Company owners		79	(83)
Non-controlling interests		369	358
DISCONTINUED OPERATIONS			
Net income – discontinued operations	11	**226**	**1**
Company owners		**22**	**(4)**
Non-controlling interests		204	5
Net income		674	276
Company owners		**101**	**(87)**
Non-controlling interests		**573**	**363**
Consolidated net income per share attributable to company owners (in €)			
Before dilution	12	2.45	(2.06)
After dilution	12	2.44	(2.06)
Net income per share from continuing operations, attributable to company owners (in €)			
Before dilution	12	1.91	(1.97)
After dilution	12	1.90	(1.97)
Net income per share from discontinued operations, attributable to company owners (in €)			
Before dilution	12	0.55	(0.09)
After dilution	12	0.54	(0.09)

** See note 1.6.*

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

(In € millions)	2009	2008 restated*
Net income from the year	**674**	**276**
Translation differences of foreign operations	527	(486)
Actuarial differences on defined benefit plan obligations	(6)	6
Available-for-sale financial assets	(9)	(47)
Effective portion of gains or losses on hedging instruments	0	(14)
Tax on comprehensive income components	(3)	4
Other comprehensive income components net of tax	**508**	**(537)**
Total comprehensive income:	**1,183**	**(261)**
Company owners	**327**	**(343)**
Non-controlling interests	856	82

** See note 1.6.*

The changes that occurred during the 2009 fiscal year are given in note 6.

CONSOLIDATED FINANCIAL STATEMENTS

Financial position statement

ASSETS

(In € millions)	Notes	2009	2008 restated*	January 1, 2008 restated*
Goodwill	13	7,510	7,207	7,230
Intangible assets	14	642	722	570
Property, plant and equipment	15	5,789	5,963	5,786
Investment property	16	1,465	1,304	1,292
Interests in associated companies	18	195	137	279
Non-current financial assets	21	819	915	1,015
Non-current hedging financial assets	32	207	123	66
Deferred tax assets	9	126	131	193
Total non-current assets		**16,753**	**16,502**	**16,431**
Inventories	22	2,730	2,860	2,638
Trade receivables	23	1,517	1,601	1,665
Other assets	24	1,271	1,311	1,243
Current tax credit	9	67	83	47
Other current financial assets	25	259	163	455
Cash and cash equivalents	26	3,308	2,311	2,727
Assets held for sale	27	77	237	2
Total current assets		**9,229**	**8,566**	**8,777**
TOTAL ASSETS		**25,982**	**25,068**	**25,208**

** See note 1.6.*

CONSOLIDATED FINANCIAL STATEMENTS
Financial position statement

LIABILITIES AND SHAREHOLDERS' EQUITY

(In € millions)	Notes	2009	2008 restated*	January 1, 2008 restated*
Share capital		127	127	128
Reserves and net income, Group's share		1,658	1,379	1,812
Equity attributed to company owners		**1,785**	**1,506**	**1,940**
Non-controlling interests		5,173	4,506	4,463
Total shareholders' equity	28	**6,958**	**6,012**	**6,403**
Provisions	29	242	364	309
Non-current financial liabilities	32	8,884	7,457	7,394
Other non-current liabilities	34	194	95	64
Deferred tax liabilities	9	342	397	423
Total non-current liabilities		**9,662**	**8,313**	**8,190**
Provisions	29	223	205	181
Suppliers		4,455	4,699	4,569
Current financial liabilities	32	1,732	2,782	2,914
Tax liability due	9	58	24	124
Other current liabilities	34	2,877	2,906	2,827
Liabilities related to assets held for sale	27	17	127	
Total current liabilities		**9,362**	**10,743**	**10,615**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**25,982**	**25,068**	**25,208**

** See note 1.6.*

CONSOLIDATED FINANCIAL STATEMENTS

Cash flow statement

Cash flows relating to discontinued operations are described in note 11.

(In € millions)	2009	2008 restated*
Net income - Group's share	101	(87)
Minority interests	573	363
Total consolidated net income	**674**	**276**
Allowance for depreciation, amortization and provisions	821	806
Unrealized gains and losses from changes in fair value	(21)	53
Calculated income and expenses relative to stock options and assimilated instruments	19	11
Other calculated income and expenses	59	40
Depreciation, amortization, provisions and other non-cash items	**878**	**910**
Income from asset divestments	(378)	(57)
Income from associated companies	(4)	(13)
Dividends from associated companies	9	16
Cash flow	**1,179**	**1,132**
Cost of net financial debt (changes in fair value and amortization excluded)	490	526
Income tax expense (including deferred tax)	204	210
Cash flow before cost of net financial debt and income tax	**1,873**	**1,868**
Tax paid	(158)	(279)
Change in working capital requirement (1)	286	78
Net cash provided by operating activities (A)	**2,001**	**1,667**
Purchase of property, equipment and intangible assets	(881)	(1,306)
Sale of property, equipment and intangible assets (2)	246	214
Purchase of financial assets	(38)	(70)
Sale of financial assets	163	20
Change in loans and advances granted	(30)	(3)
Impact of changes in scope of consolidation	(482)	(408)
Net cash used in investing activities (B)	**(1,022)**	**(1,553)**
Dividends paid to shareholders of the parent company	(75)	(77)
Dividends paid to minority shareholders of consolidated companies	(192)	(182)
Dividends paid to TSSDI – perpetual super subordinated securities holders	(30)	(71)
Cash decrease/increase in capital	146	121
Cash received on stock options exercise	1	18
Purchase and sale of treasury stock	9	(71)
Purchase and sale of financial securities	20	78
Debt issuance	3,088	2,294
Debt redemption	(2,551)	(1,974)
Net financial interest paid	(487)	(486)
Net cash used in financing transactions (C)	**(71)**	**(350)**
Impact of currency fluctuations (D)	**112**	**(42)**
Change in cash and cash equivalents (A+B+C+D)	**1,020**	**(278)**
Net opening balance	1,872	2,154
Net opening balance of assets held for sale	1,872	2,154
Net opening balance of continuing operations (E)	3	(3)
Reclassification of cash and cash equivalents (F)	2,895	1,872
Net closing balance	(1)	
Net closing balance of continuing operations (G)	2,894	1,872
Change in cash and cash-equivalents (G-E-F)	**1,020**	**(279)**

** See note 1.6.*
(1) Change in the operating working capital requirement
(2) corresponds mainly to the sale of real estate assets in France and Colombia, providing respective amounts of €106 million and €85 million.
(3) Impact of changes in the scope of consolidation

CONSOLIDATED FINANCIAL STATEMENTS
Cash flow statement

(In € millions)	2009	2008 restated*
Merchandise inventories	155	(125)
Real estate inventories	87	(132)
Suppliers	(285)	165
Trade receivables and related accounts	24	134
Receivables from the banking business	62	(67)
Financing of the banking business	(49)	41
Others	**292**	**62**
Change in WCR	**286**	**78**

** See note 1.6.*

(In € millions)	2009	2008 restated*
Super de Boer (1)	316	
Vindémia (change in the scope of consolidation and disposal of production companies)	36	
Finovadis	6	
Easy Holland BV	3	
Miscellaneous	67	
Easydis Service		3
Mercialys		38
CBD (change in percentage)		19
Sale price	**428**	**60**
Gdynia (entry in scope)	(39)	
Dilux and Chalin (entries in scope)	(26)	
Caserne de Bonne (entry in scope)	(47)	
Halles des Bords de Loire (entry in scope)	(13)	
Exito sub-group Carulla put option and change in percentage)	(85)	(12)
GPA (acquisition of Globex Utilidades)	(118)	
GPA (change in scope)	(9)	
GPA (AIG put option on Sendas and call exercise)		(84)
Franprix-Leader Price sub-group (Baud put option)	(429)	
Franprix-Leader Price sub-group (entries in scope)	(75)	(77)
Franprix-Leader Price sub-group (changes in scope)	(8)	(95)
Monoprix sub-group (acquisition of Naturalia)		(32)
Mercialys sub-group		(58)
Cedif, Pavois Distribution		(24)
Super de Boer (formerly Laurus)		(58)
AEW		(11)
Intexa		(7)
Others	(84)	(23)
Purchase price	**(933)**	**(481)**
GPA (acquisition of Globex Utilidades)	10	
GPA (change in scope)	(4)	2
Franprix-Leader Price sub-group	5	12
Casino Limited and EMC Limited	7	
Caserne de Bonne	5	
Super de Boer		(4)
Intexa		2
Others		1
Cash balance of acquired or sold subsidiaries	**23**	**13**
Impact of changes in scope of consolidation	**(482)**	**(408)**

** See note 1.6.*
(1) The sum of €316 million comprises the sale price of all assets and liabilities of Super de Boer for €553 million, less an interim dividend paid to minority shareholders of €237 million.

CONSOLIDATED FINANCIAL STATEMENTS

Statement of changes in consolidated shareholders' equity

(In € millions)	Share capital	Pre-miums	Treasury shares	Net income recognized directly in equit	Reser-ves and consoli-dated net income	Share-holders' equity,	group's share Minority interests	Total share-holders' equity
As at January 1, 2008	128	1,322	(19)	221	290	1,942	4,466	6,408
Change in accounting method					(2)	(2)	(3)	(5)
Balance as at January 1, restated	**128**	**1,322**	**(19)**	**221**	**288**	**1,940**	**4,463**	**6,403**
Income and expenses recognized directly in shareholders' equity [1]					(260)	(260)	(278)	(538)
Consolidated net income for 2008 [2]					(87)	(87)	363	276
Total recognized income and expenses					**(347)**	**(347)**	**85**	**(262)**
Transactions on capital	(1)	(13)				(14)	34	20
Transactions on treasury shares				(6)		(6)	10	4
Dividends paid					(79)	(79)	(185)	(264)
Changes in scope [3]							122	122
Miscellaneous changes					12	12	(23)	(11)
As at December 31, 2008 restated	**127**	**1,309**	**(19)**	**215**	**(126)**	**1,506**	**4,506**	**6,012**
Income and expenses recognized directly in shareholders' equity [1]				226		226	282	508
Consolidated net income for 2009 [2]					101	101	573	674
Total recognized income and expenses					**101**	**327**	**855**	**1,182**
Transactions on capital							167	167
Transactions on treasury shares			7		1	8	3	11
Dividends paid					(75)	(75)	(602)	(677)
Changes in scope [3]							247	247
Miscellaneous changes					19	19	(3)	16
As at December 31, 2009	**127**	**1,309**	**(12)**	**215**	**(80)**	**1,785**	**5,173**	**6,958**

CONSOLIDATED FINANCIAL STATEMENTS

Statement of changes in consolidated shareholders' equity

(1) Details of income and expenses accounted for directly in shareholders' equity.

(In € millions)	Cash flow hedge reserve	Translation difference reserve	Actuarial difference reserve	Fair value reserve of previously held assets and liabilities	Reserve of available-for-sale financial assets	Total	Minority interests	Total
As at January 1, 2008	**0**	**173**	**1**	**44**	**72**	**290**	**212**	**502**
Income and expenses recognized directly in shareholders' equity	(5)	(214)	2	0	(43)	(260)	(278)	(538)
As at December 31, 2008	**(5)**	**(41)**	**3**	**44**	**29**	**30**	**(66)**	**(36)**
Income and expenses recognized directly in shareholders' equity	1	240	(2)	0	(13)	226	282	508
As at December 31, 2009	**(4)**	**199**	**1**	**44**	**16**	**256**	**230**	**472**

(2) Minority interests are mainly from the Casino group, in which the Group holds a 48.65% interest.
(3) The increase in minority interests is related to the full consolidation of Super de Boer for €50 million, the capital increase within Fonds Immobilier Promotion (FIP) of Poland for €24 million and the sale by the Group of Mercialys securities for €17 million.
(4) The increase in minority interests is related mainly to the distribution by the Group of Mercialys securities (see note 1.2) and the dilution of the Group in Exito following various capital increases (see note 1.2).

CONSOLIDATED FINANCIAL STATEMENTS

Note to the consolidated financial statements

1. ACCOUNTING PRINCIPLES AND METHODS

1.1. General information

Rallye is a "Société Anonyme" (joint stock corporation) registered in France and listed on Euronext Paris, in Eurolist Compartment A. The company and its subsidiaries are hereinafter referred to as "the Group" or "the Rallye group".
On March 11, 2010, the Board of Directors approved and authorized the publication of Rallye's consolidated financial statements for the 2009 fiscal year. They will be subject to approval at the Annual Shareholders' Meeting to be held on May 19, 2010.

1.2. Reference Framework

Pursuant to European regulation no. 1606/2002 of July 19, 2002, the 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 and made mandatory by the European Union as at the closure of the accounts.

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

The accounting methods described below were applied consistently to all the periods presented in the consolidated financial statements, taking into account or with the exception of the new standards and interpretations listed hereafter.

1.3. Standards, standard amendments and interpretations applicable in 2009

The application of the following revised or new standards and interpretations has become mandatory for the financial year 2009:
- IAS 1 revised – Presentation of Financial Statements;
- IFRS 8 – Operating Segments;
- IFRIC 13 – Customer Loyalty Programs;
- Amendment to IAS 23 – Borrowing Costs;
- Amendments to IFRS 2 – Vesting Conditions and Cancellations;
- Amendment to IFRS 7 – Improving Disclosures about Financial Instruments;
- Amendments to IAS 1 and IAS 32 – Puttable Financial Instruments and Obligations arising on Liquidation;
- IFRIC 15 – Agreements for the Construction of Real Estate;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation;
- Annual improvements to IFRS standards (May 22, 2008) relating mainly to the recognition of investment properties undergoing construction (IAS 40 - Investment Properties) and the recognition of advertising and development activities (IAS 38 - Intangible Assets).

These newly-published IASB standards did not have any impact on the Group's financial statements. The specific application of interpretation IFRIC 13, standard IFRS 8 and the amendment to IAS 40 is presented in note 1.6.

The Group has applied the following interpretations since the 2008 fiscal year:
- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction;
- IFRIC 11 IFRS 2 – Group and Treasury Share Transactions;
- IFRIC 12 – Service Concession Arrangements.

1.4. Standards and interpretations compulsory after December 31, 2009 with no early application decided by the Group

The following standards and interpretations have been adopted by the European Union and are compulsory as at December 31, 2009:
- Revised IAS 27 – Consolidated and Separate Financial Statements (applicable to annual reporting periods opening as from July 1, 2009);
- Revised IFRS 3 – Business Combinations (applicable to business combinations for which the acquisition date is in annual reporting periods opening as from July 1, 2009;
- Amendment IAS 32 – Classification of Rights Issues (applicable to annual reporting periods opening as from February 1, 2010);

CONSOLIDATED FINANCIAL STATEMENTS
Note to the consolidated financial statements

- Amendment IAS 39 – Financial Instruments: 'recognition and measurement on eligible hedged items' (applicable to annual reporting periods opening as from July 1, 2009);
- Amendments IFRIC 9 and IAS 39 – Reassessment of Embedded Derivatives and Financial Instruments: Recognition and Measurement (applicable to annual reporting periods ending as from June 30, 2009);
- IFRIC 17 – Distributions of Non-cash Assets to Owners (applicable to annual reporting periods opening as from July 1, 2009);
- IFRIC 18 - Transfers of Assets from Customers (applicable to transactions after July 1, 2009)

The Group did not opt for early application of any of these standards and interpretations. With the possible exception of the treatment of minority put options, standards IAS 27 (revised) and IFRS 3 (revised) will have no impact on the consolidated financial statements on their application date but will affect the future acquisitions made by the Group.
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 at January 1, 2010 (with the exception of some annual amendments / interpretations applicable after this date). The Group is currently assessing the impacts resulting from the preliminary application of these new texts:

- Amendment IFRS 2 – Share-based Payment: Group cash-settled share-based payment transactions (applicable to annual reporting periods opening as from January 1, 2010);
- IFRS 9 – Financial Instruments: classification and measurement (applicable to annual reporting periods opening as from January 1, 2013);
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments (applicable to annual reporting periods opening as from July 1, 2010);
- Amendment IFRIC 14 – IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (applicable to annual reporting periods opening as from January 1, 2011);
- Revised IAS 24 – Related Party Disclosures (applicable to annual reporting periods opening as from January 1, 2011);
- Annual improvements to IFRS standards (April 16, 2009), applicable for the most part to annual reporting periods opening as from January 1, 2010);

Early application was not chosen for these standards, amendments to standards and interpretations.

1.5. Framework for the Preparation and Presentation of Financial Statements

1.5.1. Assessment Framework

The consolidated financial statements were prepared according to the historical cost method, except for:

- land from companies within Casino's "centralized" perimeter (historical, core companies in France), Monoprix, and the Franprix-Leader Price group's warehouses, for which the fair value as at January 1, 2004 was used as the presumed cost. The resulting revaluation was booked to shareholders' equity,
- derivative financial instruments, available-for-sale financial assets and the securities portfolio, which were valued at fair value. The book value of the assets and liabilities that are components hedged by a fair value hedge and that would also be valued at cost is adjusted to take into account changes in fair value attributable to the risks being hedged.

The consolidated financial statements are presented in millions of euros. The amounts indicated in the consolidated financial statements are rounded to the closest million and comprise individually-rounded data. Calculations based on rounded figures may differ slightly from reported aggregates and sub-totals.
The consolidated financial statements for the year ended December 31, 2007 are included for reference.

1.5.2. Use of estimates

The preparation of consolidated financial statements demands that executive management use estimates and assumptions that may have an impact on the assets, liabilities, income, and expense figures 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.
The estimates and assumptions apply mainly to:

- the fair value of derivatives, in particular those related to hedge instruments;
- the financial assets available for sale;
- the assets or groups of assets classified as held for sale.

Moreover, the estimates and assumptions applied by the operating subsidiaries concern in particular:

- trade cooperation;
- provisions for risks and other provisions related to activity;
- commitments to buy back minority interests and earn-out agreements on the acquisition of companies;
- impairment of non current assets and goodwill;
- deferred taxes;
- the fair value of investment properties given in the notes to the financial statements, together with the accounting method applied to the acquisition of investment properties: when each transaction is carried out, the Group analyses, based on assets and current activity, if the acquisition should be analyzed as a business combination or as the acquisition of an isolated asset.

The main transaction, which needed an accounting choice from the Group, is about the Mercialys shares delivery.
Notes 13, 29 and 32 provide data on the sensitivity of valuations performed with respect to goodwill, provisions and purchase commitments.

1.5.3. Sale of Super de Boer assets and liabilities

During the 2009 fiscal year, the Group proceeded with the sale of Super de Boer's assets and liabilities. The income statement published previously was restated in line with standard IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations." In accordance with this standard, the income statement published previously was restated. The effects of this restatement are set out in note 11.

1.6. Impact of the change of method

The income statement published previously was restated owing to the impact of the application of IFRS 8 and IFRIC 13 and the amendment of IAS 40.

1.6.1. Application of IFRS 8

Standard IFRS 8, "Operating Segments", supersedes IAS 14, "Segment Reporting".
Henceforth, segment reporting reflects the view of the management and is established based on internal reporting.
This standard requires a modification to the presentation of the segment reporting that is based on the internal reporting regularly examined by the Group's chief operating decision-maker, in order to assess the performance of each segment.
The segments determined in accordance with standard IFRS 8 are similar to the primary activity segments defined upon application of standard IAS 14. The disclosures to be provided in application of standard IFRS 8, including the revised comparative disclosures taking into account the implementing provisions of IFRS 8, are given in note 3.

1.6.2. Application of IFRIC 13

Since January 1, 2009, the Group has applied interpretation IFRIC 13 "Customer Loyalty Programs" when compiling its consolidated financial statements. This standard addresses how companies account for awards granted to customers on an original sale transaction that are to be redeemed on a future sale transaction.
The application of IFRIC 13 consists, when the original sale transaction is made, of separating the award granted to the customer from the rest of the sale and accounting for this award at its fair value when it is recorded as a deduction from sales.
When the customer redeems the award, the Group on the one hand recognizes the sales originally deferred and on the other ascertains the cost of the award, either in terms of cost of goods sold (for exchange vouchers) or in deduction from sales (for purchase vouchers).
The Group has two main types of loyalty programs falling within the application scope of IFRIC 13:

- points programs that allow customers to accumulate points when they make purchases in the Group's stores. Customers can obtain purchase vouchers or gift vouchers in return for redeemed points;
- purchase voucher programs.

Previously, the Group recorded a provision representative of the costs incurred on these awards granted to customers. The application of interpretation IFRIC 13 led to the award granted being accounted for at its fair value (i.e. its value from customer's point of view), rather than its cost. Thus, the main impact for the Group lies in its requirement to show the impact of customer loyalty programs on the balance sheet in terms of deferred income, rather than provision for charges as it was previously, and on the income statement as deduction from sales or cost of goods sold (as the case may be), compared with marketing costs previously.

CONSOLIDATED FINANCIAL STATEMENTS
Note to the consolidated financial statements

Following the retrospective application of this interpretation, the financial reporting published previously was modified as a result and is presented below in millions of euros:

As at January 1, 2008	
Net increase in deferred tax assets	3
Net increase in deferred income	68
Decrease in trade payables	13
Decrease in provisions for risks and charges	47
Net decrease in total shareholders' equity	5

As at December 31, 2008:	
Net increase in deferred tax assets	4
Net increase in deferred income	64
Decrease in trade payables	9
Decrease in provisions for risks and charges	45
Net decrease in total shareholders' equity	6

For the period ending December 31, 2009:	
Net decrease in sales	(1)
Net decrease in cost of goods sold	9
Net increase in gross margin	9
Net decrease in other revenues	(13)
Net decrease in selling costs	2
Net decrease in current operating income	(3)
Net decrease in other income and expenses from operations	1
Net decrease in income tax expense	1
Net decrease in net income from continuing operations	(1)

1.6.3. Amendment IAS 40

In accordance with amendment IAS 40 paragraph 8(e) of May 22, 2008 applicable in 2009, a property under construction or development intended for future use as an investment property is now recognized under the heading "investment property" on the financial position statement.
Consequently, following the retrospective application of this amendment, the Group applied the following reclassifications:

As at January 1, 2008 (in € millions):	
Decrease in property, plant and equipment	105
Increase in investment properties	105

As at December 31, 2008 (in € millions):	
Decrease in property, plant and equipment	159
Increase in investment properties	159

1.7. Accounting policies applied by the Group in the absence of any specific authoritative guidance under IFRS

In the absence of applicable standards and interpretations for the cases listed below, the Group opted for the accounting policies it deemed most appropriate. These policies relate to the following points:

- the acquisition of minority interests (note 1.9);
- firm or conditional commitments to purchase minority interests (note 1.26).

1.8. Consolidation methods

Subsidiaries, joint companies and associates under the direct or indirect control of the parent company, or over which the latter exercises control, joint control or significant influence, are consolidated.
Control exists when the Company has the power to govern, directly or indirectly, the financial and operating policies of the entity in order to gain benefits from its business activities. Control is determined based on the percentage of existing and potential voting rights. Special-purpose entities are integrated based on a review of the Group's exposure to the risks and rewards of ownership of the entity and may be consolidated as a result, even in the absence of voting rights.
Companies over which the Group exercises joint control, shared with a limited number of partners under a contractual arrangement, are consolidated under the proportionate method.
Associates over which the Group exercises significant influence are accounted for under the equity method. Goodwill related to these entities is included in the book value of the investment.

1.9. Business combinations

Business combinations, in cases where the Group obtains control of one or more other activities, are recognized by applying the acquisition method. The cost of the acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred at the date of exchange, plus the costs directly attributable to the acquisition. Acquisition costs incurred before January 1, 2010 and attributable to a business combination that will apply after December 31, 2009 are recognized as deferred expenditure.
When an entity enters the scope of consolidation, and provided that it relates to the acquisition of a proprietary activity (if the assets acquired constitute extensions to those already managed by the Group, the transaction is treated as an acquisition of isolated assets), its assets, liabilities and contingent liabilities that meet IFRS accounting criteria are recorded at their fair value as at the date of acquisition, except for assets held for sale, which are accounted for at their fair value less costs to sell.
Only identifiable liabilities satisfying the recognition criteria in the acquired company's financial statements are accounted for upon the combination. Thus, a restructuring program is not booked as a liability for the acquired company if the said company does not have an obligation, on the date of acquisition, to implement the said program. Adjustments in the value of assets and liabilities for acquisitions that are accounted for on a provisional basis (because expert assessments are being carried out, or additional information is expected) are accounted for as retroactive adjustments to goodwill, provided that they are made within twelve months of the acquisition date. Beyond this date, the effect of any adjustments is recognized directly in the income statement unless it involves the correction of an error.
Finally, minority interests are accounted for at the fair value of the net assets acquired.
In the absence of specific provisions in the texts applicable as at December 31, 2009, the difference between the acquisition cost and the book value of the minority interests acquired after the takeover is recorded as goodwill. Conversely, sales of minority interests without loss of control are recorded as transactions with third parties and give rise to the recognition in income of the difference between proceeds from the sale and the net book value of the interests sold. From January 1, 2010, in application of IAS 27 (revised), the differences resulting from these transactions are recorded directly in equity.

1.10. Closing date

With the exception of certain minor subsidiaries and Cdiscount, whose fiscal year ends on March 31, the companies included in the consolidation scope close their accounts on December 31.

1.11. Consolidated companies pertaining to a different business segment

The individual accounts of Banque du Groupe Casino have been prepared in accordance with standards applicable to financial institutions, those of Casino Ré in accordance with standards applicable to insurance companies. In the consolidated financial statements, they are classified according to the general IFRS presentation rules.
Customer loans are included in "Trade receivables", refinancing of customer loans in "Other current liabilities" and banking revenue in "Net sales".

CONSOLIDATED FINANCIAL STATEMENTS
Note to the consolidated financial statements

1.12. Translation of financial statements denominated in foreign currencies

The consolidated financial statements are presented in euros, the Group's functional currency. This is the currency used in the main economic environment in which the Group operates. Each entity within the Group determines its own functional currency and the financial items of each are measured in that currency.
The financial statements of the companies within the Group that use a different functional currency from that of the parent company are translated using the closing rate method:

- assets and liabilities, including goodwill and adjustments made to determine fair value upon consolidation, are translated into euros at the exchange rate prevailing at year-end;
- items in the income and cash flow statements are translated into euros at the average exchange rate for the period, as long as this rate is not called into question by significant changes in the currency markets.

The resulting foreign exchange differences are recognized in the income statement in a separate equity component. When a foreign operation is disposed of, the cumulative amount of the deferred exchange differences recognized in the separate component of equity relating to that foreign operation is recognized in profit or loss.
The transactions denominated in foreign currencies are translated into euros at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at year-end, while the resulting foreign exchange differences are recognized in the income statement as foreign exchange gains or losses. Non-monetary assets and liabilities denominated in foreign currencies are recorded at the historical exchange rate prevailing on the transaction date.
The exchange rates applied on the translation of a net investment of an entity in a foreign operation are accounted for in the consolidated financial statements as a separate component of equity and are recognized in profit or loss when the net investment is disposed of.
Foreign exchange differences relating to debts hedging foreign currency investments or long-term advances to subsidiaries are also accounted for in equity and recognized in profit and loss when the net investment is disposed of.

1.13. Goodwill and intangible assets

Recognition criteria for intangible assets include:

- identifiability and separability;
- control over a resource;
- the existence of future economic benefits.

Intangible assets acquired as part of a business combination which do not meet these criteria are deemed to be goodwill.

1.13.1. Goodwill

At the acquisition date, goodwill is valued at cost: any excess of the cost of the acquisition of the shares of consolidated companies over the interest of the acquirer in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity is recognized in goodwill.
Goodwill is allocated to each of the cash generating units or groups of units that benefit from the effects of the business combination, depending on the level at which corporate management monitors the profitability of the investment.
Goodwill is not amortized. It is tested for impairment annually, or whenever there is an indication that it might be impaired. Impairment losses on goodwill may not be reversed.
The method used by the Group to test goodwill for impairment is described in the section entitled "Impairment of non-current assets" below.
Negative goodwill is recognized directly in income for the year of acquisition, once the correct identification and valuation of the identifiable acquired assets, liabilities and contingent liabilities have been ascertained.

1.13.2. Intangible assets

Intangible assets acquired separately by the Group are initially measured at acquisition cost, and those acquired through a business combination are recognized at fair value. Intangible assets consist mainly of purchased software, the cost of software developed for internal use, trademarks, patents, and entry fees paid upon the signature of lease contracts.
Trademarks that are created and developed internally are not recognized on the balance sheet.

Intangible assets are depreciated on a straight-line basis over their expected useful lives determined for each type of asset:

Type of assets	Amortization period
Development costs	3 years
Software	3 to 10 years
Acquired trademarks	-
Lease premiums	-

Intangible assets with indefinite useful lives (such as lease premiums and acquired trademarks) are not amortized; they are tested annually for impairment or when an indication of impairment exists.
An intangible asset is de-recognized when it is disposed of or if no future financial benefit is expected from its use or disposal. All gains and losses arising from the de-recognition of an asset (calculated on the difference between the asset's net disposable proceeds and book value) is recognized in profit or loss (other income and expenses from operations), during the fiscal year of de-recognition.
The residual values, useful life and depreciation methods of the assets are revised at each year-end and modified if necessary on a prospective basis.

1.14. Property, plant and equipment

Property, plant and equipment are measured at cost, less any accumulated depreciation and impairment losses.
Subsequent costs are capitalized if they meet IAS 16 recognition criteria. The criteria are assessed before the costs are incurred.
Property, plant and equipment (excluding land, which is not depreciated) are depreciated over the estimated useful lives of each type of asset, with a residual value of zero:

Type of assets	Amortization period
Land	-
Buildings (building structure and brickwork)	20 to 40 years
Roof waterproofing and shell fire protection systems	15 years
Land fittings and improvements	10 to 20 years
Building fittings and improvements	5 to 10 years
Technical installations, machinery and equipment	3 to 10 years
Transportation equipment	5 years
Furniture, office and computer equipment	3 to 8 years

"Roof waterproofing and shell fire protection systems" components are only identified as separate Property, plant and equipment items in the case of major renovations. In other cases, they are included in the "Building structure and brickwork" component.
Property, plant and equipment is de-recognized when it is disposed of or if no future financial benefit is expected from its use or disposal. All gains and losses arising from the de-recognition of an asset (calculated on the difference between the asset's net disposable proceeds and book value) is recognized in profit or loss (other income and expenses from operations), during the fiscal year of de-recognition.
The residual values, useful life and depreciation methods of the assets are revised at each year-end and modified if necessary on a prospective basis.

1.15. Leases

Finance leases that transfer to the Group the majority of the risks and rewards inherent in the ownership of the leased assets are recognized in the balance sheet at the start of the lease period at the fair value of the leased asset or, if this is lower, at the present value of the minimum payments under the terms of the lease.
Non-current assets held by the Group under finance leases are recognized in the balance sheet and the income statement as if they had been acquired on credit. They are recorded under non-current assets (according to their nature) and offset by a loan recorded as a financial liability.

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Finance leased assets are depreciated over their expected useful life in the same way as other non-current assets of the same type or over the lease term, if shorter, and if the Group is not reasonably certain that it will gain ownership of the asset at the end of the lease.
Future payments made under finance leases are discounted and posted in the Group balance sheet under financial liabilities. Payments made under operating lease contracts are recorded as expenses from the period during which they are incurred.

1.16. Investment property

Investment property is real estate property held by the Group to earn rental income and/or for capital appreciation. Investment property is accounted for and valued in accordance with the provisions of IAS 40.
The shopping malls owned by the Group are recognized as investment property.
After initial recognition, investment property is measured at cost less accumulated depreciation and any impairment losses. The fair value is disclosed in the Notes. The depreciation methods and periods applied to investment property are identical to those used for property, plant and equipment.
The shopping malls held by Mercialys are subjected to appraisal by experts, in compliance with the real estate assessors' code of ethics set forth by the Royal Institution of Chartered Surveyors (RICS). Accordingly, each asset is appraised separately based on its fair value, using the valuation methods recommended by the June 2006 "Charte de l'expertise en évaluation immobilière" (3rd edition) and the 2000 report of the joint working group of the French securities and exchange commission (COB) and the French national accounting board (CNC) on the valuation of the property assets of publicly-traded companies. All of the assets making up Mercialys' holdings are subject to expert appraisal on a rotating basis, one-third per year, with the remaining two-thirds being discounted. Pursuant to the COB/CNC 2000 report, two approaches are implemented to determine the market value of each asset.

- The first, the income capitalization approach, consists of estimating the total real estate value based on the rate of return from rental income, by comparing the property's rental price with market prices for similarly rated property (account being taken of the selling area, the configuration, competition, mode of ownership, its potential for rental and expansion, and its comparability with recent transactions) and taking into account the actual rental amounts with respect to market prices and vacancy rates.
- The second approach, referred to as the discounted cash flow approach, is used to discount prospective future income, taking into consideration, year after year, expected rent increases, vacancy rates, and other projected factors, such as time to market and investments borne by the lessor.

The discount rate used covers the market riskless rate of return (TEC 10, i.e. the yield-to-maturity rate of a fictitious OAT French government bond with a maturity of exactly 10 years) to which is added a premium for risk and real estate market liquidity, as well as any applicable risk premiums to cover obsolescence and rental risk.
Smaller assets are valued by comparison with the selling price of comparable assets.

1.17. Cost of fixed assets and borrowing costs

Expenditures (before tax) directly incurred to acquire assets are included in the acquisition cost of these assets. For property, plant and equipment, intangible assets and investment property, these incidental costs increase the value of assets, and are accounted for in the same manner.
Borrowing costs directly attributable to the acquisition of property, plant and equipment are expensed in the period in which they are incurred.

1.18. Impairment of non-current assets

IAS 36 sets out the procedures to be followed to ensure that the net book value of a company's assets does not exceed their recoverable amount, which is the amount that would be recovered through the use or sale of such assets.
Except for goodwill and intangible assets with an indefinite useful life, which must be tested for impairment at least once a year, the recoverable amount of an asset is reassessed whenever there is an indication that the asset may have lost some of its value.
Available-for-sale financial assets are tested for impairment at each reporting date. The Group recognizes an impairment loss whenever an impairment indicator is found.

1.18.1. Cash Generating Units (CGUs)

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
The Rallye group has defined its main subsidiaries as Cash Generating Units, in line with its internal control structure.

1.18.2. Impairment indicators

In addition to the external information usually used by the Group in the monitoring process (the business environment, the market value of assets, etc.), various impairment indicators are looked at by the Group, depending on the type of asset:

- For real-estate assets (land and buildings): loss of rental income or termination of the lease;
- For operating assets related to on-going businesses (assets belonging to a cash generating unit): the ratio of the net book value of store assets over gross sales exceeding a threshold set according to the type of store;
- For assets related to support activities (headquarters and warehouses): termination of operations on the site or obsolescence of the production equipment used at the site.

1.18.3. Recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs to sell and value in use. It is estimated for each isolated asset. When this is not possible, the recoverable amount of the cash generating unit (CGU) to which the asset belongs is estimated. Fair value less costs to sell is the amount obtainable from the sale of an asset under normal market conditions, in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

1.18.4. Value in use

Value in use is the present value of the future cash flows expected to be derived from the continued use of an asset and from its ultimate disposal at the end of its useful life.
It is determined using:

- the estimated future cash flows based on budgets or forecasts for a maximum five-year period, extrapolated by applying a constant or declining growth rate; the result of that calculation is discounted using the weighted average cost of capital of each cash generating unit;
- the terminal value, discounted using the same rate.

1.18.5. Impairment loss

An impairment loss is immediately recognized whenever the book value of the asset, or of the CGU to which it belongs, exceeds its recoverable amount. Impairment losses are recorded as expenses under "Other income and expenses from operations".
Impairment losses recognized for an asset in a prior period are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. However, the increased book value of an asset due to a reversal of an impairment loss may not exceed the book value that would have been determined had no impairment loss been recognized for the asset in prior years. Impairment losses on goodwill cannot be reversed.

1.19. Financial assets

Financial assets are classified in four categories according to their type and intended holding period:

- Held-to-maturity investments;
- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Available-for-sale financial assets.

Financial assets are classified as current if they are due in less than one year and non-current if they are due in more than one year.

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1.19.1. Held-to-maturity investments

They are exclusively fixed income securities that the Group intends to hold to maturity. They are valued at amortized cost using the effective interest method. Amortized cost is calculated for the period from the acquisition of an investment to its maturity date, taking into account any premium or discount at the acquisition. Gains and losses are recognized in profit or loss when the assets are de-recognized or impaired and also through the amortization process.
These assets are tested for impairment when there is an indication that the assets may have lost some of their value. An impairment is recognized if the book value exceeds the estimated recoverable amount.

1.19.2. Assets valued at fair value through profit or loss

These are financial assets held for trading. That is, they have been acquired for the purpose of being sold in the short run. They are measured at fair value and gains and losses arising from changes in fair value are recognized in income. Some assets may be classified on purpose in this category.

1.19.3. Loans and receivables

These are financial assets issued or acquired by the Group in exchange for cash, goods or services to a debtor. They are valued at amortized cost using the effective interest method. Long-term loans and receivables that are non-interest-bearing or that bear interest below the market rate are discounted when the amounts involved are material. Any impairment losses are recognized in income.
Trade receivables are recognized and measured at their initial invoice value, less appropriate allowances for irrecoverable amounts. They are booked as assets unless and until all the risks and rewards related to them are transferred to a third party.

1.19.4. Available-for-sale financial assets

These are financial assets that do not meet the criteria for classification in any of the other categories, and consist mainly of interests in non-consolidated companies and securities in the investment portfolio. They are stated at fair value. Changes in fair value are recognized in equity until the asset is disposed of, collected, or de-recognized in any other way, or until there is evidence that there has been a sustained and significant loss in the value of the asset. In such an event, the profit or loss that had been recognized directly in equity is removed from equity and recognized in profit or loss.
For the portfolio of financial investments, which mainly consists in interests in unlisted, private equity funds, the Group uses the following impairment indicators:

- a sharp fall of around 50% in the value of a security;
- or a decrease continuing over a period of more than 24 months;
- or a considerable decrease in the value of a financial asset combined with information giving cause for alarm.

If the asset available for sale is an equity instrument, an impairment loss cannot be reversed. Subsequent increases in fair value are recognized directly in equity.
If the available-for-sale financial asset is a debt instrument, any subsequent increases in fair value are recognized in the income statement, up to a maximum in the amount of the impairment previously recognized.

1.19.5. De-recognition

A financial asset is de-recognized in the two following cases:

- The contractual rights to the cash flows of the asset have expired; or
- The contractual rights have been transferred to a third party, under certain conditions;
  - If the assignor transfers substantially all the risks and rewards to a third party, the asset is fully de-recognized;
  - If the assignor retains almost all the rights to the said risks and rewards, then the asset remains fully recognized.

The Group assigns receivables to financial institutions at a discount. It is assumed that there is no dilution risk attached to the corresponding receivables initially recognized in the balance sheet (risk of cancellation of the receivable as offset by credit notes issued or payments made in compensation). The assigned receivables relate to invoices issued for services rendered under contract between the Group and its suppliers, based on the amount of business it does with each supplier, respectively. The other risks and rewards attached to these receivables have been transferred to the assignee. Consequently, as substantially all of the risks and rewards had been transferred to the assignee at the balance sheet date, the receivables have been de-recognized.

1.20. Inventories

Inventories are measured at the lower of cost and net realizable value. The valuation method used in the Group is the first-in first-out (FIFO) method.
Inventories comprise purchase costs, costs of conversion and other costs that have been incurred in bringing the inventories to their current location and condition. Accordingly, logistics costs and supplier discounts recognized in cost of goods sold are included in the valuation of inventories.
The inventory cost includes the recycling of amounts initially recognized in equity, corresponding to gains or losses on hedges of future goods purchases.
The net realizable value is equal to the selling price estimated in the normal course of business, less expected costs for the completion of the sale.
For its real estate business, the Group records property under construction as inventories.

1.21. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments.
To qualify as cash and cash equivalents in accordance with IAS 7, investments must fulfill four conditions. They must be:

- short-term;
- highly liquid;
- readily convertible to known amounts of cash;
- subject to insignificant risk of changes in value.

1.22. Assets and liabilities held for sale

The Group must classify a non current asset, in the framework of the sale of a single asset (or a group of current and non current assets and liabilities, in the case of the disposal of a business activity), as being held for sale if its book value will be recovered principally through a sale transaction rather than through continuous use. This condition is only considered fulfilled when the sale is highly probable and the asset or the group intended to be sold is available for immediate sale in its current condition. The management must be committed to a selling plan, which should result in, on the chart of accounts, the conclusion of a sale within one year of the date of this classification.
When the assets held for sale comply with the principles set out in IFRS 5, the Group recognizes them at the lower of their book value and fair value less costs to sell. Depreciation of these assets is then discontinued. Assets and liabilities held for sale are reported on a separate line of the balance sheet.
If such assets are investments in joint ventures or associated companies, the Group will cease to recognize its share of profit or loss in the entities once the investment is reclassified under "Assets held for sale".

1.23. Total shareholders' equity

1.23.1. Equity instruments and hybrid instruments

The accounting classification of equity instruments and hybrid instruments issued by the Group depends on an analysis of their specific characteristics.
When a financial instrument is made up of different components, the issuer must classify the various components separately based on whether they have the characteristics of debt or equity. Therefore, options allowing the bearer to convert debt into the issuer's own equity instruments are classified in shareholders' equity in the consolidated balance sheet, as long as they relate to a fixed price and a fixed number of shares. Note that options that allow the bearer to convert debt into the shares of a fully consolidated subsidiary follow the same accounting treatment.
Allocation of the par value among the various components must be made at the time of issue. The value of the equity component is equal to the difference between the par value and the liability component. The latter corresponds to the market value of a liability with identical characteristics but with no conversion or exchange option.
An instrument that is redeemable at the Group's discretion, and in which remuneration is contingent on the payment of a dividend, is classified as an equity instrument.

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1.23.2. Transaction costs on shareholders' equity

External and internal costs (when eligible) that may be imputed directly to capital or equity instruments transactions are recorded, net of tax, against shareholders' equity. Other costs are recorded as current year expenses.

1.23.3. Treasury shares

Shares repurchased by the Group are deducted from equity at cost. The proceeds from the sale of treasury shares are credited directly to equity so that the capital gains and losses, net of the related tax effect, have no impact on profit or loss for the period.

1.23.4. Share-based payment

Group executive officers and certain employees are granted stock options and bonus shares. In accordance with IFRS 2 "Share-based payments", the fair value of the options at the grant date is recognized as personnel expenses in the income statement over the option vesting period.
The Group uses the Black & Scholes and trinomial option pricing models to determine the fair value of options, based on the characteristics of the plan, market data at the grant date, and assumptions concerning the probability that grant recipients remain with the Group until the options vest. The Group has carried out the valuation of all the options granted after November 7, 2002, which have not yet been vested. Since the options are settled in shares, they are recognized in equity.
With respect to bonus shares the fair value is also based on the characteristics of the corresponding plan, market data at the grant date, and an assumption concerning the presence of grant recipients within the Group at the close of the vesting period. If a plan does not stipulate conditions for acquisition, then the full amount is expensed upon the granting of the plan; otherwise, the expense is recognized over the vesting period, depending on the realization of conditions.

1.24. Provisions

1.24.1. Provisions for post-employment benefits and other long-term benefits

The companies within the Group grant various types of benefits to their employees, according to the regulations and uses applicable in each country.
Under defined contribution plans, the Group has no obligation to make payments in addition to the contributions already paid to a fund, if the fund does not have enough assets to provide the benefits corresponding to the services rendered by the personnel during the current period and previous periods. For these plans, the contributions are recognized as an expense when they are incurred.
Where defined benefit plans are concerned, the commitments are assessed using the project credit unit method based on the agreements or contracts in force within each company. According to this method, each service period gives the employee the right to an additional unit of benefits and each unit is measured separately to obtain the final obligation. This obligation is then discounted. The actuarial assumptions used to determine the commitments vary according to the economic conditions of the country in which the plan is based. These plans and the end-of-contract payments undergo an actuarial assessment by independent actuaries on an annual basis for the largest plans and at regular intervals for other plans. These calculations take into account the future level of remuneration, the employee's probable period of activity, life expectancy and personnel turnover.
Actuarial gains and losses result from assumption modifications and the difference between the results estimated by the actuarial assumptions and the actual results. These differences are recognized immediately in equity for all actuarial differences relating to defined benefit plans.
The cost of past services resulting from the increase in an obligation following the introduction of a new plan or a modification made to an existing plan is spread on a straight-line basis over the average period left to run until the rights are vested, or recognized immediately in expenses if the benefit rights have already been vested.
The expenses related to this type of plan are recognized in current operating income (costs of services rendered) and in "Other financial income and expenses" (financial costs and expected asset yields).
Reductions, settlements and costs of past services are recognized in current operating income or in "Other financial income and expenses", depending on their nature. The provision recorded in the balance sheet corresponds to the present value of the commitments calculated in this way, less the fair value of any plan assets and any costs of past services not yet amortized.

1.24.2. Other provisions

A provision is recorded when the Group has a present obligation (legal or implicit) as a result of a past event, the amount of the obligation can be reliably estimated, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are discounted when the related adjustment is material.
In accordance with the above principle, a provision is recorded to cover the cost of providing after-sales service for equipment sold under warranty. The provision represents the expected cost of repairs to be performed during the warranty period, estimated on the basis of actual costs incurred in prior years. Each year, the provision is reversed to offset the actual repair costs recognized in expenses.

Provisions for restructuring costs are recognized whenever an implicit commitment has been made to third parties as a result of a management decision that has been formalized in a detailed restructuring plan and communicated to the parties concerned before the balance sheet closing date.
Other provisions correspond to specifically identified contingencies and expenses.
Contingent liabilities correspond to possible obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the entity's control, or present obligations whose settlement is not expected to require an outflow of resources. Except for those arising from a business combination, contingent liabilities are not recognized in the balance sheet, but are disclosed in the notes to the financial statements.

1.25. Financial liabilities

Financial liabilities are classified in two categories and comprise:
financial liabilities at amortized cost;
financial liabilities recognized at fair value through profit or loss.
The valuation of financial liabilities depends upon their classification under IAS 39.

1.25.1. Financial liabilities recognized at amortized cost

Borrowings and other financial liabilities are generally recognized at amortized cost using the effective interest rate method, except in the case of hedge accounting (see note 1.26).
The fees and issue premiums, as well as the redemption premiums, are part of the amortized cost of borrowings and financial debts. They are stated as decreases or increases in the corresponding borrowings and, depending on the case, amortized on an actuarial basis.

1.25.2. Financial liabilities recognized at fair value through profit or loss

These are financial liabilities that are held for trading, that is, with a view to be settled in the short run. They are measured at fair value and gains and losses arising from changes in fair value are recognized in income.

1.26. Derivative financial instruments and hedge accounting

Cash flow hedges:

All derivative instruments (e.g. swaps, collars, floors and options) are recognized in the balance sheet at fair value. Subsequent changes in fair value are recognized in profit or loss.
In accordance with IAS 39, the Group uses hedge accounting for:

- fair value hedges (e.g. swaps to convert fixed rate debt to floating rate). In this case, the debt is measured at fair value, up to the amount of the risk covered, with gains and losses arising from subsequent measurement at fair value recognized in profit or loss. The change in fair value of the hedge derivative is also recognized in income. If the hedge is entirely effective, the loss or gain on the hedged debt is offset by the gain or loss on the derivative;
- cash flow hedges (e.g. swaps to convert floating rate debt to fixed rate). For these hedges, the effective portion of the change in the fair value excluding accrued interest of the derivative is recognized in equity and reclassified in profit or loss on a symmetrical basis with the recognition of the hedged cash flows, and the ineffective portion is recognized in profit or loss.

Hedge accounting applies if:

- the hedging relation is clearly defined and documented on the date it is set up, and
- the effectiveness of the hedge can be demonstrated from its inception and while it is in place.

The effective portion of the change in fair value of the derivative financial instrument is recognized in equity net of tax, and the ineffective portion is recognized directly in yearly income. Gains and losses accumulated in equity must be reclassified in income under the same heading as the hedged component:

- under current operating income for operating cash flow hedges and under financial income for other hedges;
- during the same periods in which the hedged cash flow affects income.

If the hedging relation is ceased, for example because it is no longer considered efficient, the gains or losses accumulated on the derivative instrument are held in equity until the hedged transaction expires, unless the hedged item is no longer highly-probable in nature. If this is the case, the gains or losses recognized in equity are reclassified immediately in income.

Derivative financial instruments that do not qualify for hedge accounting: recognition and presentation

When a derivative financial instrument has not (or is no longer) qualified for hedge accounting, its successive changes in fair value are recognized directly in yearly income, under "Other financial income and expenses".

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1.27. Put options granted to minority shareholders

The Group has granted put options on shares held by minority shareholders of some of its fully consolidated subsidiaries.
In accordance with IAS 32, these options are recognized as "financial liabilities".
"Fixed-price" puts are recorded as financial liabilities at present value, and "variable-price" puts are recorded at fair value.
On initial recognition, the put does not immediately transfer the economic benefits inherent to the ownership of the underlying securities. Accordingly, the following recognition has been used: the liability has been measured at the exercise price of the securities underlying the put, and the acquisition of the additional securities has been anticipated.
In the current absence of specific authoritative guidance on the offsetting entries for these financial liabilities, the Group has applied the following method. Minority interests are reclassified as debt, and the difference between the present/fair value of these financial liabilities and the book value of the minority interests is recorded in goodwill, consistent with the method used by the Group to account for the repurchase of minority interests.
The payment of dividends to minority interests generates an increase in goodwill.
The share of profit or loss allocated to the minority interests is shown on the income statement. The share of profit allocated to the minority interests is deducted from the goodwill amount on the balance sheet. No financial expense is recognized in relation to changes in value of the liability for which the contra-entries are all in goodwill.
Changes in subsequent periods in the fair value of these financial liabilities as a result of revised estimates and assumptions are reflected in the financial statements.
The amount recorded in goodwill will be adjusted each year for changes in the option exercise price and in minority interests. This accounting treatment, which would be applied if the options were exercised today, best reflects the substance of the transaction. However, it may be changed if an interpretation or new standard is issued requiring the application of a different approach.

1.28. Fair value

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, under normal market conditions.
The fair value of publicly traded financial instruments is determined on the basis of their market price on the date the accounts were closed. The fair value of unlisted financial instruments, for which there exist listed instruments of similar nature and maturity date, is determined by referring to the market price of these instruments and making any necessary adjustments. For other unlisted instruments, fair value is determined by using valuation techniques, such as:

- the valuation models used for options;
- the discounted cash flow method. The models use assumptions based on market data;
- or by reference to recent transactions.

From January 1, 2009, the Group has applied amendment IFRS 7 relating to financial instruments assessed at their fair value. Assets and liabilities recorded in the financial statements at their fair value will henceforth undergo classification according to their valuation method. This hierarchy comprises three levels:

- level 1: the instrument is listed on an active market;
- level 2: the valuation of the instrument uses valuation techniques based on observable market data;
- level 3: the valuation of the instrument uses valuation techniques based on non-observable data.

Notes 20 and 31 set out this classification.

1.29. Classification of assets and liabilities as current and non-current

Assets that are to be liquidated, consumed or disposed of within a normal operating cycle or within twelve months following the balance sheet date, as well as assets held for sale, or cash and cash-equivalents, are classified as "current assets". All other assets are classified as "non-current".
Liabilities to be paid within a normal operating cycle or within the expenses of the month following the balance sheet date are classified as "current liabilities".
The Group's normal operating cycle is 12 months long.
Deferred taxes are always recognized as non-current assets or liabilities.

1.30. Revenue

Revenue is comprised of two parts: "Net sales " and "Other income".
"Net sales" includes sales by the Group's stores, self-service restaurants and warehouses, as well as financial services revenues, rental income and various services performed by the business units.
"Other income" consists of revenue from real estate business, miscellaneous incidental revenues and revenues from secondary activities, including commissions for the sale of travel packages, franchise payments and income from sub-leases.

1.31. Gross margin

Gross margin is the difference between "Net sales" and "Full cost of goods sold".
The "Full cost of goods sold" comprises the cost of purchases, net of discounts and trade cooperation payments, changes in inventory associated with distribution activities and logistics costs.
Trade cooperation payments are measured based on suppliers' contracts. They are billed in installments over the year. At year-end, the services rendered during the period are evaluated. The comparison between this valuation and the billed installments determines the amount of invoices or credit notes to be issued.
Changes in inventory include positive and negative changes after taking depreciation into account.
Logistics costs are the direct or subcontracted costs of the Group's logistics, storage, handling and transportation costs incurred after the first delivery of goods to one of the Group's sites, stores or warehouses. Transport costs on suppliers' goods invoices (e.g. for goods purchased on a "delivery duty paid" or "DDP" basis) are included in purchase costs. The costs of subcontracted transportation are recognized under "logistics costs".

1.32. Selling costs

"Selling costs" consist of costs borne by points of sale together with the production cost and change in inventory related to the real estate business.

1.33. General and administrative expenses

"General and administrative expenses" comprise general and administrative costs of support services, particularly the purchasing and supplies, sales and marketing, IT and finance departments.

1.34. Pre-opening and post-closure costs

Whenever they cannot be defined as assets, costs incurred prior to opening or after closure are recognized as operating expenses when they arise.

1.35. Other income and expenses from operations

This category records the impact of major events which took place during the accounting period, and which are likely to distort the understanding of the performance of the company's recurring business. Specifically, this refers to a limited number of transactions, which are unusual, abnormal, or infrequent, and which represent significant amounts.

1.36. Cost of net financial debt

The cost of net financial debt is comprised of interest from the net financial debt, revenues and gains and losses on the sale of cash-equivalents, gains and losses on related interest- or 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.

1.37. Other financial income and expenses

This item corresponds to financial income and expense that is not a component of net financial debt, and does not qualify as operating income or expense. It consists mainly of dividends from non-consolidated companies, gains and losses arising from changes in the fair value of financial assets other than cash and cash-equivalents, and of derivatives not qualifying for hedge accounting, gains and losses on the sale of financial assets other than cash and cash-equivalents, gains and losses from discounting adjustments (including on provisions for pensions), and foreign exchange translation gains and losses on items other than the components of net financial debt.
Cash discounts are recognized in financial income for the portion corresponding to the normal market interest rate and as a deduction from cost of goods sold for the remaining balance.

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1.38. Income tax

Income tax expense corresponds to the sum of the current tax due by the various Group companies, as adjusted for deferred tax.
Consolidated French subsidiaries that qualify for the common tax treatment of parent companies and their subsidiaries are generally included at various tax consolidation levels.
The sum of current tax payable corresponds to the tax due by the parent companies of the tax groups and tax due by all other companies that are not members of the tax group.
Deferred tax assets correspond to tax calculated and deemed recoverable on temporary differences, tax loss carry forwards and certain consolidation adjustments.
Deferred tax liabilities are recognized for:

- Taxable temporary differences, except where the deferred tax liability results from the recognition of a non-deductible impairment loss on goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither accounting profit, nor taxable profit, nor tax loss;
- Taxable temporary differences on investments in subsidiaries, associates and joint ventures, except where the Group controls the timing of the repayment of the difference and where it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred taxes are recognized for temporary differences between the book value of assets and liabilities and their tax base. In accordance with IAS 12, they are not discounted. The amount of tax calculated above may be affected by changes in the value of the tax asset or liability, which may arise from subsequent changes in the corporate income tax rate (variable carry-forward method), from one year to another.

The Finance Law for 2010, voted on December 30, 2009, removed the liability of French tax entities to the "taxe professionnelle" (business tax) from 2010 and replaced it with two new contributions:

- the "businesses real estate contribution" (Cotisation Foncière des Entreprises, C.F.E), based on the real estate rental values of the current business tax (Taxe Professionnelle);
- the "businesses added value contribution" (Cotisation sur la Valeur Ajoutée des Entreprises (C.V.A.E)), based on the added value resulting from the corporate financial statements.

Further to the tax change mentioned above, the Group re-examined the accounting treatment of tax in France in relation to IFRS standards, taking into account the latest analysis factors available on the accounting treatment of tax, in particular those provided by the IFRIC and the French National Accounting Board (CNC).
The Group took into account that the tax change mentioned above led to the taxe professionnelle being replaced by two new and different contributions:

- the C.F.E, the amount of which depends on real estate rental values and that can, where applicable, be capped by a percentage of added value, bears significant similarities with the taxe professionnelle and will therefore be recognized in 2010 in the same way, in operating expenses under current operating income;
- the C.V.A.E which, according to the Group's analysis, fits the definition of an income tax as set out by IAS 12 in that the added value represents the intermediate level of income that is used systematically, in accordance with French tax rules, as a basis to determine the amount due under the C.V.A.E.

In accordance with the provisions of IAS 12, the qualification of the C.V.A.E as an income tax led to the recognition, from December 31, 2009, of deferred taxes related to temporary differences existing on that date, via the contra-entry of a net expense on the income statement of the fiscal year, the finance law having been voted on in 2009. This deferred tax expense is shown in the "income tax" line. Beginning in the 2010 fiscal year, the total amount of the current and deferred expense related to the C.V.A.E will be shown on the same line.
The bases used to calculate deferred taxes at December 31, 2009 applied mainly to the depreciable assets of the "Food and general retailing" activity. Beginning in 2010, asset acquisitions made outside of business combinations will benefit from the exemption stipulated by IAS 12 for the initial recognition of an asset or a liability.

1.39. Discontinued operations

A discontinued operation is a "component" that has either been disposed of, or is classified as "held for sale" by the Group and represents a separate major activity or geographical area of operations.
As indicated in note 1.21, the amortization of assets and the recognition of the share of net income in joint ventures or associated companies will cease upon reclassification of those assets or investments under "Assets held for sale".

1.40. Earnings per share

Earnings per share before dilution are calculated on the basis of the average number of common shares outstanding, weighted according to the issue date during the period, less shares issued as dividends and treasury stock.
Diluted earnings per share are calculated using the treasury stock method, by which the denominator of the EPS ratio is adjusted to account for the dilution impact of options and warrants. The method assumes that the proceeds from the exercise of the options and warrants are used by the firm to repurchase common shares on the open market, at the average market price for the period. The market price used in the calculation is the average stock price over the financial year.
Share equivalents are only included in the above calculation if they have a dilution effect on earnings per share.

1.41. Segment reporting

Segment reporting reflects the management's view and is established based on the internal reporting used by the chief operating decision-maker (the Chief Executive Officer) to assess the performance of the operating segments.
The information in the reporting is prepared in accordance with the accounting principles followed by the Group.
The operating segments used correspond to three main activities performed within the Group: food and general retailing, sporting goods retailing and financial holding and investment activities.
The management assesses the performance of the segments based on the current operating income.

2. COMMENTS ON THE CONTENTS OF THE FINANCIAL STATEMENTS

Figures in the tables below are denominated in euros and rounded to the nearest million. Calculations based on rounded figures may differ slightly from reported aggregates and sub-totals.

I Note 1. Highlights

1.1. Changes in the scope of consolidation

During 2009, the following main changes in the scope of consolidation took place:

Main entries and exits from consolidation scope:

Company name	Activity	Country	Operation	Consolidation method
Globex Utilidades (1)	Retailing	Brazil	Acquisition	Proportionate
DCF Sub-group (Dilux and Chalin) (2)	Business lessor	France	Acquisition	Full
Franprix-Leader Price sub-group (3)	Retailing	France	Acquisition	Full
Les Halles des Bords de Loire (4)	Real Estate Dvpt	France	Acquisition	Full
Caserne de Bonne (5)	Real Estate Dvpt	France	Acquisition	Full
Easy Holland BV	Holding	Netherlands	Disposal	

(1) During the second half of 2009, GPA acquired 95.46% of the capital of Globex Utilidades and its Ponto Frio brand, which specializes in household electrical and computer goods (see note 2).
(2) The Casino group acquired the companies Dilux and Chalin (holders of supermarket businesses) for €26 million, generating goodwill of €28 million.
(3) The Group acquired companies for a total of €68 million (including Chariglione, Barat and Guénant), generating goodwill of €31 million.
(4) The Casino group acquired the company Les Halles des Bords de Loire for €13 million, generating no goodwill.
(5) The Casino group acquired the company Caserne de Bonne for €47 million, generating no goodwill.

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Main variations in ownership percentage without change in the consolidation method

Company name	Activity	Country	Variation in stake percentage	Consolidation method
Mercialys (1)	Real estate	France	Decrease (8.29%)	Full
Exito (2)	Retailing	Colombia	Decrease (5.64%)	Full
GPA	Retailing	Brazil	Decrease (1.05%)	Proportionate
Carulla Vivero (3)	Retailing	Colombia	Increase (22.82%)	Full
Barcelona (4)	Retailing	Brazil	Increase (40%)	Proportionate

(1) Further to the operations described in note 1.2, specifically that relating to the distribution of dividends to Casino shareholders paid in Mercialys shares.
(2) Further to the capital increase carried out by Exito (see note 1.2).
(3) Carulla put option (see note 1.2).
(4) Following the put option during the second half of 2009, GPA now owns 100% of the company Barcelona (Assai brand).

The main consolidated companies are listed at the end of the Notes.

1.2. Other highlights

1.2.1. Bond issues

> Rallye continued to strengthen its liquidity with the issuing of two bond issues worth €500 million each, expiring in January 2015 and November 2016

Rallye successfully launched two bond issues of €500 million each, expiring on January 20, 2015 and November 4, 2016. These two bond issues are intended to refinance existing debt, to extend its maturity and to strengthen Rallye's liquidity position.
A variable rate hedge was applied to the coupons of these two obligations (8.375% and 7.625% respectively), allowing Rallye to optimize its financing charges.
Furthermore, in January 2009, Rallye repaid a bond issue of €496 million.

> Over the course of 2009, the Casino group issued three bond issues for a total amount of €1,500 million, expiring in 2012, 2013 and 2015.

At the same time, the Casino group repaid over the period bond issues for a total amount of €781 million.

1.2.2. Further implementation of a real estate value-creation strategy through the contribution to Mercialys of a portfolio of Alcudia real estate assets

On March 5, 2009, Casino announced that it would contribute to its subsidiary Mercialys a portfolio of Alcudia real estate assets made up of real estate development projects developed by the Casino group with hypermarket selling and reserve areas, with a total value of €334 million. This operation, which was the subject of a contribution document submitted by Mercialys to the AMF (the French Financial Markets Authority) on April 17, 2009, forms part of a strategy set up by Casino in 2005 to create value and monetize real estate assets. As payment for its contributions, Mercialys issued 14.2 million new shares to the Casino group, bringing Casino's interest in Mercialys up from 59.7% to 66.1%. As it was an intra-group operation, this contribution has been offset in the Group's financial statements.

1.2.3. Distribution of dividends paid in Mercialys shares to shareholders of Casino Guichard-Perrachon

At the Combined Annual Shareholders' Meeting held on May 19, 2009, the shareholders of Casino Guichard-Perrachon approved the distribution of a combined dividend comprising a cash component (€2.57 per share for preferred shares and €2.53 per share for common shares) and an allocation of Mercialys shares up to a maximum of one Mercialys share for 8 shares (common or preferred) eligible for dividend payment. After this dividend payment in kind, the Casino group owned approximately 50.4% of the capital and voting rights of Mercialys. This operation was the subject of a securities note submitted to the AMF on April 21, 2009, in conjunction with the conversion of preferred dividend shares into common shares mentioned above.
The distribution to shareholders of shares of a subsidiary without loss of control is not specifically addressed by texts applicable at present. In November 2009, the IFRIC published an interpretation (IFRIC 17) pertaining to distributions of non-monetary assets to shareholders, which nonetheless stated that transactions on the shares of a subsidiary leading to the recognition of minority interests do not fall within its scope of application. However, this interpretation specified that this type of transaction must be recognized in accordance with the new provisions of IAS 27 (revised)[1], applicable for the Casino group from January 1, 2010.
The group considered that the distribution in kind of Mercialys shares should be analyzed as a deduction from the interest held in a subsidiary without loss of control. In application of the rules described in note 1.6.2, "Business combinations", such a transaction gives rise to the recognition of an income equal to the difference between the proceeds from the sale and the net book value of the interests sold.

(1) standard IAS 27 (revised), "Consolidated and Separate Financial Statements", applicable to fiscal years open from July 1, 2009 and for which the scope of application by the Group will be the 2010 fiscal year, specifies that a modification to the percentage interest of a company without its loss of control must be recorded as a transaction in equity, with no impact on the income statement.

The Group has maintained the long-term application of the accounting principles hitherto used in the case of a partial sale of a shareholding without loss of control. For the share belonging to Casino's minority shareholders, this income was recognized on distribution and for Rallye's share, the profit is deferred until the actual sale on the market of the shares obtained. The net impact of the distribution carried out in this way led to the recording of a disposal gain of €118 million (including €2 million in costs), which is shown on the "Other operating income" line in the income statement as against €139 million recorded by Casino owing to the 2.2 million shares not sold by Rallye as of December 31, 2009. This gain exclusive of costs corresponds to the difference between the sale price of the Mercialys share determined based on its closing price prior to the detachment date of the Casino dividend entitlement (i.e. 22 euros) and the net book value of the interests sold on the disposal date.

1.2.4. Casino's share profile improves through the conversion of preferred stock to common stock

On March 4, 2009, Casino's Board of Directors unanimously approved the conversion of preferred shares without voting rights into common shares with voting rights, on the basis of six common shares for seven preferred shares. This transaction exemplifies Casino's desire to streamline its capital structure and to improve its share profile by increasing its float of common shares.

1.2.5. Increase of Exito's capital and renegotiation of the put option on Carulla

Exito, a subsidiary of the Casino group, has issued 30 million shares at the price of 14,500 Colombian Pesos per share, representing a sum of 435 billion Colombian Pesos (€150 million). Casino has subscribed to €29 million of this issue, corresponding to 5.8 million shares.

In addition, following the renegotiation of the put option granted to the minority partners of its subsidiary Carulla Vivero and relating to 22.5% of capital, Exito purchased this residual interest for the sum of US$222 million (€154 million), half of which has been repaid in cash and half via the issuing of 14.3 million new shares. This issue was carried out in mid-December 2009 as part of a private placement upon the approval of the Colombian market authorities. The issue price for the new shares may be adjusted in line with the change in the Exito share price over 30 months beginning on March 15, 2010. Further to this transaction, Exito owns 99.9% of Carulla's capital.

On the completion of these two transactions, the total number of Exito shares stands at 333 million, with Casino owning 54.8% of Exito's capital (compared with 61.2% previously). These transactions generated a dilution profit of €8 million, recorded in other operating income.

1.2.6. Remuneration in preferred shares of the saving inherent in the goodwill amortization in GPA's financial statements

On May 4, 2009, the percentage held by Casino in GPA increased from 34.8% to 35.4% following the approval, at GPA's Shareholders' Meeting, to issue 2.2 million preferred shares to Casino at the price of 32.32 reais per share (giving an amount equivalent to 71 million reais, €24 million).

This operation generated an accretion income of €17 million, recorded under "other operating income".

1.2.7. Acquisition of Globex Utilidades

In July 2009, GPA took control of Globex Utilidades S.A. (Ponto Frio brand), which operates on the consumer durables segment (see note 3).

1.2.8. Joint venture agreement between Globex Utilidades and Casas Bahia

In December 2009, GPA signed a joint venture agreement between its subsidiary Globex Utilidades S.A. ("Ponto Frio") and the retailing activities of Casas Bahia Comercial Ltda ("Casas Bahia"), Brazil's leading non-food retailer.

Casas Bahia has 513 stores, employs 57,000 people and generated sales of 13.8 billion reais (€5.3 billion) in 2008, mainly in household electrical goods, home furnishings and electronic products.

Casas Bahia's current shareholders will transfer their retailing activities to Ponto Frio, of which they will own 49%, with GPA maintaining a majority stake in the company. GPA and Casas Bahia will also transfer their internet activities to a new company, 83% of which is to be owned by GPA and 17% by Casas Bahia. This new entity will be the second largest web retailer in Brazil.

This joint venture agreement will generate significant synergies and provide Brazilian consumers with a wider range of products, better quality of service and easier access to credit.

With 68,000 employees, the combination of Ponto Frio and Casas Bahia will generate sales (based on the 2008 financial statements) of 18.5 billion reais (€7.1 billion), via 1,015 stores in 18 Brazilian states. GPA will thus have 1,807 stores generating sales of almost 40 billion reais (€15.4 billion) and more than 137,000 employees, making it the largest private employer in Brazil.

This operation is subject to approval by the Brazilian competition authority.

As the agreement is set to be confirmed in the first half of 2010, it generated no accounting implications in the fiscal year ending December 31, 2009.

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1.2.9. Transfer of assets and liabilities from Super de Boer to Jumbo
Super de Boer, a 57%-owned subsidiary of the Casino group, has transferred all of its assets and liabilities to the company Jumbo for the amount of €553 million, a price equivalent to €4.82 per share. This operation led to a gain net of costs borne directly by Super de Boer and of tax of €56 million (Casino share). This amount includes costs borne directly by Super de Boer.
After the transfer of its assets and liabilities to Jumbo, Super de Boer distributed, before December 31, 2009, the proceeds of the sale to its shareholders as part of a company liquidation process.
Super de Boer's income statement was also reclassified as a discontinued activity (see note 11).

1.2.10. Baud dispute
On November 12, 2009, the Casino group acquired the residual interests of the Baud family in Franprix and Leader Price, of 5% and 25% respectively, at the price of €429 million. The Casino group now owns 100% of the capital of both companies.
This price, calculated by an independent expert applying the pricing formula agreed between the parties in 1998, is close to the €413 million already recognized in financial debt in the Group's financial statements at December 31, 2008.
The interest on this price and the Baud family's demands for compensation in relation to dividend entitlements are being examined by the Court of Arbitration in accordance with the award of July 2, 2009. They are recorded in debt in the Group's financial statements (see note 35).

1.2.11. Group operations in Venezuela
The Group operates hypermarkets and supermarkets in Venezuela through its subsidiary Cativen, one of the leading companies on that country's retail market (six hypermarkets and 35 supermarkets under the Exito and Cada names respectively). Cativen has three warehouses, five logistics platforms and one shopping mall under construction.

> Nationalization of Venezuelan operations
On January 17, 2010, President Hugo Chavez ordered the nationalization of Exito's supermarkets operated in Venezuela. This decision constitutes an event after the balance sheet date, directly addressed in IAS 10, "Events after the Reporting Period", that does not confirm a pre-existing situation as of December 31, 2009, the effects of which belong to the 2010 fiscal year.
The group is currently in discussions with the Venezuelan government to find a solution in the interest of both parties. Casino believes that the nationalization of its main activities in Venezuela would have a limited impact on the income from its operations, its cash flows and its financial position.

> Conversion rate of the Venezuelan operations
In 2003, the Venezuelan government implemented an overall foreign exchange control system that specifically limits access for local importers and foreign investors to foreign currencies. Since April 1, 2005, this system has been cemented mainly by the requirement to obtain prior approval from the foreign exchange commission, the CADIVI, to settle debts denominated in American dollars originating from, among other things, goods imports, dividend payments and disinvestments. The law voted in by the Venezuelan government in October 2005 led to the existence of two exchange rates in Venezuela: the official rate, set since then at 2.15 Bolivar Fuertes (VEF) for 1 American dollar (USD) and the parallel rate, which is variable and can differ significantly from the official rate. The official exchange rate did not change during the 2009 fiscal year.
Since the official exchange rate came into force, our Venezuelan subsidiary has had access to CADIVI dollars on certain goods imports. Foreign purchases of these goods are thus converted at the official rate. In addition, in accordance with the conditions for access to the official market and if the case should arise, the Group would use the official rate to repatriate part or all of its investment in Venezuela, for example through a dividend distribution.
Based on these factors and in compliance with the stipulations of IAS 21, "The Effects of Changes in Foreign Exchange Rates", the group deemed it appropriate to continue using the official rate to convert its Venezuelan operations in 2009.
On January 8, 2010, President Hugo Chavez announced that Venezuela was to devalue its currency and introduce a two tier exchange rate system: the official exchange rate of the bolivar (VEF) against the dollar, which had remained at 2.15 VEF since 2005, is now set at 2.60 VEF for the importation of food products, pharmaceutical products and other essential goods and at 4.30 VEF for all other operations.
This devaluation constitutes an event subsequent to the reporting period that does not confirm a pre-existing situation as at December 31, 2009. Henceforth, and in accordance with the accounting principles described in note 1.5.5, the financial statements of Venezuelan entities are converted at the official exchange rate in force on December 31, 2009. The theoretical application of the rate of 4.30 VEF in the Casino group's consolidated financial statements closed on December 31, 2009, would have led to a reduction in sales of around 1.5% and a non-material impact on the current operating income.

> Basis of preparation for Venezuelan operations financial statements
Based on the CPI/NCPI index, the Venezuelan economy has been considered hyperinflationary since the end of 2009. Consequently, the group has considered the application of IAS 29, "Financial Reporting in Hyperinflationary Economies", beginning in the 2009 fiscal year.
In the light of its insignificant impact on the group's main Consolidated financial aggregates (sales, current operating income, equity and net financial debt), the company has decided not to apply the hyperinflation treatment to the fiscal year that ended on December 31, 2009.

Note 2. Business combinations

Globex (Ponto Frio brand)

In accordance with the resolution made by GPA's Shareholders Meeting held on July 6, 2009, GPA acquired 70.24% of the capital of Globex Utilidades and its Ponto Frio brand, specializing in household electrical and computer goods. At the same time, GPA also acquired from Globex minority shareholders an additional share representing 25.22% of capital, bringing the acquisition to 95.46% of Globex capital.

The total cost of the combination came to 1,142 million reais (€420 million). This comprises, on the one hand, a cash payment of 939 million reais (€345 million) and the issue by GPA of class B preferred shares valued at their price on the trading date for the sum of 186 million reais (€68 million) and, on the other, costs directly attributable to the combination for the sum of 17 million reais net of tax (€6 million).

These class B referred shares are devoid of voting rights and specifically provide an entitlement to a fixed dividend of 0.01 reais per share. They will automatically be converted into class A preferred shares based on a 1-to-1 ratio and according to the following pre-determined schedule:

- 32% were converted on July 6, 2009
- 28% on January 7, 2010
- 20% on July 07, 2010
- 20% on January 07, 2011

In connection with this conversion, GPA will pay, where necessary, any negative difference between the guaranteed price of 40 reais per share, adjusted according to the change in the CDI interest rate, and the weighted average of the class A preferred shares over the last 15 trading days prior to the conversion. In accordance with IFRS 3, any implementation of this price guarantee will lead on the one hand to a correction of the value of the capital issue by GPA and, on the other, to an additional dilution in the Casino group's consolidated financial statements.

The takeover of Ponto Frio was booked at historical cost. Full consolidation in GPA's consolidated financial statements is carried out on the basis of 95.46%, with the remaining 4.54% assessed as minority interests. In February 2010, GPA acquired 3.3% extra shares, bringing its stake in Globex Utilidades to 98.32%.

Based on Globex Utilidades' net assets as at June 30, 2009, summarized below, provisional goodwill of 705 million reais (€259 million) was recorded in GPA's consolidated financial statements. This data was integrated into the Group's consolidated financial statements in the amount of our share in GPA. Our share of Globex Utilidades' goodwill thus stands at €88 million.

(In € millions)	December 31, 2009	June 30, 2009		December 31, 2009	June 30, 2009
Total current assets	663	532	Total current liabilities	595	479
Total non-current assets	307	220	Total non-current liabilities	119	107
			Total shareholders' equity	256	166
Total assets	**970**	**752**	**Total liabilities and shareholders' equity**	**970**	**752**

The fair value of Ponto Frio's assets, liabilities, and identifiable contingent liabilities as at the date of the takeover is currently being determined.

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The impact on the Group's cash position is as follows:

(In € millions)	
Net cash in the acquired company as at June 30, 2009	10
Payments made for the acquisition of Globex Utilidades	118
Net cash outflow (recorded in the line "impact of changes in the consolidation scope") of the cash flow statement	108

I Note 3. Segment reporting

In application of IFRS 8, "Operating segments", 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.

3.1. Definition of operating segments

The application of this new standard has had no impact on the operating segments as previously defined by the Group.
The operating segments used correspond to the three main activities of the Group:

- food and general retailing;
- sporting goods retailing;
- financial holdings and investments.

3.2. Key indicators per operating segment

As at December 31, 2009

(In € millions)	Food and general retailing				Sporting goods		Financial holdings and investments		Elimi-nations	Conti-nuing operations 2009
	France	Latin America	Asia	Others	France	Others	France	Others		
Net sales (excluded Group)	17,665	6,563	1,686	844	644	49	10	17		27,478
Intersegment sales	34								(34)	0
Sales	**17,699**	**6,563**	**1,686**	**844**	**644**	**49**	**10**	**17**	**(34)**	**27,478**
Current operating income	**803**	**248**	**92**	**66**	**(2)**	**3**	**2**	**15**		**1,227**

As at December 31, 2008

(In € millions)	Food and general retailing				Sporting goods		Financial holdings and investments		Elimi-nations	Conti-nuing operations 2009
	France	Latin America	Asia	Others	France	Others	France	Others		
Net sales (excluded Group)	18,558	6,084	1,583	852	670	57	6	10		27,820
Intersegment sales	25								(25)	
Sales	**18,583**	**6,084**	**1,583**	**852**	**670**	**57**	**6**	**10**	**(25)**	**27,820**
Current operating income	**905**	**254**	**81**	**28**	**(17)**	**3**	**9**	**2**		**1,265**

I Note 4. Reporting on current operating income

4.1. Revenue

(In € millions)	2009	2008 restated
Retailing net sales	27,478	27,820
Other income	354	169
Total	**27,832**	**27,989**

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4.2. Full cost of goods sold

(In € millions)	2009	2008 restated
Purchases and changes in inventory	(19,150)	(19,433)
Logistics costs	(1,097)	(1,052)
Full purchase costs of goods sold	**(20,247)**	**(20,485)**

4.3. Breakdown of expenses by nature and function

As at December 31, 2009:

(In € millions)	Logistics [1]	Selling costs	General and administrative expenses	Total
Personnel expenses	(339)	(2,316)	(597)	**(3,252)**
Other expenses	(721)	(2,384)	(437)	**(3,542)**
Depreciation and amortization	(37)	(528)	(96)	**(661)**
Total	**(1,097)**	**(5,228)**	**(1,130)**	**(7,455)**

(1) Logistics costs are included in the "Full cost of goods sold".

As at December 31, 2008 restated:

(In € millions)	Logistics [1]	Selling costs	General and administrative expenses	Total
Personnel expenses	(325)	(2,360)	(580)	**(3,265)**
Other expenses	(691)	(2,248)	(418)	**(3,357)**
Depreciation and amortization	(36)	(553)	(81)	**(670)**
Total	**(1,052)**	**(5,161)**	**(1,078)**	**(7,292)**

(1) Logistics costs are included in the "Full cost of goods sold".

Note 5. Other income and expenses from operations

(In € millions)	2009	2008 restated
Total other operating income	**265**	**73**
Total other operating expenses	**(354)**	**(206)**
	(89)	**(133)**
Gains (losses) on disposal of assets	**127**	**48**
of which: capital gain on sale of Mercialys shares	118	22
of which: capital gain on sale of Vindémia shares	22	
of which: capital gain on sale of real estate operations	14	31
of which: capital loss on sale of Easy Colombia (Easy Holland BV)	(28)	
Other income and expenses from operations	**(216)**	**(181)**
Net asset impairment [4]	(50)	(56)
Provisions and expenses for restructuring [1]	(69)	(27)
Provisions and expenses for litigation	(27)	(19)
Provisions and expenses for risks	(70)	(38)
Risk in connection with the Exito TRS transaction [2]	10	(27)
Miscellaneous [3]	(10)	(14)
Total other income and expenses from operations	**(89)**	**(133)**

(1) This restructuring expense on the 2009 fiscal year relates mainly to the Convenience and Franprix-Leader Price segments.
(2) "Provision for risks" includes a provision for a likely loss on the "Total Return Swap" transaction (see note 29.2).
(3) This section mainly records the non-recurring effects connected with tax amnesty legislation in Brazil (-€75 million) and compensation proceeds related to the breach of an exclusivity clause negotiated by GPA (+ €69 million).

(4) See details below:

(In € millions)	2009	2008 restated
Impairment losses on goodwill	0	(4)
Impairment losses on intangible assets	(2)	2
Impairment losses on property, plant and equipment / investment properties	(5)	(17)
Reversal of impairment of the Laurus shares	0	0
Depreciation of available-for-sale financial assets	(34)	(29)
Other losses	(9)	(8)
Total net asset impairment losses	**(50)**	**(56)**

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Note 6. Change in the consolidated statement of comprehensive income

(In € millions)	2009
Available-for-sale financial assets	**(12)**
Change in fair value over the period	(17)
Recycling in profit or loss	7
Income tax expense/revenue	(2)
Cash flow hedges	**(3)**
Change in fair value over the period	(44)
Recycling in profit or loss	45
Income tax expense/revenue	(4)
Translation adjustments	**527**
Change in translation adjustments over the period	540
Recycling in profit or loss	(13)
Actuarial differences and asset ceiling adjustments	**(4)**
Change over the period	(6)
Income tax expense/revenue	2
Total	**508**

Note 7. Cost of net financial debt

(In € millions)	2009	2008 restated
Gain from the sale of cash-equivalents	8	23
Income from cash and cash-equivalents	25	39
Income from cash and cash-equivalents	**33**	**62**
Interest expense on financing activities after hedging	(532)	(624)
Interest expense on lease finance contracts	**(8)**	**(7)**
Cost of net financial debt	(540)	(631)
Cost of net financial debt	**(507)**	**(569)**

Note 8. Other financial income and expenses

(In € millions)	2009	2008 restated
Financial income from investments	9	5
Foreign exchange gains (excluding financing activities)	29	26
Income from discounting and undiscounting calculations	2	10
Positive change in the fair value of non-hedging derivatives	17	37
Positive change in the fair value of financial assets valued at their fair value	5	51
Other financial income	60	51
Total other financial income	**122**	**180**
Foreign exchange losses (excluding financing activities)	(21)	(32)
Expenses from discounting and undiscounting calculations	(18)	(18)
Negative change in the fair value of non-hedging derivatives	(4)	(63)
Negative change in the fair value of financial assets valued at their fair value	(3)	(121)
Other financial expenses	(59)	(32)
Total other financial expenses	**(105)**	**(266)**
Total other financial income and expenses	**17**	**(86)**

"Financial income from investments" represents dividends received from non-consolidated companies.

Note 9. Tax

9.1. Income tax expense

9.1.1. Breakdown

(In € millions)	2009	2008 restated
Tax due	(186)	(158)
Deferred tax	(17)	(58)
Total income tax	**(203)**	**(216)**

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9.1.2. Reconciliation of income tax expense and income before tax

(In € millions)	2009	2008 restated
Income before tax and income from associated companies	**648**	**477**
Theoretical tax rate	34.43%	34.43%
Theoretical income tax expense	**(223)**	**(164)**
Impact from different tax rates (1)	36	22
Theoretical effect of temporary differences eligible for the zero tax rate (2)	(21)	(128)
Miscellaneous tax	5	54
Tax credit on notional interest deduction	*6*	*9*
Tax credit for investments in France and abroad	*7*	*27*
Recognition and write-off of tax losses	*(6)*	*7*
Reversal of tax provisions	*4*	*11*
Miscellaneous (2)	*(6)*	*0*
Actual tax rate	**(203)**	**(216)**

(1) Mainly reduced rate on real estate asset disposals.
(2) See note 9.1.3.
(3) On the 2009 fiscal year, the amount consists mainly of the recognition of a deferred income tax expense of €19 million, resulting from the French tax reform related to the "taxe professionnelle" (business tax) (see note 1.37).

9.1.3. Major "permanent" differences

(In € millions)	2009	2008 restated
Effect of tax losses not recognized as assets	**(184)**	**(377)**
Non-deductible expenses and non-taxable income	(29)	(10)
Mercialys non-taxable income	**46**	**38**
Stock option amortization	(15)	(13)
GPA (tax amnesty plan)	44	
Brazil, Colombia and Venezuela dilution	19	(8)
Untaxed disposal	*58*	
Miscellaneous	*1*	*(1)*
Total of the main temporary differences eligible for the zero tax rate	*(60)*	*(371)*
Theoretical tax rate	34.43%	34.43%
Tax effect, at the theoretical tax rate, of the temporary differences eligible for the zero tax rate	**(21)**	**(128)**

9.2. Deferred taxes

9.2.1. Changes in deferred tax assets

(In € millions)	2009	2008
Balance as at January 1	**131**	**193**
Income (expense) for the year "continuing operations"	(69)	(110)
Income (expense) for the year "discontinued operations"	(3)	
Impact of changes in foreign exchange, scope and reclassifications	61	42
Changes recognized directly in equity	3	6
Reclassification of assets held for sale	3	
Total	**126**	**131**

9.2.2. Changes in deferred tax liabilities

(In € millions)	2009	2008
Balance as at January 1	**397**	**423**
Income (expense) for the year	(53)	(51)
Impact of changes in foreign exchange, scope and reclassifications	(2)	30
Changes recognized directly in equity		(5)
Total	**342**	**397**

9.2.3. Origin of deferred tax assets and liabilities

(In € millions)	Net	
	2009	2008 restated
Intangible assets	(108)	(97)
Property, plant and equipment	(328)	(391)
of which: financial lease contract	*(102)*	*(127)*
Inventories	(11)	10
Financial instruments	5	17
Other assets	54	
Provisions	82	83
Regulated provisions	(139)	(105)
Other liabilities	83	98
of which: loan taken on lease financing	*50*	*45*
Tax loss carry forwards	147	119
Deferred tax assets (liabilities)	**(216)**	**(266)**
Deferred tax assets	126	131
Deferred tax liabilities	(342)	(397)
Net balance	**(216)**	**(266)**

The tax loss carry forwards were mainly generated by Cdiscount and in the sub-groups GPA, Franprix-Leader Price, Groupe Go Sport and Euristates. A deferred tax asset has been booked for these tax loss carry forwards because the companies expect to make a profit in future years or because tax options have been implemented.

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The amount of the tax loss carry forwards not recognized in assets stands at €1,366 million as at December 31, 2009 (impact of unrecognized deferred tax assets of €485 million). The expiry dates of these tax loss carry forwards are broken down as follows:

(In € millions)	2009
Less than 1 year	1
Between 1 and 2 years	1
Between 2 and 3 years	1
More than 3 years	482
Total unrecognized deferred tax assets	**485**

I Note 10. Income from associated companies

(In € millions)	2009	2008 restated
AEW Immocommercial	2	3
Easy Colombia	(1)	(1)
Associated companies of the Cdiscount group	(3)	(1)
Associated companies of the Grupo Pao de Azucar group	3	
Associated companies of the Franprix-Leader Price group	5	12
Others	(3)	1
Income from associated companies	**3**	**14**

I Note 11. Discontinued operations

During the 2009 fiscal year, the Casino group sold Super de Boer, located in the Netherlands; this activity and the divested food and general retailing activities in Belgium and the United States and sporting goods retailing in Belgium (forming a geographical region for Groupe Go Sport) are recorded under "Discontinued operations".
The income statement for the activities sold, presented in a single line item entitled "net income from discontinued operations", breaks down as follows:

(In € millions)	2009					2008				
	Sporting goods retailing	Food and general retailing			Total	Sporting goods retailing	Food and general retailing			Total
	Belgium	Netherlands	Poland	USA		Belgium	Netherlands	Poland	USA	
Current operating income	**(1)**	**20**	**(1)**		**18**	**(6)**	**15**	**(1)**		**8**
Other operating income and expenses		217	(4)	(1)	212	3	7	(11)	(4)	(5)
Operating income	**(1)**	**237**	**(5)**	**(1)**	**230**	**(3)**	**22**	**(12)**	**(4)**	**3**
Net financial income (loss)		(5)	1		(4)		(8)			(8)
Income before tax	**(1)**	**232**	**(4)**	**(1)**	**226**	**(3)**	**14**	**(12)**	**(4)**	**(5)**
Income tax expense		(3)	2		(1)		4	2	1	7
Income from associated companies		1			1		(1)			(1)
Net income – discontinued operations	**(1)**	**230**	**(2)**	**(1)**	**226**	**(3)**	**17**	**(10)**	**(3)**	**1**
of which: Group share	*(1)*	*25*	*(1)*	*(0)*	*22*	*(2)*	*4*	*(5)*	*(1)*	*(4)*
of which: minority interests		*205*	*(1)*	*(1)*	*204*	*(1)*	*13*	*(5)*	*(2)*	*5*

Cash flows from discontinued operations are set out in the table below:

(In € millions)	2009					2008		
	Belgium	Netherlands	Poland	USA	TOTAL	Belgium	Netherlands	TOTAL
Net cash provided by operating activities	(5)	20	(10)	(1)	4	(1)	49	48
Net cash used in investment transactions		292			292	5	(31)	(26)
Net cash used in financing transactions		(307)			(307)	(2)	(18)	(20)
Net change in cash from discontinued operations	**(5)**	**5**	**(10)**	**(1)**	**(11)**	**2**		**2**

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I Note 12. Earnings per share

12.1. Weighted average number of shares

	2009	2008 restated
Weighted average number of shares outstanding over the period		
- total number of shares [1]	42,360,140	42,664,592
- treasury shares	(1,195,423)	(677,565)
Weighted average number of shares before dilution	**41,164,717**	**41,987,027**
Share equivalents originating from:		
- Stock option plan	1,092,288	1,072,896
Total weighted average number of shares	1,092,288	
Non-dilutive instruments (off-market or hedged with calls)	(880,581)	(1,072,896)
Weighted average number of dilutive instruments	211,707	
Theoretical number of shares repurchased at market price [1]	(123,283)	
Dilution effect of stock option plans	88,424	0
Bonus shares allocation plan	190,310	56,813
Effect of all potentially dilutive shares	278,734	56,813
Weighted average number of shares after dilution	**41,443,451**	**42,043,840**

(1) In accordance with the treasury stock method, proceeds from the exercise of warrants and options are assumed to be allocated primarily to the repurchase of shares at market value. The theoretical number of shares to be repurchased is deducted from the total number of shares resulting from the exercise of warrants and options. The theoretical number is capped at the number of shares resulting from the exercise of the warrants and options.

12.2. Net income, Group share

	2009	2008 restated
Net income, Group share (in € millions)	101	(87)
Weighted average number of shares outstanding	41,164,717	41,987,027
Basic earnings per share (in €)	**2.45**	**(2.06)**
Weighted average number of shares outstanding after dilution [1]	41,443,451	42,043,840
Diluted earnings per share (in €)	2.44	(2.06)

(1) When basic earnings per share are negative, diluted earnings per share are of the same amount. Equity instruments cannot have an anti-dilutive effect on earnings per share.

12.3. Net income, Group share – Continuing operations

	2009	2008 restated
Net income, Group share (in € millions)	79	(83)
Weighted average number of shares outstanding	41,164,717	41,987,027
Basic earnings per share (in €)	**1.91**	**(1,97)**
Weighted average number of shares outstanding after dilution [1]	41,443,451	42,043,840
Diluted earnings per share (in €)	1.90	(1.97)

(1) When basic earnings per share from continuing operations are negative, diluted earnings per share are of the same amount. Equity instruments cannot have an anti-dilutive effect on earnings per share.

12.4. Net income, Group share – Discontinued operations

	2009	2008 restated
Net income, Group share (in € millions)	22	(4)
Weighted average number of shares outstanding	41,164,717	41,987,027
Basic earnings per share (in €)	**0.55**	**(0.09)**
Weighted average number of shares outstanding after dilution (1)	41,443,451	42,043,840
Diluted earnings per share (in €)	**0.54**	**(0.09)**

(1) When basic earnings per share from discontinued operations are negative, diluted earnings per share are of the same amount. Equity instruments cannot have an anti-dilutive effect on earnings per share.

I Note 13. Goodwill

13.1. Breakdown

(In € millions)	2009			2008
	Gross	Impairment (1)	Net	Net
Food and general retailing	**7,499**	**(10)**	**7,489**	**7,187**
France	5,401	(10)	5,391	5,272
Latin America	1,850		1,850	1,495
Argentina	34		34	38
Brazil	1,281		1,281	961
Colombia	403		403	382
Uruguay	103		103	84
Venezuela	29		29	30
Asia	71		71	71
Thailand	68		68	68
Vietnam	3		3	4
Others	177		177	350
Indian Ocean	176		176	178
Netherlands				169
Poland	1		1	1
Miscellaneous				2
Sporting goods retailing	**21**		**21**	**21**
France	21		21	21
TOTAL	**7,520**	**(10)**	**7,510**	**7,207**

1) The impairment from the year is attributable to the restructuring of the convenience division and is not the result of the annual impairment tests described in note 17.2. This impairment of €10 million is recorded under provisions and expenses for restructuring (see note 5)

Comments on goodwill impairment are provided under note 17.

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13.2. Changes

(In € millions)	2009	2008
As at January 1, net accumulated value	**7,207**	**7,230**
Goodwill recorded for the year [1]	237	468
Impairment losses [2]	(10)	(5)
Exits from consolidation scope [3]	(251)	(25)
Impact of foreign exchange gains and losses [4]	320	(274)
Changes related to put options granted to minority shareholders	7	(57)
Reclassifications and other entries		(130)
As at December 31, net accumulated value	**7,510**	**7,207**

(1) The change over the 2009 fiscal year was mainly the result of GPA's acquisition of Globex (€86 million), the acquisitions of Dilux and Chalin (holders of supermarket businesses) (€28 million), the acquisitions by the Franprix-Leader Price sub-group (€45 million), the consolidation of Viver, Alco and Casteldoc (€19 million) and the impact of transactions carried out with Mercialys.
(2) See note 17.2;
(3) The exits from the consolidation scope relate mainly to the sale of Super de Boer's assets and liabilities for €169 million (see note (2) and the dilutions of the ownership percentages in Exito and GPA for €35 million and €25 million respectively;
(4) The impact of exchange rate variations recorded during 2009 is mainly the result of the appreciation of the Brazilian, Colombian and Uruguayan currencies with respect to the euro.

I Note 14. Intangible assets

14.1. Breakdown

(In € millions)	2009			2008		
	Gross	Depr./ impairment losses [1]	Net	Gross	Depr./ impairment losses [1]	Net
Concessions, trademarks, patents, banners	304	(44)	260	360	(26)	334
Lease premiums	161	(4)	157	147	(4)	143
Software	367	(217)	150	321	(189)	132
Other intangible assets	108	(33)	75	149	(36)	113
Intangible assets	**940**	**(298)**	**642**	**977**	**(255)**	**722**

(1) Accumulated impairment losses amounted to €5 million in 2009 and €6 million in 2008.

14.2. Changes

(In € millions)	Concessions, trademarks, patents, banners	Lease premiums	Software	Other intangible assets	Total
As at January 1, 2008, net accumulated value	**252**	**134**	**125**	**58**	**570**
Change in scope [1]	102	(5)	6		103
Increases and other acquisitions	4	16	11	69	100
Internally generated assets			16		16
Assets de-recognized in the year	(1)	(1)		(2)	(4)
Amortization provisions (continuing operations)	(9)		(46)	(4)	(59)
Impairment losses (continuing operations)		(1)		2	1
Impact of foreign exchange gains and losses	(15)		(1)	(4)	(20)
Reclassifications and other entries			21	(6)	15
As at December 31, 2008, net accumulated value	**334**	**143**	**132**	**113**	**722**
Change in scope [1]			7	(5)	2
Increases and other acquisitions	2	19	16	49	86
Internally generated assets			9		9
Assets de-recognized in the year	(101)	(2)	(7)	2	(108)
Amortization provisions (continuing operations)	(14)		(56)	(3)	(73)
Impairment losses (continuing operations)		(1)		(1)	(2)
Impact of foreign exchange gains and losses	17		1		18
Reclassifications and other entries	22	(2)	48	(80)	(12)
As at December 31, 2009, net accumulated value	**260**	**157**	**150**	**75**	**642**

(1) See note 2 for the main acquisitions.

Note 15. Property, plant and equipment

15.1. Breakdown

(In € millions)	2009			2008		
	Gross	Depr./ impairment losses [1]	Net	Gross	Depr./ impairment losses [1]	Net
Land and fittings	1,430	(54)	1,376	1,401	(52)	1,349
Buildings and fittings	3,399	(1,140)	2,259	3,554	(1,180)	2,375
Other property, plant and equipment	5,342	(3,187)	2,155	5,084	(2,845)	2,239
Property, plant and equipment	**10,171**	**(4,381)**	**5,789**	**10,039**	**(4,077)**	**5,963**

(1) Accumulated impairment losses amounted to €75 million in 2009 and €76 million in 2008.

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15.2. Changes

(In € millions)	Land and fittings	Buildings and fittings	Other property, plant and equipment	Total
As at January 1, 2008, net accumulated value	**1,342**	**2,335**	**2,109**	**5,786**
Change in scope	23	119	(8)	134
Increases and other acquisitions	50	227	811	1,088
Assets de-recognized in the year	(36)	(105)	(26)	(167)
Amortization provisions for the year (continuing operations)	(6)	(151)	(448)	(605)
Impairment losses (continuing operations)		(5)	(6)	(11)
Impact of foreign exchange gains and losses	(55)	(139)	(53)	(247)
Reclassifications and other entries	31	93	(138)	(14)
Classification in assets held for sale			(2)	(2)
As at December 31, 2008, net accumulated value	**1,349**	**2,375**	**2,239**	**5,963**
Change in scope [1]	32	12	22	66
Increases and other acquisitions	19	98	460	577
Assets de-recognized in the year	(74)	(269)	(32)	(375)
Amortization provisions for the year (continuing operations)	(6)	(145)	(428)	(579)
Impairment losses (continuing operations) [2]		(5)	(22)	(27)
Impact of foreign exchange gains and losses	46	133	50	229
Reclassifications and other entries	10	60	(133)	(63)
Classification in assets held for sale				
As at December 31, 2009, net accumulated value	**1,376**	**2,259**	**2,155**	**5,789**

(1) See note 2 for the main acquisitions
(2) The impairment loss for the year of €27 million was the result of, on the one hand, impairment tests (€4 million) (see note 5) and, on the other, the restructuring of the convenience division and Franprix - Leader Price (€23 million)

Property, plant and equipment underwent impairment tests on December 31, 2009 according to the method described in note 1.18, "Accounting rules and methods": the impact is shown in note 17.

15.3. Lease-financed fixed assets

The Group has entered into finance leases for real estate and investment property, which are broken down as follows:

(In € millions)	2009			2008		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Land and fittings	44	(2)	42	80	(2)	78
Buildings and fittings	232	(105)	127	288	(121)	167
Other property, plant and equipment	707	(583)	124	700	(549)	151
Investment properties	82	(6)	76	82	(6)	76
Lease-financed fixed assets	**1,065**	**(696)**	**369**	**1,150**	**(678)**	**472**

I Note 16. Investment property

16.1. Changes

(In € millions)	Gross	Depreciation	Impairment of assets	Net
As at January 1, 2008	**1,537**	**(199)**	**(46)**	**1,292**
Change in scope [1]	123	(6)		117
Increases and other acquisitions	113	(33)		80
Assets de-recognized in the year	(17)	1		(16)
Impairment losses (net)			(10)	(10)
Impact of foreign exchange gains and losses	(30)	5	5	(20)
Reclassifications and other entries	16	(5)		11
Classification in assets held for sale	(150)			(150)
As at December 31, 2008	**1,592**	**(236)**	**(51)**	**1,304**
Change in scope [1]	90			90
Increases and other acquisitions	99	(34)		65
Assets de-recognized in the year	(26)	5		(21)
Impairment losses (net)			(1)	(1)
Impact of foreign exchange gains and losses	1			1
Reclassifications and other entries	32	3		35
Classification in assets held for sale	(8)			(8)
As at December 31, 2009	**1,780**	**(261)**	**(52)**	**1,465**

(1) See note 2 for the main acquisitions.

Investment property is valued at cost less accumulated amortization and potential losses in value. Its fair value as at December 31, 2009 totaled €3,242 million (€2,891 million as at December 31, 2008). This fair value is determined, for most investment buildings, on the basis of evaluations made by independent experts. The assessment is performed on the basis of the open market value, supported by market indicators in accordance with international standards of valuation.
The value of investment buildings totaled €1,465 million as at December 31, 2009, of which approximately 64% covered Mercialys (or approximately €942 million).

Fair value of Mercialys' investment property

As at June 30, 2009, experts at BNP Paribas Real Estate, Catella Valuation and Galtier had updated their valuation of the assets of Mercialys. On a like-for-like basis, all sites had been assessed.
The sites acquired during the first half of 2009 were valued as follows as at June 30, 2009:

- The 10 acquired assets contributed by the Casino group were valued at their assessment values calculated by The Retail Consulting Group Expertise when the contribution was made.
- The co-ownership lot acquired in Villenave d'Ornon was valued at the purchase price pending assessment reports and the lot acquired in Montélimar was valued as part of the overall assessment of the site. The values for these two assets stand at €2.8 million.

As at December 31, 2009, experts at Atis Real, Catella and Galtier had updated their valuation of the assets of Mercialys:

- Atis Real assessed 101 hypermarket sites, visiting 46 of them in person during the second half of 2009 and basing their assessment on an update of the assessments carried out on June 30, 2009, for the 55 other sites.
- Catella assessed 19 supermarket sites, based on an update of the assessments carried out on June 30, 2009 (the 19 sites were visited in person during the first half of 2009).
- Galtier carried out the assessment for the extra Mercialys assets, i.e. 47 sites, based on an update of the assessments carried out on June 30, 2009, except for 6 sites which were assessed based on an onsite visit.

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The sites acquired in 2009 were valued as follows as at December 31, 2009:

- The 10 acquired assets contributed by the Casino group were valued as follows:
  - For the three land and building assets in Besançon and Arles that are part of block 1 of the contribution transaction: Atis Real assessed these assets by including the two sites in question in the overall assessment.
  - For the assets in lot 2 (7 assets to be developed): the market value of these assets, determined upon contribution by the The Retail Consulting Group (RCG), were re-updated internally on December 31, 2009, approved by Atis Real.
- The co-ownership lots acquired in Villenave d'Ornon and Montélimar were valued by Atis Real via inclusion in the overall assessment of the sites.
- The Geispolsheim mall held by SCI GM Geispolsheim (50% of the no-par value shares of which were acquired by Mery 2 SAS) was assessed based on the purchase value of the shares by the Group.

These assessments, based on recurring rental income of €137 million, value the real estate assets at €2,237 million (transfer taxes included) as at December 31, 2009, compared with the valuation of €2,185 million as at June 30, 2009 and €2,061.2 million as at December 31, 2008.

The value of the portfolio therefore increased by +8.6% over 12 months (-1% like-for-like) and +2.4% over the last six months (+2.2% like-for-like).

The average capitalization rate deriving from the assessments are set out as follows:

	December 31, 2009	June 30, 2009	December 31, 2008
Large shopping centers	5.7%	5.8%	5.4%
Local convenience centers	6.7%	6.8%	6.3%
Entire portfolio	6.1%	6.2%	5.8%

Based on the assumption of annual rental income of €137 million and a capitalization rate of 6.1%, the incidence of a 0.5% decrease in this rate would result in an increase in the fair value of buildings in the amount of €199 million. A 0.5% increase in this rate would decrease the fair value of Mercialys' real estate assets by €169 million.
The impact of a 10% increase or decrease in rental income would be approximately €224 million with a capitalization rate of 6.1%.
On the basis of these assessments and in the same vein as the previous two years, no depreciation was recorded in the accounts as at December 31, 2009.

16.2. Net rental income

The amounts recognized in the income statement under rental income and operating expenses for investment properties are summarized as follows:

(In € millions)	2009	2008
Rental income from investment property	228	204
Direct operating expenses for investment property which did not generate rental income during the period	(8)	(8)
Net rental income	**220**	**196**
Direct operating expenses for investment property which did generate rental income during the period	(22)	(15)

Note 17. Impairment of non-current assets

In accordance with IAS 36, "Asset impairment", goodwill and other non-financial assets were tested for impairment as at December 31, 2009 based on the method described in note 1.17 of "Accounting principles and methods".

17.1. Goodwill impairment at holding level

The cash generating units (CGU) used are the Group's operating subsidiaries.
The values in use of the CGUs were calculated by discounting the after-tax expected future cash flows at the rates mentioned below.
The parameters used to calculate the present value of future cash flows are as follows:

Business segment	Perpetuity growth rate	Value of the firm (x EBITDA)	Discount rate (1)	
			2009	2008
Food and general retailing	2%	6.7	8.4%	8.3%
Sporting goods retailing	2%	7.3	6.7%	6.8%

(1) The terminal value is calculated on a "perpetuity with growth" basis, using a cash flow forecast to which a growth rate of 2% has been applied.

The values in use of the Group's operating subsidiaries were assessed and did not give rise to the recognition of any impairment loss.
The method used to determine the values in use mainly consists of updating the future cash flows. These flows are estimated based on three-year plans or budgets for the food and general retailing segment and seven-year plans or budgets for the sporting goods retailing segment. Beyond this, the flows are extrapolated by applying a growth rate and updated.
Key assumptions include, in particular, sales growth rates, the discount rate, and the EBITDA multiple used in calculating terminal value.
As at December 31, 2009, for the food and general retailing segment, a discount rate that is 220 points higher than that used would bring the value in use back down to book value. For the sporting goods retailing segment, a discount rate that is 198 points higher than that used would bring the value in use back down to book value.

17.2. Depreciation of non-current asset in the operating subsidiaries

The CGUs used for the Group's businesses are the stores or chains. Impairment losses recognized on these subsidiaries were maintained at the holding level in order to reflect the Group's intrinsic value.
For all the assets, the management made the best possible estimate of the recoverable values or values in use. The assumptions used to calculate these estimates are given below.
The impairment tests performed in 2009 by the operating subsidiaries led to the recognition of impairment losses on non-current assets totaling €15 million, of which most importantly €6 million were allocated to intangible and tangible assets relating to the Franprix-Leader Price and Monoprix segments.
The 2008 annual goodwill impairment test led to the recognition of an impairment loss in the amount of €5 million as at December 31, 2008. This included a loss of €3 million on the Casino Restauration cash generating unit; the balance results from isolated tests (goodwill directly attached to an asset).

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Goodwill impairment in the operating subsidiaries
The goodwill recorded for the subsidiaries mainly concerns the food and general retailing business. The values in use were determined by discounting the after-tax expected future cash flows at the rates mentioned below.
The parameters used to calculate the present value of future cash flows are as follows:

	Growth rate (1)	Terminal value (x EBITDA) (2)	Discount rate (3)
Food and general retailing business			
France	0.6 to 2.6%	9.0	6.4%
Argentina	16.0%	9.5	20.1%
Colombia	9.2%	9.5	9.8%
Uruguay	7.5%	9.5	12.9%
Venezuela	30.8%	9.5	33.4%
Asia	2.5%	9.0	5.8%
Indian Ocean	3.2%	9.0	6.4 to 13.1%
Other business			
France (4)	0.0 to 1.6%	8.0	6.4 to 9.25%

(1) the growth rate over the flow prediction period includes the anticipated growth rate of the price index, which is very high in some countries.
(2) Except for the e-commerce business, the terminal value is calculated on the basis of a multiple of EBITDA (current operating income + operating depreciation and amortization), as measured for comparable transactions.
(3) The discount rate used is the average weighted cost of capital for each country. According to the permanent method used by the Casino group, this is calculated taking into account the levered beta of the segment, the historical market risk premium and the Casino group's debt cost.
(4) For e-commerce, the terminal value was determined on a "perpetuity with growth" basis, assuming a 2.9% annual growth of sales.

The 2009 annual goodwill impairment test, which was finalized in January 2010, did not lead to the recognition of an impairment loss as at December 31, 2009.

In light of the existing excess between the value in use and the book value, the Casino group has deemed that, on the basis of events that can reasonably be expected to take place, any changes affecting the key assumptions mentioned above will not lead to the recognition of an impairment. In particular, a 100-point increase in the discount rate or a 1-point decrease in the EBITDA multiple would not have caused a loss in value to be recorded.

External auditors assessed GPA during the months of December 2009 and January 2010. This assessment concluded that there had been no impairment loss during the course of the year ended December 31, 2009.
The main assumptions and modes of assessment can be summarized as follows:
The estimated value in use of GPA is based on discounted future cash flows and supported by a multi-criteria analysis (stock market price and transaction multiples of retained comparable transactions). The discounted future cash flow method was deemed to be fundamental in valuing GPA. GPA uses cash flow projections prepared on the basis of financial forecasts approved by the Board, for a period of three years with a discount rate of 9.2%. Cash flows beyond this period were extrapolated over a period of two years, before determining terminal value. Key assumptions include, in particular, sales growth rates, the discount rate, and the EBITDA multiple (10.4x) used in calculating terminal value. As at December 31, 2009, a discount rate 1,000 points higher than that used or a 4.6-point reduction of the EBITDA multiple would bring the value in use back down to book value.

Note 18. Interests in associated companies

18.1. Breakdown

(In € millions)	2009	2008
Associated companies of the Grupo Pao de Azucar group	26	10
Associated companies of the Franprix-Leader Price group	87	75
Easy Holland BV		2
AEW Immocommercial	23	25
OPCI fund - Store assets	41	
Associated companies of the Cdiscount group		2
Easy Colombia		9
Pont de Grenelle	10	14
Ruban Bleu Saint Nazaire	7	
Other companies	1	1
TOTAL	**195**	**137**

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18.2. Changes in interests in associated companies

(In € millions)	Opening	Impairment loss	Net income from the year	Retailing	Change in scope and foreign exchange	Closing
Changes in 2008						
Associated companies of the GPA group	12				(2)	10
Super de Boer	178				(178)	
Associated companies of the Franprix-Leader Price group	59		12	(12)	16	75
Easy Holland BV	10				(8)	2
AEW Immocommercial	18		3	(2)	6	25
Associated companies of the Cdiscount group			(1)		3	2
Easy Colombia			(1)		9	9
Pont de Grenelle					14	14
Other companies	3			(2)		1
TOTAL	**279**		**13**	**(16)**	**(140)**	**137**
Changes in 2009						
Associated companies of the GPA group	10		3		14	26
Associated companies of the Franprix-Leader Price group	75		5	(5)	12	87
Easy Holland BV	2				(2)	
AEW Immocommercial	25		2	(4)		23
OPCI fund - Store assets					41	41
Associated companies of the Cdiscount group	2		(3)		2	
Easy Colombia	9		(1)		(9)	
Pont de Grenelle	14				(4)	10
Ruban Bleu Saint Nazaire			(1)		8	7
Sistem Apsys			(2)		2	
Other companies	1					1
TOTAL	**137**		**2**	**(9)**	**64**	**195**

The changes recognized on the interests of associated companies correspond mainly to changes in scope related to the OPCI fund Vivéris and Shopping Property Fund 1, for €15 million and €26 million respectively.
The Casino group sold certain store real estate assets to different OPCI funds (see note 5), keeping, in some cases, a residual share in the capital of those funds.
Although these entities, the Casino group took into account:

- the characteristics of existing agreements (simple lease contracts were signed, with no specific clauses providing benefits for the Casino group);
- the purpose of the OPCI funds, which is to manage and acquire commercial assets (though not necessarily from Casino);
- the weighting of the various tenants and the method of governance to determine whether or not it has a significant influence.

This analysis led the group to apply the equity method for the OPCI fund AEW Immocommercial and the two store asset OPCI funds as at December 31, 2009.
These associated companies are unlisted private entities. Consequently, a listed share price cannot be used to determine their fair value.
Transactions with associated companies are reported in note 37.

18.3. Share in contingent liabilities

As at December 1, 2009 and 2008, there were no contingent liabilities in the associated companies.

I Note 19. Interests in joint ventures

The companies or sub-groups Monoprix, Distridyn, Régie Média Trade, Dunnhumby France, Geimex, as well as some real estate subsidiaries in which the Group has a 50% interest, are proportionately consolidated, since the Group exercises joint control over them.
The companies or sub-groups Banque du Groupe Casino, Grupo Disco de Uruguay, Wilkes and the GPA group are proportionately consolidated, since Agreements between partners and the Casino group provide for joint control of their activities.

Monoprix:
On December 22, 2008, the Casino and Galeries Lafayette groups signed an amendment to their strategic agreement of March 2003, suspending the call and put options on Monoprix shares for a three-year period.
Consequently, the call option held by Casino on 10% of Monoprix's share capital and the put option held by Galeries Lafayette on 50% of Monoprix's share capital may not be exercised before January 1, 2012. The other terms and conditions relating to the exercise of put and call options, as well as the other provisions of the strategic agreement of March 2003, were not modified.
Consequently, Monoprix is proportionately integrated and the value of the options is reported in the off-balance-sheet commitments given in the note to the consolidated financial statements for the fiscal year ending December 31, 2009.

19.1. Summary financial statements of major joint ventures restated under IFRS

(In € millions)	Total 2009	of which GPA (1)	of which Monoprix	Total 2008	of which GPA (1)	of which Monoprix
Share of capital held		**33.67%**	**50.0%**		**34.72%**	**50.0%**
Revenue	6,241	3,006	1,840	5,892	2,358	1,841
Expenses	(6,069)	(2,927)	(1,768)	(5,744)	(2,310)	(1,749)
Non-current assets	3,184	1,442	1,108	2,604	1,010	1,115
Current assets	2,317	1,208	295	1,810	668	326
Total assets	**5,500**	**2,649**	**1,403**	**4,414**	**1,678**	**1,441**
Shareholders' equity	2,333	1,157	582	1,787	780	579
Non-current liabilities	765	514	113	619	436	103
Current liabilities	2,403	979	708	2,009	463	759
Total liabilities and shareholders' equity	**5,500**	**2,649**	**1,403**	**4,414**	**1,678**	**1,441**

(1) See note 2.

19.2. Share in contingent liabilities

As at December 31, 2009, contingent liabilities in joint ventures consist only of social and tax contingencies at GPA for €348 million (Group share), of which €17 million relates to Globex Utilidades.

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Note 20. Fair value of financial instruments recognized as assets

The methods used to determine the fair values by the type of assets recognized at fair value are the following:

- For financial instruments allocated to "marketable securities" and "cash and cash equivalents", fair value is determined by reference to the stock market price on the daily accounts were closed (level 1).
- For financial instruments allocated to "Non-current derivatives recognized as assets", "Non-current hedging financial assets" and "Derivatives recognized as assets (fair value hedging) and debt derivatives", fair value is determined by reference to the stock market price of listed instruments of similar type and maturity and if necessary (level 2).
- For investments in Private Equity funds allocated to "Securities in the financial investment portfolio", fair value is determined based on the most recent data supplied by the managers of these funds (level 3).
- For other unlisted instruments allocated to "Other available-for-sale financial assets", consisting mainly of interests in non-consolidated companies, fair value is determined using valuation techniques such as those used for options or using the discounted cash flow method. The models use assumptions that are supported by market data (these fair value valuations are usually level 3).

The table below provides a comparison of the carrying amount of financial assets and liabilities recognized in the balance sheet with their fair value.

20.1. Breakdown of financial instruments recognized as assets as at December 31, 2009

(In € millions)	12/31/2009			Breakdown by category of instrument				12/31/2009
	Book							
	Total assets	Non-financial assets	Financial assets	Fair value	Investments held to maturity	Loans and receivables	Available-for-sale financial assets	Fair value
Securities in the long-term investment portfolio	338		338				338	338
Other available-for-sale financial assets	94		94				94	94
Available-for-sale financial assets	*432*		*432*				*432*	*432*
Loans	99		99			99		99
Non-current derivatives recognized as assets	2		2	2				2
Prepaid rent	124	124						
Deposits, security pledges and other	15	4	11		11			11
Receivables related to equity interests	147		147			147		147
Non-current financial assets	**819**	**128**	**691**	**2**	**11**	**246**	**432**	**691**
Non-current hedging financial assets	**207**		**207**	**207**				**207**
Trade receivables and related accounts	852		852			852		852
Receivables from the credit business	665		665			665		665
Trade receivables	**1,517**		**1,517**			**1,517**		**1,517**
Other assets	**1,271**	**550**	**721**			**721**		**721**
Marketable securities and similar assets	143		143	84		59		143
Derivatives recognized as assets (fair value hedging) and debt derivatives	116		116	116				116
Other current financial assets	**259**		**259**	**200**		**59**		**259**
Cash and cash equivalents	**3,308**		**3,308**	**3,308**				**3,308**

Over the period, no level 3 financial instruments recognized as assets were transferred from or to another category.

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20.2. Breakdown of financial instruments recognized as assets as at December 31, 2008

(In € millions)	12/31/2008				Breakdown by category of instrument			12/31/2008
	Book							
	Total assets	Non-financial assets	Financial assets	Fair value	Investments held to maturity	Loans and receivables	Available-for-sale financial assets	Fair value
Securities in the long-term investment portfolio	373		373				373	373
Other available-for-sale financial assets	196		196		6		190	196
Available-for-sale financial assets	*569*		*569*		*6*		*563*	*569*
Loans	54		56			54		54
Non-current derivatives recognized as assets	7		7	7				7
Prepaid rent	127	124	3			3		3
Deposits, security pledges and other	11		11		11			11
Receivables related to equity interests	147		147			147		147
Non-current financial assets	**915**	**124**	**793**	**7**	**17**	**204**	**563**	**791**
Non-current hedging financial assets	**123**		**123**	**123**				**123**
Trade receivables and related accounts	906		906			906		906
Receivables from the credit business	695		694			695		695
Trade receivables	**1,601**		**1,600**			**1,601**		**1,601**
Other assets	**1,311**	**444**	**866**			**866**		**866**
Marketable securities and similar assets	84		84	19		65		84
Derivatives recognized as assets (fair value hedging) and debt derivatives	78		78	78				78
Other current financial assets	**163**		**162**	**98**		**65**		**163**
Cash and cash equivalents	**2,311**		**2,311**	**2,311**				**2,311**

I Note 21. Non-current financial assets

21.1. Breakdown of non-current financial assets

(In € millions)	2009	2008
Securities in the financial investment portfolio	338	373
Other available-for-sales assets	94	196
Available-for-sale financial assets (AFS)	*432*	*569*
Loans	99	54
Non-current derivatives recognized as assets	2	7
Prepaid rent (1)	124	127
Deposits, security pledges and other	15	11
Receivables related to equity interests	147	147
Non-current financial assets	**819**	**915**

(1) Prepaid rent corresponds to the rights to the use of land in certain countries for an average period of 30 years. The cost is spread over the duration of the leases.

21.2. Changes in available-for-sale financial assets (AFS)

(In € millions)	2009	2008
As at January 1	**569**	**719**
Increase	40	174
Decrease	(55)	(218)
Foreign exchange fluctuations (1)	(8)	(65)
Impairment of assets	(29)	(16)
Change in scope and foreign exchange (2)	(85)	(24)
Others		(1)
As at December 31	**432**	**569**

(1) Changes in fair value take into account an adjustment of €6 million in fair value previously recognized in equity and recycled in profit or loss in 2009 versus €11 million in 2008.
(2) The changes in scope and foreign exchange for the year correspond mainly to the consolidation of previously non-consolidated companies.

I Note 22. Inventories

(In € millions)	2009			2008		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Food and general retailing	2,389	(35)	**2,354**	2,448	(41)	**2,407**
Sporting goods retailing	158	(5)	**153**	179	(6)	**173**
Real estate	241	(18)	**223**	281	(1)	**280**
TOTAL	**2,788**	**(58)**	**2,730**	**2,908**	**(48)**	**2,860**

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I Note 23. Trade receivables

23.1. Breakdown

(In € millions)	2009	2008
Trade receivables and related accounts	930	973
Depreciation from accounts receivable and similar accounts	(78)	(67)
Receivables from the credit business	751	757
Depreciation from the banking business	(86)	(62)
Trade receivables, net value	**1,517**	**1,601**

23.2. Depreciation of trade receivables

(In € millions)	2009	2008
Depreciation from trade receivables and related accounts		
Balance as at January 1	**(67)**	**(67)**
Allowance	(22)	(26)
Reversal	16	26
Change in scope	(4)	(2)
Foreign exchange differences	(1)	1
Balance as at December 31	**(78)**	**(67)**
Depreciation from the banking business		
Balance as at January 1	**(62)**	**(48)**
Allowance	(55)	(36)
Reversal	31	22
Change in scope	(1)	
Foreign exchange differences		
Balance as at December 31	**(86)**	**(62)**

The conditions governing the recording of provisions are set out in note 33.5 "Credit risks".

23.3. Aging of trade receivables

(In € millions)	2009	2008
Trade receivables and related accounts		
Receivables not yet due	744	711
Overdue by less than one month	45	115
Overdue by between one and six months inclusive	25	60
Overdue by more than six months	18	1
Impaired receivables	98	86
Net	**930**	**973**
Receivables from the credit business		
Updated loans and receivables (1)	530	577
Late and unimpaired (2)		
Restructured and updated (3)	81	64
Current and impaired (4)	140	115
Net	**751**	**757**

(1) Receivables with no payment incidents
(2) Unimpaired past due receivables
(3) Receivables for which the payment schedule was adjusted
(4) Receivables for which at least one installment remains unpaid for longer than one month and that have been impaired

I Note 24. Other assets

24.1. Breakdown

(In € millions)	2009	2008
Other receivables	1,047	1,060
Current accounts with non-consolidated companies	114	158
Depreciation of other receivables and current accounts	(33)	(28)
Non-hedging derivatives recognized as assets		4
Prepaid expenses	143	118
Other assets	**1,271**	**1,311**

Other receivables comprise mainly tax and social receivables, as well as trade receivables. Prepaid expenses mainly include purchases, rents, rental fees, and insurance premiums booked during the current year but which concern periods subsequent to the year in question.

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24.2. Depreciation of other receivables

(In € millions)	2009	2008
Balance as at January 1	**(28)**	**(25)**
Allowance	(11)	(8)
Reversal	12	4
Change in scope	(6)	1
Balance as at December 31	**(33)**	**(28)**

I Note 25. Other current financial assets

(In € millions)	2009	2008
Listed shares	60	6
Mutual funds	3	13
Miscellaneous	80	65
Marketable securities and similar assets	143	85
Derivatives recognized as assets (fair value hedging) and debt derivatives	116	78
Other current financial assets	**259**	**163**

I Note 26. Net cash, cash-equivalents and net financial debt

26.1. Breakdown of net financial debt

(In € millions)	2009	2008
Cash-equivalents	2,184	1,450
Cash	1,124	861
Gross cash and cash-equivalents	**3,308**	**2,311**
Spot and confirmed credit lines	(55)	(22)
Short-term bank borrowings	(359)	(417)
Net cash and cash-equivalents	**2,894**	**1,872**

Gross cash and cash-equivalents of the parent company and the 100%-owned companies totaled approximately €566 million. Total 100%-presented cash and cash-equivalents from companies in which there are minority interests amount to approximately €2,285 million. The balance includes cash and cash-equivalents from proportionately integrated companies, in the amount of approximately €457 million (GPA, Banque du Groupe Casino, Monoprix). With the exception of proportionately integrated companies, for which the payment of dividends is subject to agreement by their partners, cash and cash-equivalents for fully consolidated companies are entirely available to the Group since, despite the existence of minority interests, the Group has control over dividend policy.

26.2. Breakdown of cash and cash-equivalents by currency

(In € millions)	2009	%	2008	%
Euro	2,583	78	1,887	82
US Dollar	29	1	29	1
Argentinean Peso	15	0	2	0
Brazilian Real	311	9	175	8
Thai Baht	42	1	30	1
Colombian Peso	216	7	129	6
Vietnamese Dong	24	1	11	0
Uruguayan Peso	20	1	12	1
Venezuelan Bolivar	39	1	34	1
Polish Zloty	2	0	2	0
Other currencies	27	1	0	0
Gross cash and cash-equivalents	**3,308**	**100**	**2,311**	**100**

As at December 31, 2009, cash and cash-equivalents include €146 million of the cash received on the assignment of receivables that meet IAS 39 financial asset de-recognition criteria, as stated in the note on the accounting principles applicable to trade receivables, as against €161 million as at December 31, 2008.

As at December 31, 2009, cash-equivalents comprised interest-bearing current accounts, euro-denominated money market mutual funds and other marketable securities. To determine whether an investment qualifies as a cash-equivalent, the Group complies with IAS 7 "Cash flow statement" as well as the Notice of March 8, 2006 issued by the AFG-AFTE, relative to the classification of money market mutual funds as cash-equivalents.

Following the retrospective examination of its investments based on these criteria, the Group concluded that its marketable securities investments qualified as cash-equivalents as at December 31, 2009.

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Note 27. Assets and liabilities held for sale

As at December 31, 2009, certain real estate assets (e.g., shopping galleries owned by Rallye) are in the process of being sold, with the sale transaction having begun in 2008; assets and liabilities reclassified, respectively, under "Assets held for sale" and "Liabilities related to assets held for sale" break down as follows:

(In € millions)	2009	Real estate development operations	Food and general retailing
Goodwill			
Property, Plant and Equipment and Intangible Assets	27	11	16
Investment property	4	4	
Interests in associated companies	32	32	
Non-current financial assets			
Deferred tax assets			
Non-current assets	**63**	**47**	**16**
Inventories	3		3
Trade receivables	2		2
Other assets	8	5	3
Other assets			
Cash and cash equivalents	1		1
Current assets	**14**	**5**	**9**
Total classified in "assets held for sale"	**77**	**52**	**25**
Provisions			
Non-current financial liabilities			
Other non-current liabilities			
Deferred tax liabilities			
Non-current liabilities			
Provisions			
Trade payables	4		4
Current financial liabilities			
Tax liability due			
Other current liabilities	13		13
Current liabilities	**17**		**17**
Total classified in "liabilities related to assets held for sale"	**17**		**17**
Net cash and cash-equivalents	1		1
Net financial debt	1		1

I Note 28. Shareholders' equity and minority interests

28.1. Capital management

The policy of the Group is to maintain a solid capital base in order to uphold the confidence of investors, creditors, partners and the financial markets and to support future business development. The Group aims to maintain the number and variety of its shareholders and ensure that they receive appropriate levels of dividends.
In June 2005, Rallye entered into a liquidity agreement in accordance with the charter of ethics of the French Association of Investment Companies (AFEI), in order to boost trading on the company's shares.
In connection with a repurchase program approved by the ordinary shareholders' meeting, Rallye is authorized to buy back the company's shares in order, in particular, to cover the requirements of the stock option plans, to allocate bonus shares to employees and management, to ensure trading on the market, to retain them in order to issue them subsequently as payment or in consideration in connection with acquisitions, and to cancel a certain number and amount of shares which cannot exceed 10% of share capital.
Pursuant to the authorizations given to the Board of Directors, the overall amount of capital increases which may be performed immediately or in the long term, other than by the incorporation of profit, reserves or premiums, should not exceed a nominal amount of €200 million.

28.2. Share capital and capital reserves

Share capital comprises 42,360,140 shares with a par value of €127 million. The share premium, merger premium and other additional paid-in capital amounted to €906 million, €363 million and €40 million, respectively.

28.3. Changes in share capital

Common shares issued and fully paid (par value of €3 per share)

	2009	2008
Number of shares as at January 1	**42,360,140**	**42,652,592**
Exercise of stock subscription options		24,000
Dividend payment in shares (balance)		
Cancellation of shares		**(316,452)**
Number of shares as at December 31	**42,360,140**	**42,360,140**

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28.4 . Other shareholders' equity

(In € millions)	2009	2008
Additional paid-in capital (1)	1,309	1,309
Treasury shares (2)	(12)	(19)
Equity instruments (TSSDI) (3)	600	600
Other equity instruments (4)	(5)	(14)
Consolidated reserves (5)	3,896	3,893
Translation difference (6)	367	(160)
TOTAL OTHER SHAREHOLDERS' EQUITY	**6,155**	**5,609**

(1) Additional paid-in capital: Additional paid-in capital refers to the parent company's premiums on shares issued for cash or in connection with mergers or acquisitions.
(2) Treasury shares: as at December 31, 2009, the Company held 891,789 of its own shares, for a total amount of €12 million.
During the year, the Company:
- issued 33,044 shares as part of a bonus share plan which matured in 2009;
- acquired 1,135,769 shares and sold 1,330,769 shares in the framework of the liquidity contract, which included no shares as at December 31, 2009;
(3) Equity instruments (TSSDI): At the beginning of the year 2005, the Casino group floated €600 million in perpetual "super-subordinated" securities (TSSDI) on the market. The securities are redeemable solely at the Group's discretion, and interest payments are due only if the Group pays a dividend on its common stock in the preceding twelve months. Due to the specific duration and remuneration featured by these securities, the instrument is classified under shareholders' equity for an amount of €600 million.
(4) Other equity instruments. The Group holds calls purchased to hedge stock-option plans in the amount of €5 million.
(5) Consolidated reserves: This account comprises:
- the parent company's reserves after consolidation restatements;
- the Group's share of each subsidiary's restated shareholders' equity, decreased by the value of the shares held by the Group, and increased by goodwill if any;
- the accumulated effect of changes in accounting methods and correction of errors;
- the changes in fair value of financial assets held for sale, and
- the changes in fair value of derivatives used in cash flow hedging transactions.
(6) Translation adjustments: this account includes the Group's share of foreign exchange unrealized gains or losses, linked to the year-end evaluation of the shareholders' equity of foreign subsidiaries, and the portion of receivables and debts that are part of its net investment in its foreign subsidiaries.

28.5. Translation differences

(In € millions)	2009			2008		
	Group's share	Minority interests	Total	Group's share	Minority interests	Total
Brazil	183	190	373	(9)	(7)	(16)
Argentina	(22)	(24)	(46)	(15)	(16)	(31)
Colombia	2	(20)	(18)	(22)	(78)	(100)
Uruguay	16	17	33	(3)	(3)	(6)
Venezuela	5	3	8	(13)	(18)	(31)
United States	(2)	(10)	(12)	4	(9)	(5)
Thailand	5	3	8	5	2	7
Poland	18	18	36	15	16	31
Others	(2)	(13)	(15)	1	(10)	(9)
TOTAL TRANSLATION DIFFERENCES	**203**	**164**	**367**	**(37)**	**(123)**	**(160)**

The changes in 2009 were mainly the result of the appreciation of the Brazilian and Colombian currencies with respect to the euro. In addition, the 2009 change includes the translation differences that were charged to income when the securities were transferred to GPA and for a respective amount of €12 million.

28.6. Share-based payments

28.6.1. Payments in Rallye shares

Date of grant	6/8/2005	6/7/2006	10/1/2007	4/23/2008	4/27/2009	12/9/2009
Date of maturity	12/8/2010	12/7/2011	3/31/2013	10/22/2013	10/27/2014	6/8/2015
Number of initial beneficiaries	58	61	60	66	13	1
Number of options initially granted	224,084	254,120	181,127	258,091	310,521	12,000
Number of options relinquished by beneficiaries	17,083	15,313	1,320	3,525		
Number of options exercised						
Number of options remaining in force at end of period	207,001	238,807	179,807	254,566	310,521	12,000
Strike price in	40.16	36.84	48.73	43.15	14.24	24.62
Fair value at the time of grant, in	8.64	7.20	10.16	8.74	1.55	5.90
Valuation model used	Trinomial	Trinomial	Trinomial	Trinomial	Trinomial	Trinomial
Volatility	31.60%	26.37%	26.08%	28.39%	39.81%	40.81%
Option duration	5 ½ years	5 ½ years	5 ½ years	5 ½ years	5 ½ years	5 ½ years
Risk-free interest rate	2.60%	3.79%	4.23%	3.99%	2.84%	2.83%
Planned dividend	0%	4.00%	4.00%	4.00%	0%	0%

The above plans do not provide for early exercise of the options.
In October 2007, April 2008, September 2008 and April 2009, Rallye also set up bonus share plans. Except for the September 2008 and April 2009 plans, the vesting of shares by the beneficiaries is subject to the realization by the Company of a performance indicator, measured on a yearly basis, which determines the percentage of shares vested for the corresponding year. The total number of bonus shares vested equals the average of annual grants. The performance indicator used is the cover of net debt by assets.

The table below provides details of the bonus share plans granted:

Date of grant	**10/1/2007**	**4/23/2008**	**9/25/2008**	**4/27/2009**
Date of maturity	**1/1/2011**	**7/23/2011**	**9/25/2010**	**10/27/2011**
Number of initial beneficiaries	60	66	9	64
Number of shares initially granted	29,686	44,161	41,150	199,768
Number of shares relinquished by beneficiaries	330	882		593
Number of shares remaining in force at end of period	29,356	43,279	41,150	199,175
Share valuation:				
Fair value at the time of grant, in	42.60	36.62	16.83	9.72
Vesting period of the rights	3 years and 3 months	3 years and 3 months	2 years	2 years and 6 months

(1) No performance criteria.

In 2009, the impact of share-based payments granted by Rallye on the income statement amounted to €3 million.
The impact of share-based payments granted by the Group's companies on the income statement amounted to €15 million in 2009.

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Changes in the number of options granted in connection with these plans are shown below, along with the average strike price for the period:

	2009		2008	
	Weighted average strike price in €	Number of options	Weighted average strike price in €	Number of options
Outstanding at beginning of period	41.76	1,151,831	41.02	961,941
Granted over the period	14.63	322,521	43.15	258,091
Relinquished over the period	43.15	(400)	33.70	(44,201)
Exercised over the period			33.22	(24,000)
Expired over the period	41.38	(271,250)		
Outstanding at end of period	**34.32**	**1,202,702**	**41.76**	**1,151,831**
Exercisable at end of period	**40.16**	**207,001**	**41.38**	**271,250**

28.6.2. Payments in Casino shares

> Subscription plans

	2009		2008		2007	
Date of grant	Dec. 4	Apr. 8	Dec. 5	Apr. 14	Dec. 7	Apr. 13
Date of maturity	June 3, 2015	Oct. 7, 2014	4 June, 2014	Oct. 13, 2013	June 6, 2013	Oct. 12, 2012
Stock price at the time of the grant	€58.31	€48.37	€43.73	€75.10	€77.25	€75.80
Strike price of the option	€57.18	€49.47	€49.02	€76.73	€74.98	€75.75
Number of options initially granted	72,603	37,150	109,001	434,361	54,497	362,749
Duration	5.5	5.5	5.5	5.5	5.5	5.5
Planned dividend	5%	5%	5%	5%	5%	5%
Expected volatility	30.02%	29.60%	26.77%	24.04%	25.27%	23.55%
Interest rate	2.09%	2.44%	3.05%	4.17%	4.85%	4.78%
Fair value of the option	€8.59	€5.07	€6.14	€13.61	€18.18	€16.73
Volume outstanding:	**72,281**	**36,150**	**102,578**	**358,035**	**43,450**	**265,569**

	2006		2005		2004
Date of grant	Dec. 15	Apr. 13	Dec. 8	May 26	Dec. 9
Date of maturity	June 14, 2012	Oct. 12, 2011	June 7, 2011	Nov. 25, 2010	June 8, 2010
Stock price at the time of the grant	€70.00	€59.80	€56.95	€59.70	€56.95
Strike price of the option	€69.65	€58.16	€56.31	€57.76	€59.01
Number of options initially granted	53,708	354,360	50,281	318,643	78,527
Duration	5.5	5.5	5.5	5.5	5.5
Planned dividend	2%	2%	2%	2%	2%
Expected volatility	25.11%	25.87%	21.19%	21.86%	23.14%
Interest rate	3.99%	3.94%	3.21%	2.85%	3.14%
Fair value of the option	€14.31	€11.88	€9.00	€8.89	8.14
Adjusted number of options	**32,726**	**221,635**	**33,242**	**203,505**	**36,473**

> Bonus share plans

	2009			2008			
Date of grant	Dec. 4	Apr. 8	Apr. 8	Dec. 5	Oct. 29	Apr. 14	Apr. 14
Grant period	**Dec. 4, 2012**	**Apr. 8, 2011**	**Oct. 8, 2011**	**Dec. 4, 2011**	**Oct. 28, 2010**	**Oct. 13, 2011**	**Apr. 13, 2011**
Holding period	**Dec. 4, 2014**	**Apr. 8, 2013**	**Oct. 8, 2013**	**Dec. 4, 2013**	**Oct. 28, 2012**	**Oct. 13, 2013**	**Oct. 13, 2013**
Stock price at the time of the grant	€58.31	€48.37	€48.37	€43.73	€53.41	€75.10	€75.10
Initial number of shares	24,463	8,000	492,273	500	59,800	183,641	8,017
Fair value of the share	€42.47	€34.18	€36.32	€33.16	€42.54	€61.92	€61.92
Condition of presence	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Condition of performance	No	No	Yes	No	No	Yes	No
Performance rate used	(1)	(1)	98.62%	(1)	(1)	(2)	(1)
Adjusted number of shares outstanding before applying performance criteria	24,463	8,000	478,622	500	52,300	163,640	8,017

Date of grant	Dec. 7, 2007	Apr. 13, 2007
Grant period	Dec. 6, 2010	Oct. 12, 2010
Holding period	Dec. 6, 2012	Oct. 12, 2012
Stock price at the time of the grant	€75.80	€77.25
Initial number of shares	29,602	163,736
Fair value of the share	€69.18	€70.13
Condition of presence	Yes	Yes
Condition of performance	No	Yes
Performance rate used	(1)	(2)
Adjusted number of shares outstanding before applying performance criteria	**27,468**	**139,201**

(1) Not subject to performance criteria.
(2) The performance criterion used for the share plans granted on April 13, 2007 and April 14, 2008 depends on the company to which the beneficiary belongs.

As at December 31, 2009, the performance rates are the following:

Plans granted on	April 14, 2008	April 13, 2007
Monoprix	50% (based on 5,365 shares)	100% (based on 2,385 shares)
Codim 2	100% (based on 3,640 shares)	100% (based on 3,720 shares)
Other companies	0% (based on 154,635 shares)	41.47% (based on 133,096 shares)

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Information relating to plans on Casino shares

Stock options and stock options on shares	Number of current share options	Weighted average strike price in €
Options remaining as at January 1, 2008	**2,545,280**	**€69.55**
of which exercisable options	*1,496,282*	
Granted	544,362	€61.30
Exercised	(290,502)	€56.85
Removed	(283,597)	€58.15
Expired options		
Options remaining as at December 31, 2008	**2,515,543**	**€71.14**
of which exercisable options	*1,283,320*	
Granted	109,753	€54.57
Exercised	(9,373)	€58.06
Removed	(1,210,279)	€75.73
Expired options		
Options remaining as at December 31, 2009	**1,405,644**	**€65.98**
of which exercisable options	563,731	€571.33

Bonus share options undergoing acquisition	Number of current share options
Actions outstanding as at January 1, 2008	**475,970**
Granted	252,458
Removed	(127,601)
Issued	(42,018)
Actions outstanding as at December 31, 2008	**558,809**
Granted	524,736
Removed	(104,165)
Issued	(77,169)
Actions outstanding as at December 31, 2009	**902,211**

28.7. Dividend payments

During 2009, Rallye paid:
- The balance of the 2008 dividend at €1.03 per share;
- An interim dividend of €0.80 per share.

The Board of Directors proposed that the dividend be set at €1.83 per share for 2009. The outstanding amount due is €1.03 per share, since an interim dividend of €0.80 per share was paid in October 2009.

I Note 29. Provisions

29.1. Breakdown and changes

(In € millions)	As at January 1, 2009	Charges for the year	Used portions of the reversal of the year	Unused portions of the reversal of the year	Change in scope and transfers	Change in currency rates	Others	As at Dec. 31, 2009
After-sales service	11	6	(10)					7
Employee work medal awards	20	1						21
Pensions [1]	101	48	(38)	(1)	(6)	1	3	108
Services rendered	14	15	(14)					15
Misc. disputes	39	21	(18)	(8)				34
Misc. contingencies and charges	321	169	(248)	(33)	21	30	(1)	259
Restructuring	36	2	(12)		(22)			4
Fidelity program								
Risks in connection with the TRS transaction [2]	27			(10)				17
Total provisions	**569**	**262**	**(340)**	**(52)**	**(7)**	**31**	**2**	**465**
of which non-current	*364*	*53*	*(194)*	*(12)*	*4*	*31*	*(4)*	*242*
of which current	*205*	*209*	*(146)*	*(40)*	*(11)*		*6*	*223*

(1) See note 30.2
(2) See note 29.2

Provisions for miscellaneous disputes and contingencies and charges include a multitude of amounts related to disputes with employees (e.g. conciliation board), real estate (e.g., disputes on building work, contested rental payments, evictions), and tax and economic matters (e.g., infringements of trademarks and patents).

29.2. Risk related to the "Total Return Swap" transaction on Exito shares

On December 19, 2007, Casino announced that it had amended Exito's shareholders' agreement signed on October 7, 2005.

At the same date, the minority shareholders of Suramericana de Inversiones S.A. and other strategic partners in Colombia entered into put and call option agreements with Citi relating to their interests in Exito (6.9% and 5.1% respectively), while Grupo Nacional de Chocolates SA sold the 2.0% it held in Exito to Citi on January 8, 2008. Pursuant to these agreements, the partners agreed to cancel the put option granted to them by the historical shareholders' agreement with Casino, thus freeing the Group from its commitment to buy their interest in Exito.

In addition to Grupo Nacional de Chocolates SA, Suramericana sold its 6.9% stake on January 19, 2010, for 21,804 COP.

The put option on the 5.1% held by the other Colombian strategic partners will be exercisable for a period of three months beginning on December 16 2010, 2011, 2012, 2013 and 2014. The call option will be exercisable by Citi for a period of three months beginning on March 16, 2015. The exercise price of these options will be the highest of the following values:

- a fixed price of 19,477 COP per share, adjusted for inflation of +1%;
- a multiple of EBITDA less net debt;
- a multiple of sales less net financial debt;
- the average share price over the last six months.

At the same time as these various agreements, Casino entered into a Total Return Swap (TRS) with Citi on January 8, 2008 and January 19, 2010, to last three years and three months, with a net cash payment for the 2.0% and 6.9% stakes in Exito acquired from Chocolates and Suramericana respectively, and agreed to sign another TRS agreement on the other partners' 5.1% stake, relating to the above-mentioned put and call options.

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According to the terms of the TRS, Casino will receive, upon expiration, the difference between the market price (Citi's sale price for the stake) and a minimum amount of 19,477 COP per share for the Chocolates stake and 21,804 COP per share for the Suramericana stake, if the latter is positive. If it is not, Casino will pay this sum to Citi.
The TRS relating to the other Colombian strategic partners' 5.1% stake, with the same terms and conditions as the Chocolates and Suramericana TRS, will come into force for a maximum period of three years and three months beginning on the put or call option exercise date.
Casino will receive, or pay if applicable, the difference between the sale price of the stake on the market and the cost of entry into the TRS (that is, the price at which the minority shareholder sells out to Citi, as described above).
Contractually, Casino has no commitment or opportunity to buy shares back from Citi after the TRS (net cash unwinding).

The main risk for Casino is that Citi's selling price at the outset of the TRS is less than the price it paid to the Columbian shareholders and that Casino would be obliged to pay the difference, if negative, to Citi, between the entry price (the shareholders' put exercise price) and the exit price (the market price at the time of sale by Citi).

Risk assessment depends on several factors:
- the exercise price by shareholders holding a 5.1% stake in Exito, which is itself a function of the time they choose to exercise their option, in light of their expectations of market conditions and the future performance of Exito;
- the duration of each TRS, with a maximum of three years and three months from the exercise date of any option held by the Columbian partners;
- the market value of Exito shares upon expiration of the TRS.

A bank simulated various scenarios for the determination of the most opportune periods in which minority shareholders may exercise their puts, and determined the market value of Exito shares subsequent to the TRS using a multi-criteria approach based on the operational performance expected from the company business plan, investor expectations, and on the market price for Exito shares.

Given the individual characteristics of these TRS and the evaluation of the inherent risks (the stock market price is 19,500 COP as at December 31, 2009), the Group has recorded a provision reversal of €10 million for the year, bringing the provision to €17 million as at December 31, 2009, corresponding to the most likely scenario known as the "central case" scenario. The other two scenarios, entitled "high case" (the most optimistic scenario) and "low case" (the most pessimistic scenario) have led to a risk valued at, respectively, €2 and €28 million.

Note 30. Pension commitments and other benefits

The Group's commitments in terms of defined benefit plans relate mainly to France and consist mainly of end-of-career benefits and complementary retirement plans, related to employees who are all now retired.

30.1. Defined benefit plan

30.1.1. Summary

(In € millions)	France		International		TOTAL	
	2009	2008	2009	2008	2009	2008
Present value of covered obligations	140	126		338	140	464
Fair value of plan assets	(62)	(66)		(366)	(62)	(432)
Financial cover of funded commitments	79	60		(28)	78	32
Present value of uncovered obligations	11	11	17	28	28	38
Unrecognized surplus (asset ceilings)				30		30
Provision recorded in the balance sheet	**90**	**71**	**17**	**30**	**107**	**100**

30.1.2. Change in commitments

(In € millions)	France		International		TOTAL	
	2009	2008	2009	2008	2009	2008
A- CHANGE IN ACTUARIAL DEBT						
Opening actuarial debt	**137**	**136**	**365**	**12**	**502**	**148**
Current service cost	11	11	1	5	11	16
Interest on actuarial debt	5	4		16	5	20
Changes in the scope of consolidation			(350)	329	(350)	329
Disbursements	(5)	(7)		(23)	(5)	(30)
Actuarial gains and losses	6	(7)		19	6	12
Change in currency rates			1	(1)	1	(1)
Employee contribution				2		2
Impact of reductions/payments	(1)				(1)	
Change of assumptions	(1)				(1)	
Other changes				6		6
Actuarial debt at the end of the year A	**152**	**137**	**17**	**365**	**168**	**502**
B- CHANGE IN PLAN ASSETS						
Fair value of plan assets at the beginning of the year	**66**	**71**	**366**		**432**	**71**
Expected return on plan assets	1	2		16	1	18
Actuarial gains and losses	(1)	(2)		(55)	(1)	(57)
Employer contribution				11		11
Employee contribution				2		2
Benefits paid	(1)	(1)		(23)	(1)	(24)
Partial repayment of plan assets	(4)	(4)			(4)	(4)
Change in scope			(366)	408	(366)	408
Other changes				7		7
Fair value of plan assets at the end of the year B	**62**	**66**		**366**	**62**	**432**
C- FINANCIAL COVER A - B	(90)	(71)	(17)	1	(107)	(70)
Asset ceiling				**(30)**		**(30)**
NET PENSION COMMITMENTS	**(90)**	**(71)**	**(17)**	**(30)**	**(107)**	**(100)**

30.1.3. Balance of actuarial differences recognized in equity

(In € millions)	2009	2008
Provisions and other current liabilities	(3)	(9)
Deferred tax assets	1	(3)
Cumulative decrease in Shareholders' equity	**(2)**	**(6)**
of which company owners	(2)	(3)
Net income after tax, recognized in equity	**(4)**	**4**

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30.1.4. Reconciliation of provisions on the balance sheet

(In € millions)	France		International		TOTAL	
	2009	2008	2009	2008	2009	2008
Opening balance	**71**	**65**	**30**	**12**	**100**	**77**
Actuarial differences recognized in equity	6	(6)		74	6	68
Member contributions				2		2
Charge for the year	14	13	(1)	5	12	18
Disbursements	(4)	(6)			(4)	(6)
Partial repayment of plan assets	4	4			4	4
Change in scope			(13)	13	(13)	13
Unrecognized surplus (asset ceilings)				(75)		(75)
Change in currency rates			1	(1)	1	(1)
Closing balance	**90**	**71**	**17**	**30**	**107**	**100**

30.1.5. Expense component for the period

(In € millions)	France		International		TOTAL	
	2009	2008	2009	2008	2009	2008
Continuing operations						
Financial cost	5	4		16	5	20
Expected return on assets	(1)	(2)		(16)	(1)	(18)
Charge recorded in financial expenses	*4*	*3*			*4*	*3*
Current service cost	11	11	1	5	11	15
Recorded cost of past service						
Impact of reductions/payments	(1)				(1)	
Charge recorded in payroll expenses	**10**	**10**	**1**	**5**	**10**	**15**
Discontinued operations						
Expense recorded in net income from discontinued operations						
Charge for the year	**14**	**13**	**1**	**5**	**14**	**18**

30.1.6. Commitment hedging policy and strategy

Historical data

(In € millions)	2009	2008	2007	2006	2005
Present value of covered obligations	140	464	125	120	199
Fair value of plan assets	(62)	(432)	(71)	(84)	(142)
Subtotal	*78*	*32*	*54*	*36*	*57*
Present value of uncovered obligations	28	38	23	11	42
Assets subject to ceiling		30			
Provisions recognized in the balance sheet	**107**	**100**	**77**	**47**	**99**

The allocation of plan assets according to the asset category principles is the following:

	France		International	
	2009	2008	2009	2008
Shares and equity instruments				19%
Fixed rate bonds				78%
Real estates final				2%
Money market mutual funds	100%	100%		
Others				1%

30.1.7. Actuarial assumptions

	France		International	
	2009	2008	2009	2008
Discount rate	4.9% - 5%	5.0%	4.9% - 8%	4.8% - 10.70%
Rate of wage increases	2.5%	2.5%	2.5% - 4%	2.5% - 7.67%
Retirement age	62 to 65 years	62 to 65 years	57 to 65 years	50 to 65 years
Expected return on assets	3.5% - 3.9%	4%		0.0 to 6.5%

For French businesses, the TGH05/TGF 05 life expectancy table became applicable as from 2006.
For the French scope, the discount rate is determined by reference to the 15-year Bloomberg index on AA composites.
In 2009, the expected rate of return on plan assets equals the rate actually realized the year before. For France, the actual yield in 2009 totaled €1 million.

At December 31st 2009, experience adjustment are not significant.

30.2. Defined contribution plans

Defined contribution plans mainly comprise retirement benefits, with a total cost of €260 million for 2009 (€266 million for 2008).

I Note 31. Fair value of financial instruments recognized as liabilities

The methods used to determine the fair values by the type of liabilities recognized at fair value are the following:
Bond issues are, for the part recognized using fair value hedge accounting, recorded at their fair value based on market parameters.
Derivative instruments undergo valuation (internal or external) based on the usual valuation techniques used for this type of instrument. The valuation models integrate the observable market parameters (especially the yield curve) and counterparty quality. These fair value assessments are generally category 2.
Financial liabilities relating to minority put options are determined by applying the contract's calculation formulas and are discounted where applicable. These fair value assessments are generally category 3.

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The tables below provide a comparison of the carrying amount of financial assets and liabilities recognized in the balance sheet with their fair value.

31.1. Breakdown of financial instruments recognized as liabilities as at December 31, 2009

(In € millions)	Book according to IAS 39					
	Book	Non-financial liabilities	Value of financial liabilities	Fair value	Debt at amortized cost	Fair value of financial liabilities
Bond issues	7,001	0	7,001	1,814	5,187	7285
Other borrowings	2,739	0	2,739	152	2,587	2786
Lease finance contracts	131	0	131	0	131	131
Financial derivatives (fair value hedging)	250	0	250	250	0	250
Debt connected with put options on minority interests	80	0	80	80	0	80
Trade payables	4,455	0	4,455	0	4,455	4,455
Other debt	3,071	1,508	1,563	17	1,560	1,577
Short-term bank borrowings	415	0	415	415	0	415

Over the period, no level 3 financial instruments recognized as liabilities were transferred from or to another category. The level 3 financial liabilities are set out in note 32.1.2.

31.2. Breakdown of financial instruments recognized as liabilities as at December 31, 2008

(In € millions)	Book according to IAS 39					
	Book	Non-financial liabilities	Value of financial liabilities	Fair value	Debt at amortized cost	Fair value of financial liabilities
Bond issues	5,596	0	5,596	0	5,595	5358
Other borrowings	3,243	0	3,243	2	3,241	3259
Lease finance contracts	169	0	169	0	169	169
Financial derivatives (fair value hedging)	165	0	165	165	0	165
Financial debt [1]	627	0	627	627	0	627
Trade payables	4,699	0	4,699	0	4,699	4699
Other debt	3,001	1,364	1,637	124	1,512	1,636
Short-term bank borrowings	439	0	439	439	0	439

I Note 32. Financial liabilities

32.1. Breakdown of financial liabilities

(In € millions)	2009			2008		
	Non-current share	Current share	TOTAL	Non-current share	Current share	TOTAL
Financial debt [1]	8,698	1,588	10,286	7,140	2,307	9,447
Debt connected with put options on minority interests [2]	3	77	80	183	444	627
Financial derivatives recognized as liabilities	183	67	250	134	31	165
Total financial liabilities	**8,884**	**1,732**	**10,616**	**7,457**	**2,782**	**10,239**

(1) See note 32.1.1
(2) See note 32.1.2

32.1.1. Financial debt

(In € millions)	2009			2008		
	Non-current share	Current share	TOTAL	Non-current share	Current share	TOTAL
Bond issues	6,574	427	7,001	4,507	1,089	5,596
Other financial debt	2,036	703	2,739	2,514	729	3,243
Leasing contracts [1]	88	43	131	119	50	169
Short-term bank borrowings		415	415		439	439
Total financial debt	**8,698**	**1,588**	**10,286**	**7,140**	**2,307**	**9,447**

(1) See note 35.4

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> Details of bond issues

Bond borrowings (in € millions)	Currency	Nominal amount	Interest rate	Maturity	Due date	2009	2008
Rallye 2003	EUR		fixed	10 years			
2013 exchangeable bond		300	3.250%	3 months	Jul-13	312	300
Rallye 2004	EUR		fixed				
2009 Bond		471	5.375%	5 years	Jan-09		471
Rallye 2004	EUR		fixed				
2011 Bond		498	5.625%	7 years	Oct-11	496	497
Rallye 2009	EUR		fixed	5 years			
2015 Bond		500	8.375%	3 months	Jan-15	502	
Rallye 2009	EUR		fixed				
2016 Bond		500	7.625%	6 years	Nov-16	505	
Casino 2004	EUR		variable	4 years			
2009 Indexed bond		37	Euribor 3M +0.725	3 months	Mar-09		39
Casino 2002	EUR		fixed				
2009 Bond		400	5.452%	7 years	Jun-09		549
Casino 2003	EUR		fixed				
2010 Bond		400	5.250%	7 years	Apr-10	401	400
Casino 2004	EUR		fixed				
2011 Bond		400	4.750%	7 years	Jul-11	399	401
Casino 2002	EUR		fixed				
2012 Bond		700	6.000%	10 years	Feb-12	717	720
Casino 2009	EUR		fixed	3 years			
2012 Bond		500	7.880%	6 months	Aug-12	506	
Casino 2007	EUR		fixed				
2014 Bond		677	4.880%	7 years	Apr-14	691	858
Casino 2008	EUR		fixed				
2013 Bond		1,199	6.380%	5 years	Apr-13	1,251	983
Casino 2009	EUR		fixed	5 years			
2015 Bond		750	5.50%	6 months	Jan-15	761	
Casino 2002	USD		fixed				
2011 private placement		255	6.460%	9 years	Nov-11	171	180
Casino 2002	USD		fixed				
2009 private placement		10	5.920%	7 years	Nov-09		10
EXITO / CARULLA	COP		variable	5/8 and 10 years	Apr -11/13		
Bond issues		84			May-15	86	85
CBD 2007	BRL		variable	4/5 and 6 years	Mar-11/12/13		
Bond		108	CDI +0.5%			108	103
CBD 2009	BRL		variable				
2011 Bond		28	CDI	2 years	Jun-11	28	
CBD 2009	BRL		variable	3/4 and 5 years	Dec. -12/13/14		
Bond		67	CDI +0.5%		Jun-13/14	67	
TOTAL BOND BORROWINGS						**7,001**	**5,596**

(1) On December 23, 2004, Casino, Guichard-Perrachon issued three series of bonds indexed on the market price for Casino shares. The last installment of a nominal amount of €76 million was entirely repaid over the year.

> Details of other financial debt

Bond borrowings (in € millions)	Currency	Nominal amount	Interest rate	Maturity	Due date	2009	2008
HMB	EUR						
Structured loan		125	fixed	5 years	Jul-11	125	124
Rallye	EUR						
Syndicated loan		240	variable	5 years	Jul-10		239
Cobivia	EUR						
Structured loan		200	variable	5 years	Jul-10	200	199
Cobivia	EUR						
Equity Swap			variable	3 years	Jan-00	69	47
Rallye	EUR						
Equity Swap			variable	3 years	Jun-12	31	
Rallye	EUR						
Bank loan		125	variable	4 years and 11 months	Nov-11	125	125
Alpetrol	EUR						
Structured loan		100	fixed	5 years	Oct-11	122	118
Alpetrol	EUR						
Bank loan		50	variable	5 years	Jan-12	50	50
Alpetrol	EUR						
Structured loan		100	variable	5 years	Jun-12	99	99
Rallye	EUR						
Bank loan		75	variable	2 years and 11 months	Apr-12	74	
Kerrous	EUR						
Structured loan		150	variable	5 years	Jul-12	150	150
Rallye	EUR						
Bank loan		40	variable	5 years	Feb-14	40	
Rallye	EUR						
Bank loan		150	variable	7 years	May-14	152	150
Rallye	EUR						
Bank loan		100	variable	3 years	Mar-13	100	100
Rallye	EUR						
Bank loan		75	variable	5 years	Jun-13	75	75
Rallye	EUR						
Bank loan		50	variable	10 years	Feb-18	50	50
Rallye	EUR						
Misc. confirmed credit			variable				275
Parande	EUR						
Miscellaneous bank borrowings			variable			155	84
Casino	EUR						
Structured loan		183	variable	6 years	Jun-13	179	183
Casino	EUR						
Schuldschein loan		130	variable	5 years	May-13	131	130
Casino	EUR						
Miscellaneous bank borrowings		197				196	211
Casino							
Latin America		379				379	503
Casino							
Others international		5				5	125
Accrued interest (1)						232	206
TOTAL BOND BORROWINGS						**2,739**	**3,243**

(1) The accrued interest relates to the total financial debt, including bond borrowings

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The Rallye bond issue of 2003 was recorded according to the "split accounting method", which consists of:
- separating the embedded derivative at the time of issue, and recognizing it in equity - subsequent changes in fair value will not be taken into account;
- determining the value of the derivative based on the difference between the par value of the bond and the market value of a debt instrument with similar characteristics, but which does not carry the option to be converted,
- and using the amortized cost method.

32.1.2. Debt connected with put options on minority interests

(In € millions)	% of ownership	Commit-ment	Price	Fixed or variable	Non-current financial liabilities	Current financial liabilities	Goodwill	Off-balance-sheet
Franprix - Leader Price	26% to 84%	16% to 74%	262	F / V	3	66	95	194
Monoprix	50%	50%	1,200	V				1,200
Lanin / Disco (Uruguay)	62.49%	29.33%	61	F		12	12	49
Sendas Distribuidora (Brazil)	57.43%	42.57%	108	V				108
TOTAL COMMITMENTS			**1,631**		**3**	**78**	**107**	**1,550**

These transactions are detailed in note 35.2

Sensitivity analysis of the put options as at December 31, 2009

(In € millions)	Non-current financial debt	Current financial debt	Financial debt	Fixed or variable	Indicator	Impact of a +/- 10% change in the indicator
Franprix - Leader Price	3	66	69	F / V	Net income	+ / - 2
Lanin / Disco (Uruguay)		12	12	F		
TOTAL COMMITMENTS	**3**	**78**	**81**			

32.2. Financial debt

32.2.1. Breakdown of net financial debt

(In € millions)	2009			2008		
	Non-current share	Current share	Total	Non-current share	Current share	Total
Financial debt	8,698	1,588	10,286	7,140	2,307	9,447
Debt connected with put options on minority interests	3	77	80	183	444	627
Financial derivatives recognized as liabilities	183	67	250	134	31	165
TOTAL FINANCIAL LIABILITIES	**8,884**	**1,732**	**10,616**	**7,457**	**2,782**	**10,239**
Financial derivatives recognized as assets	(207)	(116)	(323)	(123)	(77)	(200)
Marketable securities and similar assets		(143)	(143)		(86)	(86)
Cash and cash equivalents		(3,308)	(3,308)		(2,311)	(2,311)
TOTAL FINANCIAL ASSETS	**(207)**	**(3,567)**	**(3,774)**	**(123)**	**(2,474)**	**(2,597)**
NET FINANCIAL DEBT	**8,677**	**(1,835)**	**6,842**	**7,334**	**308**	**7,642**

32.2.2. Change in net financial debt

(In € millions)	2009	2008
Opening balance	**10,039**	**10,074**
New borrowings	3,041	2,345
Redemption (principal and interests)	(2,441)	(2,315)
Changes in fair value (against income)	62	33
Translation differences [1]	123	(113)
Change in scope	45	160
Change in debt connected with put options on minority interests [2]	(555)	(69)
Reclassification as liabilities related to assets held for sale		(99)
Others	(21)	23
Closing balance	**10,293**	**10,039**
Gross financial debt (see note 32.2.1)	10,616	10,239
Financial derivatives recognized as assets (see note 32.2.1)	(323)	(200)

(1) Translation differences relate mainly to GPA and Exito, for €71 million and €27 million respectively
(2) The change on debt connected with put options on minority interests relates mainly to Franprix-Leader Price (€407 million), Exito (Carulla) (€118 million) and GPA (€30 million).

I Note 33. Financial risk management policies and objectives

The main risks inherent to the financial instruments used by the Group are: interest- and exchange rate risk, credit risk, liquidity risk and securities risk.
The Group holds financial derivatives, mainly interest- and exchange-rate swaps, and foreign currency forward purchases and sales. These instruments are intended to manage interest- and exchange rate risks inherent to the Group's businesses and financing.

Derivative instruments break down as follows:

(In € millions)	2009			2008		
	Assets	Liabilities	Total	Assets	Liabilities	Total
Cash flow hedges	0	1	(1)	0	35	(35)
Fair value hedges	319	254	65	194	190	4
Non-qualifying derivatives	1	11	(10)	8	40	(32)

Impact on shareholders' equity of qualifying financial instruments
As at December 31, 2009, the IFRS cash flow hedge reserve has a debit balance of €1 million (€16 million as at December 31, 2008). It consists of instruments that qualify for hedging future cash flows (mainly foreign exchange swaps and interest rate swaps), and are intended for inclusion as income on the date of the realization of the underlying asset, for the most part in 2010.
No significant inefficiency has been measured on hedges of future cash flows.

Impact on income of non-qualifying financial instruments
The fair value of derivative financial instruments which do not qualify for hedge accounting within the meaning of IAS 39 totaled -€10 million as at December 31, 2009 (-€32 million as at December 31, 2009). As at December 31, 2009, these instruments were used for the hedging of interest rates at Banque du Groupe Casino and Monoprix.

33.1. Interest rate risk

The Group's strategy is based on a dynamic debt management, which consists of keeping certain lines of credit variable in order to take advantage of lower rates and to hedge against possible rate increases.
As part of the management of its exposure to interest rate risk, the Group uses different derivative interest rate instruments.
The main derivative instruments are interest rate swaps, collars, options, floors and operations that can be used alone or combined. Although they are not all eligible for hedge accounting, all interest-rate hedge instruments are subscribed in the framework of the above mentioned interest- and exchange rate risk management policy.

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The Group's finance policy consists of managing its interest cost by combining variable and fixed rate derivative instruments.

Sensitivity to interest rate variations

(In € millions)	2009	2008
Borrowings	2,374	3,718
Financial leasing	43	82
Short-term bank borrowings and spot credit lines	414	437
Total variable rate debt (exclusive of interest accrued) (1)	**2,831**	**4,237**
Marketable securities	2,184	1,450
Cash and cash equivalents	1,124	861
Total assets	**3,308**	**2,311**
	0	**0**
Net position before risk management	**(477)**	**1,926**
PTF swap	6,214	4,248
ETF swap	(3,036)	(2,200)
Net position after risk management	**2,701**	**3,974**
Net position to roll-over in less than one year	2,701	3,974
1% change	27	40
average residual maturity until the end of the year	1	1
Change in financial expenses	**27**	**38**
Cost of debt	507	569
IMPACT OF CHANGE IN FINANCIAL EXPENSES / FINANCIAL CHARGES	**5.23%**	**6.74%**

(1) Those components of the debt which are not exposed to interest-rate risk, mainly debt linked to puts and outstanding accrued interest, are not included in the calculation.

Thus, a 1% increase in short-term interest rates on variable rate financial assets and liabilities would have an estimated maximum impact, taking into account derivatives, of €29 million in gains and losses on the Group's pre-tax consolidated net income (€38 million as at December 31, 2008).

In order to protect its financial margin from volatile interest rates, Banque du Groupe Casino fully hedges against interest-rate risk:
- Fixed-rate uses of funds: assigned sources of funds are transformed or capped at a fixed rate. These hedges match the amortization schedule of uses until maturity;
- Variable-rate uses of funds: assigned sources are transformed into a fixed rate over a sliding period of at least three months in an amount corresponding to the projected uses for the period.

The remaining financial instruments of the Group do not bear interest and are therefore not subject to interest-rate risk.

33.2. Fair value risk

When the Group contracts fixed rate borrowings, it is exposed to an opportunity cost if the interest rate decreases. In order to cover against fair value risk, the Group has subscribed to interest-rate swaps in which it exchanges fixed-rate interest flows against variable-rate interest flows.

Hedge accounting: Under its interest- and exchange rate risk management policies, the Group uses fair value hedge accounting. The objective is to hedge against part of the risk of a change in fair value, which may result from interest-rate risk on a fixed-rate loan.
The Group does not use fair value hedge accounting for its foreign currency forward purchases.

33.3. Foreign exchange risk

As part of the management of its exposure to foreign exchange risk, the Group uses a variety of financial instruments, in particular, swaps and forward purchases or sales of foreign currencies. The majority of these transactions are carried out with a view to provide coverage, for example, to hedge purchases of goods , as well as a portfolio containing financial investments denominated in foreign currency.

Regarding goods purchased in dollars within the euro zone, the Group's hedging policy consists of covering the entirety of its purchasing budget with derivatives maturing on the same date as the budgeted appropriations.
As to the financial investment portfolio, booked at fair value under available-for-sale assets, (see note 21.2), the Group's policy is to use forward sales contracts to hedge investments denominated in foreign currency in an amount which corresponds to their fair value in the foreign currency.

(In € millions)	USD	PLN	JYP	EUR	Miscel-laneous	Total 2009	Total 2008
Exposed trade receivables	(1)					(1)	(4)
Other exposed financial assets	(244)		(10)	(4)	(6)	(264)	(374)
Exposed trade payables	78			2		80	46
Exposed financial liabilities	464		16			480	359
Gross debt/(receivable) exposure	**297**		**6**	**(2)**	**(6)**	**295**	**27**
Hedged trade receivables							
Other hedged financial assets	(232)		(10)		(6)	(248)	(303)
Hedged trade payables	2					2	3
Hedged financial liabilities	463		16			479	257
Net debt/(receivable) exposure	**64**			**(2)**		**62**	**70**

As at December 31, 2008, the net balance sheet exposure of €70 million was broken down by currency as follows:
- 52 million for the US dollar
- 17 million for the Japanese yen
- 6 million for the zloty
- (5) million for the euro

Sensitivity analysis of the net exposure to foreign exchange risk
The exchange rate used to convert US dollars as at December 31, 2009 was 1 euro for 1.4406 dollars, and as at December 31, 2008, 1 euro for 1.3917 dollars.
The exchange rate used to convert Japanese yen as at December 31, 2009 was 1 euro for 133.28 yen and, as at December 31, 2008, 1 euro for 126.14 yen.
A 10% increase in the value of the euro as at December 31 in relation to these currencies would have resulted in the increases reported below. For the purposes of this analysis, it is assumed that all other variables, particularly interest rates, remain constant.
A 10% decrease in the value of the euro as at December 31 in relation to these currencies would have resulted in the opposite effects.

(In € millions)	Total 2009	Total 2008
US Dollar	7	5
Japanese Yen	0	2
Other currencies	0	0
TOTAL	**7**	**7**

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33.4. Security risk

Consolidated interests:
As part of the management of its holdings of publicly-traded, consolidated shares, the Group may use certain optional instruments such as purchases and sales of options to buy or sell stocks, or optional products included in complex derivative instruments issued, such as bonds exchangeable for Casino shares, or bonds indexed on the market price of Casino shares. Such instruments are used for hedging purposes, in particular to hedge against the risk of dilution, or to attain the strategic objective of optimizing its holdings.

Investment portfolio:
The Group continued with its program of disposals from the financial investment portfolio in 2009, thus reducing its economic exposure.

Rallye's financial investments benefit from a high level of diversification, in geographical and segment terms but also according to investment type, partner and size, which allows risks to be pooled effectively. This risk management is further strengthened by the number of investments and their small size: as at December 31, 2009, the portfolio comprises approximately 140 lines, four-fifths of which are under €4 million, with a maximum amount per line of €16 million in net cash investment. In addition, the systematic recourse to foreign exchange hedging avoids exposure to currency fluctuations.

Price risk relating to a 10% decrease in the price of securities held:

(In € millions)	2009	2008
Balance sheet position (fair value)	353	393
Sensitivity on equity	(26)	(32)
Sensitivity on income	(9)	(7)

Investment portfolio
The value of the investment portfolio in investment property values listed on the balance sheet was €82 million at 12/31/2009. Given the correlation of the shares and obligations held with the Eurostoxx 50 (ß) index, a 10% decrease in the share markets in relation to their level as at 12/31/09, applied to this overall exposure of €82 million, would have a negative impact of €1 million on income before tax.

33.5. Credit risks

Commercial credit risk
The Group's policy requires that the financial health of all of its customers who wish to obtain credit terms of payment be verified. In addition, client account balances are monitored regularly and, as a result, the Group does not have any significant exposure to bad debt.

Financial credit risk
The banking business of the Casino group uses an approach in which the credit risk hedging system is largely based on the following:

- a statistical approach per homogeneous portfolio of client receivables, since, taken individually, receivables are not significant, and given that they share common credit risk characteristics;
- the likelihood that the amounts will be recovered at different stages of the collection process.

Credit risk provisions are calculated for clients who have missed at least one payment. One payment overdue constitutes the IAS 39 trigger for the constitution of credit provisions.
The amount of the provisions is calculated based on a statistical model of collection flows and losses, which integrates all possible movements between different levels, based on observed historical data.
The net present value of credit risk provisions is computed using the original rate in client contracts, and the expected inflows of capital and interest. As a result, in addition to provisions for existing credit risk, henceforth a provision against future loss of margins is made, due to the effect of discounting expected future cash flows from collection to present value. Restructured loans for which payments are up to date are considered to be good debts. As of the first unpaid installment, however, these receivables are reclassified as doubtful accounts and a provision is made based on a statistical calculation as described above.
With respect to credit risk for other financial assets owned by the Group, such as cash and cash-equivalents, financial assets available for sale, and certain financial derivatives, the Group's exposure to potential problems caused by third parties is limited to a maximum equal to the book value of the instruments concerned.

Details and age of trade receivables and receivables from the banking business are presented in note 23.3.

As part of transactions conducted on financial markets, the Company is exposed to counterparty risk. Rallye favors financial relations with various banks of international size who enjoy the best ratings from specialized agencies, while avoiding an excessive concentration of dealings with a limited number of financial institutions. Consequently, Rallye considers its exposure to counterparty risk to be low.
In addition, the derivatives used in the management of foreign exchange and interest rate risks are negotiated directly with the lending institution, which eliminates any additional counterparty risk.

On other assets:
Other assets, mainly consisting of tax receivables and redemption fees, are neither past due nor depreciated. The Group also believes that it is not exposed to a counterparty risk on these assets (see note 24.2).

33.6. Risk of financial debt becoming repayable on demand – Liquidity risk

The Group's bank loans and bonds contain the commitment and default clauses that are standard for this type of contract: maintaining the loan at the same level (pari passu), limiting the securities allocated to other lenders (negative pledge) and cross-default.
The Group has no financing contract that would entail any commitments linked to the evaluation of the Group's debt by rating agencies ("rating trigger").
The Group's bond issues on the euro market do not include any commitments based on financial ratios.

Some of Rallye's bank borrowings require the Company to maintain the two following financial ratios, at each closing date, until the term of the contracts:
- Consolidated EBITDA / Consolidated Net Financial Expense > 2.75, and
- Rallye SA shareholders' equity > €1.2 billion.

As at December 31, 2009, these ratios are 3.73 and €1.6 billion euros respectively.

At Casino group level, the financial covenants to be complied with at each closing date until the maturity of the contracts are as follows:
- the three confirmed bank lines implemented in 2009 are subject to the commitment to comply with a Consolidated Net Financial Debt / Consolidated EBITDA (1) ratio < 3.7; of the oldest confirmed lines, some are also subject to this ratio whilst others are subject to the commitment to comply with a Consolidated Net Financial Debt / Consolidated EBITDA (1) ratio < 4.3.
- The definition of consolidated net debt differs slightly between the old and new credit lines: the ratios relating to these covenants stood at 2.30 and 2.20 respectively as at December 31, 2009.
- The private placement made in the USA is subject to commitment to meet the following ratio requirements:
  - Consolidated net financial debt / consolidated EBITDA (1) < 3.7
  - Consolidated net financial debt / consolidated shareholders' equity < 1.2, and
  - Consolidated intangible assets / consolidated shareholders' equity < 1.25

(1) EBITDA is defined as the current operating income plus current operational depreciation and amortization.

The subsidiaries Monoprix, GPA and Exito are also required to meet financial ratio requirements. These ratios were met as at December 31, 2009, with the exception of that relating to a credit line granted to GPA, for which the "equity / total assets" ratio above or equal to 0.40 was required; the balance of this line stood at 174 million reais (i.e. €23 million for the Casino share) as at December 31, 2009. After the year-end, the level of this covenant, which stood at 0.37 as at December 31, 2009, was downgraded to 0.30 by the financial institution.

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In order to secure liquidity, the Group maintains unused, confirmed credit lines available at sight for an aggregate amount of €3.3 billion, which break down as follows:

Confirmed bank lines

(In € millions)	Rate	Amount available		
		Casino group	Rallye	Go Sport
Confirmed bank lines < 1 year	Variable	139	1	
Confirmed bank lines > 1 year	Variable	553	1,253	120
Total lines authorized		**692**	**1,254**	**120**
Total lines used		56	123	55
Syndicated lines < 1 year	Variable			
Syndicated lines > 1 year	Variable	1,428		
Total lines authorized		**1,428**		
Total lines used		65		
Line for the financing of the banking business < 1 year	Variable	555		
Total lines authorized		**555**		
Total lines used		441		

Payment schedule of financial liabilities as at December 31, 2009

(In € millions)	Book	Less than 1 year	1-5 years	Over 5 years
Financial liabilities				
Bond issues	7,001	427	4,799	1,775
Other borrowings	2,739	703	1,846	190
Lease finance contracts	131	43	76	12
Financial derivatives (fair value hedging)	250	67	183	0
Financial debt	80	77	3	0
Trade payables	**4,455**	**4,455**	**0**	**0**
Other debt	**3,071**	**2,877**	**183**	**11**
Short-term bank borrowings	**415**	**415**	**0**	**0**
Total	**18,142**	**9,064**	**7,090**	**1,988**

Payment schedule of financial liabilities as at December 31, 2008

(In € millions)	Book	Less than 1 year	1-5 years	Over 5 years
Financial liabilities				
Bond issues	5,612	1,103	4,460	47
Other borrowings	3,226	712	2,247	267
Lease finance contracts	169	50	108	11
Financial derivatives (fair value hedging)	165	31	134	0
Financial debt	*627*	*444*	*183*	*0*
Trade payables	**4,699**	**4,699**	**0**	**0**
Other debt	**3,001**	**2,904**	**97**	**0**
Short-term bank borrowings	**439**	**439**	**0**	**0**
Total	**17,938**	**10,382**	**7,231**	**325**

Schedule of financial liabilities cash flows as at December 31, 2009

(In € millions)	Book	Contractual cash flows	Less than 1 year	1-5 years	Over 5 years
Financial liabilities					
Bond issues and other non-derivative loans	10,155	12,101	1,898	8,115	2,088
Lease finance contracts	131	155	52	84	19
IFRS debt (recognition of put options)	80	80	77	3	
Financial derivatives	266				
Cash inflows		*844*	*189*	*634*	*21*
Cash outflows		*(778)*	*(237)*	*(541)*	
Trade payables and other liabilities (excluding social and tax liabilities)	5,852	5,852	5,666	175	11
Total	**16,484**	**18,254**	**7,645**	**8,470**	**2,139**

I Note 34. Other debt

(In € millions)	2009			2008		
	Non-current	Current	Total	Non-current	Current	Total
Financial derivatives recognized as liabilities	6	17	23	45	72	117
Non-current tax and social liabilities	162	1,320	1,482	22	1,258	1,280
Miscellaneous debt	25	555	580	28	553	581
Debt on fixed assets	1	154	155	0	279	279
Current accounts	0	79	79	0	64	64
Financing of the banking business	0	583	583	0	593	593
Unearned revenue	0	169	169	0	87	87
Total	**194**	**2,877**	**3,071**	**95**	**2,906**	**3,001**

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Note 35. Contingent assets and liabilities and other contractual obligations

The financial, legal and tax departments, which are involved in preparing the Group's contracts, are responsible for ensuring that the list of commitments stated in the reporting package is complete.

35.1. Commitments related to current operations

(In € millions)	2009	2008
Bank guarantees and securities received	25	31
Receivables with guarantees attached	99	106
Unused confirmed credit lines	3,309	3,396
TOTAL COMMITMENTS RECEIVED	**3,433**	**3,533**
Bank guarantees and securities granted	228	240
Assets pledged as security (1)	89	68
Authorized customer credit reserve (2)	1,274	1,340
Other commitments given	60	64
TOTAL COMMITMENTS GIVEN	**1,651**	**1,712**
Other reciprocal commitments	225	299
TOTAL RECIPROCAL COMMITMENTS	**225**	**299**

(1) The assets pledged as security relate to miscellaneous GPA properties given as guarantees to the Brazilian tax authorities.
(2) Financing commitments (authorized customer credit lines) granted to customers of Banque du Groupe Casino total €1,274 million. These may be drawn upon at any time. In this report, the commitments fall under the definition authorized by the French Banking Commission for the calculation of ratios, i.e. excluding customers who have been inactive for two years.

The commitments of the French subsidiaries in relation to the "Droit Individuel à la Formation" (individual right to training) stand at 5,582,863 hours as at December 31, 2009. They stood at 4,163,998 hours as at December 31, 2008. The rights used over the year represent 68,881 hours.

Otherwise, the Casino group was subject to a tax audit on the 1998 year. The audit concluded that the recovery of certain tax deficits and the deductibility of a provision for the depreciation of assets were unjustified. The Casino group has contested these conclusions, and is confident as to the favorable outcome of the case. As a result, no provision has been made to this effect. Concerning the second tax adjustment motive, in October 2008, the administrative court ruled in favor of the tax authorities. The Group contests the decision and has filed an appeal. The disputed amount of €11 million has not been provisioned.
As at December 31, 2009, 15,698,178 Casino common shares were pledged to financial institutions as security for loans and credit lines.

35.2. Commitments resulting from exceptional operations

(In € millions)	2009	2008
Guarantees granted related to the disposal of:		
- Polish activities	68	76
- Smart & Final shares	3	3
- assets to the OPCI fund AEW Immocommercial	5	28
- assets to the OPCI fund Immocio	5	5
- assets to the OPCI fund Shopping Property Fund 1	8	
Other commitments given	22	15
Total commitments given	111	127
COMMITMENTS TO PURCHASE SHARES (2):		
- Monoprix	1,200	1,200
- Franprix / Leader price	194	236
- Uruguay	49	49
- Sendas Distribuidora (Brazil)	108	55
Other reciprocal commitments		
TOTAL RECIPROCAL COMMITMENTS	**1,551**	**1,540**

(1) The Casino group granted the usual guarantees for the asset sales it concluded, particularly:
- Under the sale of the shares of Leader Price Polska in 2006, Casino guarantees the buyer against non-provisioned risk originating prior to the sale and which may arise subsequently. The guarantee, in the amount of €17 million for a maximum of 18 months, may be increased to €50 million to cover tax risks, expiring at a date in keeping with the statute of limitations applicable to the said risks.
In September 2009, an unfavorable arbitral award led the Casino group to pay, and recognize in expenses, the sum of €14 million. An appeal has been submitted on this award. The residual risk of €36 million is purely theoretical in that Leader Price Polska has already undergone two tax audits relating to the guarantee period.
- Under the terms of the sale of hypermarket businesses, Mayland (formerly Géant Polska) guarantees the buyer against non-provisioned risk originating prior to the sale and which may arise subsequently. The guarantee amounted to €46 million and was granted for a maximum 24 month period from the sale date. The duration of the guarantee may be extended to 8 years in the event of environmental requirements. The amount has decreased since 2008. As at December 31, 2009, it amounted to €37 million. A provision for risk estimated at €5 million has been deducted from the amount presented in the table above, reducing it to €32 million.
- Under the contribution/sale of assets to the OPCI fund AEW Immocommercial, Immobilière Groupe Casino guarantees the OPCI against any loss that may result from non-compliance with the notifications and guarantees issued, for up to €23 million until March 31, 2009, and €5 million until May 31, 2009. - In 2009, the OPCI fund AEW Immocommercial notified a list of damages and a valuation of the resulting compensation in application of the guarantee, in the amount of €24 million. The Casino group is confident that this dispute will be resolved with no material impact upon the consolidated financial statements.
- Through the real estate disposals carried out in 2009, the Casino group is now a lessee of standard fixed commercial leases. The Group has issued a guarantee that hedges the vacant property risk, if it decides to leave premises and cannot find a replacement lessee at equivalent financial terms, from the first day of year 4 up to the last day of year 6. This guarantee is conditional and cannot be quantified.
- In respect of the disposal of its production activities on Reunion Island, Vindémia undertook purchase volume commitments for a period of five years. At present, the volumes are being met.
(2) The contractual valuation of commitments to sell or buy shares may be based on various company profitability indicators. In this instance, their valuation is calculated on the basis of the best information available: the latest figures available, if the option may be exercised at any time; or income expected for the coming years, if the option can only be exercised after a certain date. In many cases, the Casino group granted promises to purchase (puts), but is also the recipient of promises to sell (calls). The figure reported is the value of the promises to purchase granted.

In compliance with IAS 32, the purchase commitments given to fully consolidated subsidiaries are not recognized in off-balance-sheet commitments. They are accounted for as "financial liabilities" at their net present value or at their fair value (see. note 1.27).

Monoprix: On December 22, 2008, the Casino and Galeries Lafayette groups signed an amendment to their strategic agreement of March 2003, suspending the call and put options on Monoprix shares for a three-year period.
Consequently, the call option held by Casino on 10% of Monoprix's share capital and the put option held by Galeries Lafayette on 50% of Monoprix's share capital may not be exercised before January 1, 2012. The other terms and conditions relating to the exercise of put and call options were not modified.
The other provisions of the strategic agreement of March 2003 were not modified.
The Casino group had Monoprix's shares valued as at December 31, 2009 by an external appraiser. The aggregate value of the shares was estimated at between €2,100 and €2,600 million. The off-balance-sheet commitment relating to 50% of Monoprix's shares was reported at €1,200 million.

Franprix - Leader Price: options on the shares of a wide variety of companies not yet held by the Casino group. These purchase commitments run up until 2043 and their price is based on the operating performance of the companies in question.

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Uruguay: the family shareholders received a purchase commitment granted by Casino on 29.3% of the company Disco. This option may be exercised until June 21, 2021. Its price is based on the company's operating performance, with a minimum price of US$52 million, plus interest, at the rate of 5% per year.

Brazil: GPA granted the shareholders of the Brazilian company Sendas Distribuidora a put option on their investment. The Sendas family thus has the right to exchange its 42.57 % stake for preferred shares in GPA. The exchange may be structured, at GPA's option, by the issue of shares or by a cash settlement. The Sendas family gave notification that it would exercise its put on January 5, 2007. There is a dispute over the exercise price of this option. Consequently, the shares had not been delivered as at December 31, 2008. The put remained accounted for as an off-balance sheet commitment.
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 holding company, making up 0.4% and 7.6% of GPA's capital. The exercise of the first put may take place beginning in 2012 if Casino exercises its right to elect the chairman of the Board of the holding company at this date. In the event that the first put is exercised, the second may be exercised during a period of eight years beginning in June 2014. The Group has received a commitment to sell on the shares under the first put, and which represents 0.4% of GPA's capital. This call option may be exercised under certain conditions.

Lastly, under the terms of its partnership with Corin, Mercialys has acquired 60% of the joint ownership rights on certain assets located in Corsica for €90 million. It is stipulated that, should the joint ownership agreement not be renewed, and at the earliest on June 15, 2011, Corin and Mercialys will contribute their joint ownership rights to a company to be created. Mercialys has committed itself to buying Corin's joint interest (40%) or the shares in the duly created company, under the following terms:
- Mercialys makes an irrevocable commitment to purchase Corin's joint interest (or its shares in the company), subject to its option of a counter-proposal, and Corin makes an irrevocable commitment to sell its rights to Mercialys.
- In the event that Corin exercises its advance purchase commitment, no earlier than January 31, 2017, Mercialys may either stand in for a third party's rights and obligations, or free itself from its purchase commitment by offering Corin the right to purchase its joint interest. The protocol provides the terms for asset valuation. A discount of 20% would apply in this case. Corin may also choose to be replaced by a third party as the recipient of the commitment.
These commitments constitute conditional off-balance-sheet commitments, whose outcome cannot be predicted. In the event that they are fulfilled, the valuation of assets as provided for in the protocol will represent market value.

35.3. Contingent assets and liabilities

The Group is involved in a number of disputes and arbitrations with third parties or the tax authorities of certain countries in relation to its normal business activities. Provisions are recorded for these disputes and arbitrations if there is a legal, contractual or constructive obligation to a third party at the date of the financial statements, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities arising from investments in associates and joint ventures are described in notes 18.3 and 19.2.

Dispute with the Baud family
The Court of Arbitration, called upon to adjudicate in the disagreement between the Casino group and the Baud family, issued its decision on July 2, 2009 and ruled that the removal of the members of the Baud family from the management bodies of Franprix and Leader Price had 'just cause'. The Court of Arbitration thus acknowledged that the Casino group had legitimate grounds to take over operational management of Franprix and Leader Price.

Consequently, The Court of Arbitration confirmed that the value of the Baud family's remaining interest in Franprix and Leader Price, respectively 5% and 25%, will be computed on the basis of a multiple of 14 times the average of the 2006 and 2008 earnings of both businesses. This corresponds to the position held by the Casino group in its previous financial statements.

Based on the Court's award and in accordance with the agreement between the parties, the final price of the interest of the Baud family (mainly held by Baudinter, a company incorporated under Belgian law), which exercised its put option on April 28, 2009, was calculated according to the multiple of 14 by an independent appraiser charged with resolving the points of disagreement remaining between the parties. It came to €428.6 million and was paid on November 12, 2009 by the Casino group, which now holds 100% of the share capital in Franprix and Leader Price. The interest on this price and the Baud family's demands for compensation in relation to dividend entitlements are being examined by the Court of Arbitration in accordance with the award of July 2, 2009.

Although the 2006 and 2007 financial statements were not approved, any dividend entitlements attached to underlying Franprix and Leader Price shares and that the Casino group contests are recorded as a precaution in other current liabilities, in the amount of €67 million.

With respect to Geimex, the owner of the Leader Price brand abroad (outside mainland France and its overseas regions) and owned 50% by the Casino group and 50% by the Baud family, a temporary administrator was appointed in May 2009 by the Paris Commercial Court, in relation to the disagreement between the two shareholders on the organization and running of the company, to close the books for 2006 and 2007. The books for 2006, 2007 and 2008 were closed by the temporary administrator and presented at the Shareholders' Meetings in September and December 2009 to the shareholders, who did not approve them.

Geimex is proportionately consolidated in the Group's consolidated financial statements. The Casino group's interests in the company total €76 million, including goodwill of €62 million.

Unicentro dispute (Colombia)
During the second half of 2009, a dispute relating to the ownership of an asset in Colombia emerged; a preliminary ruling ordered our subsidiary Exito to return this asset to a third party. Exito, whose appeal to the judgment in first instance was rejected, has taken the matter to the Constitutional Council. The group believes that it is within its rights, that its application should succeed and that the judgment in first instance should be declared void.

35.4. Commitments relating to finance and operating lease

Lessee of real estate finance leases
The Group has entered into finance leases for real estate and investment property. The reconciliation between the minimum future lease payments for finance leases and the present value of the net minimum lease payments is as follows:

(In € millions)	2009	
	Minimum payments	Present value of payments
Within 1 year	12	10
1-5 years	46	41
Over 5 years	19	7
Total minimum payments under the lease	**77**	
Less financing cost amounts	(19)	
Present value of minimum payments under the lease	**58**	**58**

(In € millions)	2008	
	Minimum payments	Present value of payments
Within 1 year	15	10
1-5 years	48	40
Over 5 years	24	14
Total minimum payments under the lease	**87**	
Less financing cost amounts	-21	
Present value of minimum payments under the lease	**66**	**65**

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Lessee of finance leases on movable assets

The Group has entered into finance leases and rent-to-own agreements for various types of equipment. The reconciliation between the minimum future lease payments for finance leases and the present value of the net minimum lease payments is as follows:

(In € millions)	2009	
	Minimum payments	Present value of payments
Within 1 year	41	37
1-5 years	42	35
Over 5 years		
Total minimum payments under the lease	**83**	
Less financing cost amounts	(10)	
Present value of minimum payments under the lease	**73**	**73**

(In € millions)	2008	
	Minimum payments	Present value of payments
Within 1 year	47	45
1-5 years	72	61
Over 5 years		
Total minimum payments under the lease	**119**	
Less financing cost amounts	(14)	
Present value of minimum payments under the lease	**106**	**106**

Lessee of operating leases on real estate assets

The Group either owns the premises in which its businesses operate, or leases them under operating leases.
The minimum future lease payments payable for operating leases are as follows:

(In € millions)	2009	2008
	Minimum payments	Minimum payments
Within 1 year	406	442
1-5 years	801	856
Over 5 years	521	574

Lessee of operating leases on movable assets

The Group has taken out operating leases for various types of equipment, in cases where it was not in the Group's interest to purchase the assets.
The minimum future lease payments payable for operating leases are as follows:

(In € millions)	2009	2008
	Minimum payments	Minimum payments
Within 1 year	26	26
1-5 years	32	34
Over 5 years		

Lessor of operating leases

The Group is also a lessor of operating leases through its real estate business. The minimum future lease payments receivable for operating leases which cannot be terminated are as follows:

(In € millions)	2009	2008
	Minimum payments	Minimum payments
Within 1 year	193	201
1-5 years	209	247
Over 5 years	39	86

The amount of contingent rental payments received by the Group and included in the income statement for 2009 stands at €1 million.

I Note 36. Currency exchange rates

Currency exchange rates for one Euro	2009		2008	
	Closing	Average	Closing	Average
US dollar (USD)	1.4406	1.3933	1.3917	1.4706
Polish Zloty (PLN)	4.1045	4.3298	4.1535	3.5151
Argentine Peso (ARS)	5.4992	5.202	4.8631	4.6420
Uruguay Peso (UYP)	28.1878	31.3083	34.3869	30.5817
Thai Baht (THB)	47.9860	47.7751	48.2850	48.4560
Colombian Peso (COP)	2,944.9400	2,892.8900	3,162.89	2,873.4283
Brazilian Real (BRL)	2.5113	2.7706	3.2436	2.6745
Venezuelan Bolivar (VEF) (1)	3.0961	2.9924	3.0262	3.1570
Vietnamese Dong (VND)	26,644.8000	23,786.8985	24,644.0000	23,960.8182

(1) see note 1

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Note 37. Transactions with related parties

Related parties include:
- parent companies
- entities which exercise joint control or notable influence over the entity
- subsidiaries
- associates
- joint ventures
- members of the Board of Directors and members of the Executive Board.

The Company, as part of the Group's day-to-day management, keeps a constant relationship with all of its subsidiaries. In addition, the Company benefits from the guidance of its majority shareholder Euris, the Group's ultimate controlling company, under the terms of a strategic advisory services agreement signed in 2003.
The transactions with related parties summarized below mainly concern the operational transactions with companies over which the Group exercises notable influence or joint control These companies are consolidated under the equity method or are proportionately consolidated. The transactions are concluded at market price.
Transactions with related parties who are natural persons (directors, executive officers and members of their family) were not material, nor were transactions with the parent companies.

37.1. Transactions with the parent company

The Rallye group's accounts are integrated in the consolidated financial statements of Foncière Euris, with registered office at 83, rue du Faubourg Saint-Honoré – 75008 Paris – France (Siren n° 702 023 508), the account closing date of which is December 31, 2009.
There were no transactions between the Rallye group and Foncière Euris during 2009.
A partnership has been set up between Foncière Euris and Rallye to enable one of Rallye's subsidiaries (Parinvest) to continue investing in projects developed by Foncière Euris. Under the terms of the partnership agreement, which has been concluded for an initial duration of four years, for projects that have already obtained building permits, Foncière Euris will offer Parinvest a maximum 50% stake, while Parinvest reserves the right to accept or decline the offer. The investment is made on the basis of external valuations.
For projects being set up that have not yet obtained building permits, Foncière Euris has the right, but not the obligation, to offer to enter into partnership with Parinvest.
In exchange, Parinvest has agreed not to set up or participate in any new shopping center projects without offering Foncière Euris the opportunity to participate. The partnership agreements entered into in 2008 relate to the centers in Manufaktura, Beaugrenelle, Carré de Soie and Wzgorze. No new projects were implemented this year.

37.2. Transactions with joint ventures and associates

(In € millions)	As at December 31, 2009		As at December 31, 2008	
	Transactions	Outstanding balance	Transactions	Outstanding balance
Total transactions with joint ventures:				
Loans		4		4
Receivables	(7)	104	93	111
Debt	3	86	33	82
Expenses	44		47	
Revenue	51		52	
Total transactions with associates:				
Loans	39	39		
Receivables	(1)	16	17	17
Debt			(1)	
Expenses	22		25	
Revenue	1		1	

37.3. Gross remuneration of directors and executives

(In € millions)	2009	2008
Amount of compensation granted [1]	6	6
Short-term benefits (social security charges)	2	3
Post-employment benefits		
Termination indemnity due to the main executive officers		
Share-based payment [2]	1	1
TOTAL	**9**	**10**

(1) Gross salaries. bonuses. benefits in kind and director's fees paid.
(2) Expense recorded in the income statement for the year to account for the stock option and bonus share plans.

I Note 38. Statutory auditors' fees

The fees recognized as expenses in the audit of the Rallye group's financial statements stand at €10.1 million as at December 31, 2009.

Fees for directly-related procedures, meanwhile, came to €0.6 million for the fiscal year ending December 31, 2009.

I Note 39. Subsequent events

Devaluation of the bolivar and nationalization of Venezuelan operations

In January 2010, the Venezuelan government announced the devaluation of the bolivar and the nationalization of the Casino group's operations. These two events, described in the note "highlights", constituted events subsequent to the reporting period that do not confirm a pre-existing situation as at December 31, 2009 and the effects of which belong to the 2010 fiscal year.

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Main consolidated companies as at December 31, 2009

Company	Registered office	Business segment	Consolidation method	12/31/2009	
				% interest	% control
Rallye SA*	**75008 Paris**	**Holding**		**Parent company**	
Alpétrol SAS	75008 Paris	Holding	Full	100.0	100.0
Bruyère (La) SA	75008 Paris	Holding	Full	67.0	67.0
Cobivia SAS	75008 Paris	Holding	Full	100.0	100.0
Colisée Finance 3 SAS	75008 Paris	Holding	Full	100.0	100.0
Colisée Finance 4 SAS	75008 Paris	Holding	Full	100.0	100.0
Colisée Finance 5 SAS	75008 Paris	Holding	Full	100.0	100.0
Colisée Finance 6 SA	75008 Paris	Holding	Full	100.0	100.0
Genty Immobilier SAS	75008 Paris	Real estate	Full	100.0	100.0
H.M.B SAS	75008 Paris	Holding	Full	100.0	100.0
Kerrous SAS	75008 Paris	Holding	Full	100.0	100.0
Kergorju SCI	29200 Brest	Real estate	Full	100.0	100.0
Magasins Jean SAS	29200 Brest	Food and general retailing	Full	100.0	100.0
Matignon Sablons SAS	75008 Paris	Real estate	Full	100.0	100.0
Matimmob 1 SAS	75008 Paris	Real estate	Full	100.0	100.0
MFD Inc. (ex Athlete's Foot Group Inc.)	GA 30331 Atlanta	Holding	Full	100.0	100.0
Miramont Finance & Distribution SA	75008 Paris	Holding	Full	100.0	100.0
O.C.P. SAS	75008 Paris	Holding	Full	100.0	100.0
Perrières (Des) SCI	75008 Paris	Real estate	Full	100.0	100.0
Sables (Les) SCI	75008 Paris	Real estate	Full	62.5	62.5
Sivigral SCI	75008 Paris	Real estate	Equity	40.0	40.0
Soparin SAS	75008 Paris	Holding	Full	100.0	100.0
Parande SAS	**75008 Paris**	**Holding**	**Full**	**100.0**	**100.0**
Alexa Group GmbH	Düsseldorf	Real estate	Full	27.0	50.0
Alexanderplatz Voltairestrasse GmbH	Berlin	Real estate	Full	54.0	54.0
Alta Marigny Carré de Soie SNC	75002 Paris	Real estate	Proportionate	25.0	25.0
Centrum Alexa SARL	Luxembourg	Real estate	Full	60.0	60.0
Centrum Gdynia SARL	Luxembourg	Real estate	Proportionate	49.9	55.0
Centrum Leto SARL	Luxembourg	Real estate	Full	100.0	100.0
Centrum Poznan SARL	Luxembourg	Real estate	Full	100.0	100.0
Centrum Saint-Petersburg (formerly Apsys Investment Russia SARL)	Luxembourg	Real estate	Proportionate	50.0	50.0
Centrum Weiterstadt SARL	Luxembourg	Real estate	Full	60.0	60.0
Centrum Wzgorze SP Zoo	Gdynia	Real estate	Proportionate	24.9	32.5
Einkaufszentrum Am Alex GmbH	Berlin	Real estate	Full	54.0	90.0
Gutenbergstrasse BAB5 GmbH	Berlin	Real estate	Full	48.0	80.0
HBF Konigswall GmbH	Berlin	Real estate	Full	100.0	100.0
Hippodrome Carré de Soie SARL	75008 Paris	Real estate	Proportionate	24.8	24.8
Full Real Estate Investments SRL	Bucharest	Real estate	Full	66.5	100.0
Full Romanian Investments Ltd	Nicosia	Real estate	Full	81.6	81.6
Loop 5 Shopping Centre GmbH	Düsseldorf	Real estate	Proportionate	24.0	50.0

** listed companies*
Full: full integration
Proportionate: proportionate integration
Equity: equity method

Company	Registered office	Business segment	Conso-lidation method	12/31/2009	
				% interest	% control
Marigny Expansion SAS	75008 Paris	Holding	Proportionate	50.0	50.0
Parande Ventures (partnership)	New York	Holding	Full	99.0	99.0
Pargest SAS	75008 Paris	Holding	Full	92.5	96.3
Pargest Holding SAS	75008 Paris	Holding	Full	96.1	96.1
Parinvest SAS	75008 Paris	Holding	Full	100.0	100.0
Pont de Grenelle SCI	75008 Paris	Real estate	Equity	20.0	20.0
Rivoli Participations SAS	75008 Paris	Holding	Equity	27.6	27.6
Ruban Bleu St Nazaire SCI	75116 Paris	Real estate	Equity	50.0	50.0
SistemApsys SARL	Luxembourg	Real estate	Equity	25.0	50.0
Euristates Inc.	**Wilmington, Delaware 19801**	**Holding**	**Full**	**100.0**	**100.0**
555 Watertown LLC	Watertown. Massachusetts 02472	Real estate	Full	95.5	100.0
Beacon Pleasant Street LLC	Wilmington, Delaware 19801	Holding	Full	84.4	86.2
EREC Ventures LLC	Wilmington, Delaware 19801	Holding	Full	97.9	100.0
EREC Ventures II LLC	Wilmington, Delaware 19801	Holding	Full	99.8	100.0
Euris North America Corp.	Wilmington, Delaware 19801	Holding	Full	100.0	100.0
ENAC Ventures LLC	Wilmington, Delaware 19802	Holding	Full	99.4	100.0
Euris Real Estate Corp.	Wilmington, Delaware 19801	Holding	Full	100.0	100.0
Parande Brooklyn Corp.	Wilmington, Delaware 19801	Holding	Full	100.0	100.0
Parande Brooklyn Ventures LLC	Wilmington, Delaware 19801	Holding	Full	95.7	100.0
Repton Place LLC	Boston. Massachusetts 02110	Real estate	Full	84.4	100.0
Groupe Go Sport SA*	**38360 Sassenage**	**Sporting goods**	**Full**	**73.6**	**78.3**
Buissières (Les) SAS	38360 Sassenage	Real estate	Full	73.6	100.0
Club Sports Diffusion SA	1050 Brussels	Sporting goods	Full	73.6	100.0
Courir France SAS	38360 Sassenage	Sporting goods	Full	73.6	100.0
Delort Sports SARL	38360 Sassenage	Sporting goods	Full	73.6	100.0
Go Sport France SAS	38360 Sassenage	Sporting goods	Full	73.6	100.0
Go Sport International SAS	38360 Sassenage	Sporting goods	Full	73.6	100.0
Go Sport Les Halles SNC	38360 Sassenage	Sporting goods	Full	73.6	100.0
Gosport.com SAS	38360 Sassenage	Sporting goods	Full	73.6	100.0
Go Sport Polska SP Zoo	02801 Warsaw	Sporting goods	Full	73.6	100.0

** listed companies*
Full: full integration
Proportionate: proportionate integration
Equity: equity method

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Company	Registered office	Business segment	Consolidation method	12/31/2009	
				% interest	% control
Grand Large Sport SAS	38360 Sassenage	Sporting goods	Full	73.6	100.0
Limpart Investments BV	1102 Amsterdam	Sporting goods	Full	73.6	100.0
Casino. Guichard-Perrachon SA*	**42100 Saint-Etienne**	**Food and general retailing**	**Full**	**48.7**	**60.7**
AEW Immocommercial	75012 Paris	Real estate	Equity	10.0	20.5
Alcudia Promotion SAS	42100 Saint-Etienne	Real estate	Full	48.6	100.0
Groupe Anfilco (Disco)	Montevideo	Food and general retailing	Proportionate	30.4	62.5
Balcadis 2 SNC	20220 Ile Rousse	Food and general retailing	Full	48.7	100.0
Banque du Groupe Casino SA	75116 Paris	Banking	Proportionate	29.2	60.0
Bergsaar BV	Amsterdam	Holding	Full	48.7	100.0
Groupe Big C *	Lupini	Food and general retailing	Full	30.7	63.2
Bonuela	Caracas	Holding	Full	48.7	100.0
Caserne de Bonne (La) SCI	75116 Paris	Real estate	Full	48.7	100.0
Casino Carburants SAS	42100 Saint-Etienne	Gas stations	Full	48.7	100.0
Casino Information Technology SAS	42100 Saint-Etienne	Services	Full	48.7	100.0
Casino International SAS	42100 Saint-Etienne	Services	Full	48.6	100.0
Casino Ré SA	Luxembourg	Insurance	Full	48.7	100.0
Casino Restauration SAS	42100 Saint-Etienne	Restaurants	Full	48.7	100.0
Casino Services SAS	42100 Saint-Etienne	Services	Full	48.7	100.0
Casino Vacances SNC	75009 Paris	Travel	Full	48.7	100.0
Cativen	Caracas	Food and general retailing	Full	32.0	65.7
CDiscount SA	33700 Merignac	E- commerce	Full	39.3	80.9
Centrum Handlowe Jantar Sp.zoo	Warsaw	Real estate	Full	12.2	51.0
Centrum Handlowe Pogoria Sp.zoo	Warsaw	Real estate	Full	12.2	51.0
Club Avantages SAS	42100 Saint-Etienne	Loyalty cards	Full	47.7	98.0
Coboop BV	Amsterdam	Holding	Full	48.7	100.0
Codim 2 SA (Codim group)	20200 Bastia	Food and general retailing	Full	48.7	100.0
Comacas SNC	42100 Saint-Etienne	Purchasing	Full	48.7	100.0
Costa Verde SNC	20230 San Nicolao	Food and general retailing	Full	48.7	100.0

** listed companies*
Full: full integration
Proportionate: proportionate integration
Equity: equity method

Company	Registered office	Business segment	Consolidation method	12/31/2009	
				% interest	% control
Devoto	Montevideo	Food and general retailing	Full	47.0	96.6
Dinetard SAS	42100 Saint-Etienne	Real estate	Full	48.7	100.0
Distribution Casino France SAS	42100 Saint-Etienne	Food and general retailing	Full	48.7	100.0
Distridyn SA	75008 Paris	Food and general retailing	Proportionate	24.3	50.0
dunnhumby France SAS	42100 Saint-Etienne	Marketing	Proportionate	24.3	50.0
Easydis SAS	42160 Andrézieux-Bouthéon	Logistics	Full	48.7	100.0
EMC Distribution SAS	75116 Paris	Purchasing	Full	48.7	100.0
Espace Warszawa Sp.zoo	Warsaw	Real estate	Full	12.2	51.0
Groupe Exito*	Medellin	Food and general retailing	Full	26.7	54.8
Carulla Vivero SA	Bogota, D.C.	Food and general retailing	Full	48.6	99.9
SA Didetexco	Municipio de Envigado	Food and general retailing	Full	47.6	97.8
Patrimonio Autonomo San Pedroi Plaza	Bogota, D.C.	Real estate	Full	24.8	51.0
Fidis 2 SNC	20240 Ghisonaccia	Food and general retailing	Full	48.7	100.0
Floréal SA	42100 Saint-Etienne	Food and general retailing	Full	48.7	100.0
Géant Foncière BV	Amsterdam	Holding	Full	48.7	100.0
Géant Holding BV	Amsterdam	Holding	Full	48.7	100.0
Géant International BV	Amsterdam	Holding	Full	48.7	100.0
Geimex SA	75001 Paris	Food and general retailing	Proportionate	24.3	50.0
Gelase SA	Brussels	Holding	Full	48.7	100.0
GPA group (formerly CBD) *	São Paulo	Food and general retailing	Proportionate	16.4	33.7
Halles des Bords de Loire (Les) SCI	75116 Paris	Real estate	Full	48.7	100.0
Hyper Rocade 2 SNC	20600 Furiani	Food and general retailing	Full	48.7	100.0
FullC Promotion SAS	42100 Saint-Etienne	Real estate	Full	48.6	100.0
Immobilière Groupe Casino Services SAS	42100 Saint-Etienne	Real estate	Full	48.7	100.0
Intexa SA *	42100 Saint-Etienne	None	Full	47.6	97.9

** listed companies*
Full: full integration
Proportionate: proportionate integration
Equity: equity method

CONSOLIDATED FINANCIAL STATEMENTS

Note to the consolidated financial statements

Company	Registered office	Business segment	Consolidation method	12/31/2009	
				% interest	% control
IRTS SARL	Le Grand Saconnex	Services	Full	48.7	100.0
Latic	Wilmington. Delaware	Holding	Full	48.7	100.0
Super de Boer NV * (formerly Laurus NV)	5201 AD's-Hertogenbosch	Food and general retailing	Full	27.7	57.0
Libertad SA	Cordoba	Food and general retailing	Full	48.7	100.0
L'Immobilière Groupe Casino SAS	42100 Saint-Etienne	Real estate	Full	48.7	100.0
Lion de Toga 2 SNC	20200 Bastia	Food and general retailing	Full	48.7	100.0
Marushka Holding BV	Amsterdam	Holding	Full	48.7	100.0
Mayland (ex Géant Polska)	Warsaw	Food and general retailing	Full	48.7	100.0
Groupe Monoprix	92116 Clichy	Food and general retailing	Proportionate	24.3	50.0
Onogan Promotion SAS	42100 Saint-Etienne	Real estate	Full	48.6	100.0
Pacam 2 SNC	20167 Mezzavia	Food and general retailing	Full	48.7	100.0
Pachidis SA	42100 Saint-Etienne	Holding	Full	48.7	100.0
Plouescadis SAS	75016 Paris	Holding	Full	48.6	100.0
Polca Holding SA	Brussels	Holding	Full	48.7	100.0
Poretta 2 SNC	20137 Porto Vecchio	Food and general retailing	Full	48.7	100.0
Prical 2 SNC	20260 Calvi	Food and general retailing	Full	48.2	100.0
Prodis 2 SNC	20110 Propriano	Food and general retailing	Full	48.7	100.0
Régie Média Trade SAS	75008 Paris	Services	Proportionate	24.3	50.0
Restauration Collective Casino SAS	42100 Saint-Etienne	Restaurants	Full	48.7	100.0
Ségisor SA	42100 Saint-Etienne	Holding	Full	48.7	100.0
Semafrac SNC	20600 Furiani	Food and general retailing	Full	48.7	100.0
Serca SAS	42100 Saint-Etienne	Food and general retailing	Full	48.7	100.0
Shopping Property Fund 1	75017 Paris	Real estate	Equity	18.3	37.7
SNC des Cash Corses	20200 Bastia	Food and general retailing	Full	48.7	100.0

** listed companies*
Full: full integration
Proportionate: proportionate integration
Equity: equity method

Company	Registered office	Business segment	Consolidation method	12/31/2009	
				% interest	% control
Soderip SNC	42100 Saint-Etienne	Real estate	Full	48.6	100.0
Sodico 2 SNC	20250 Corte	Food and general retailing	Full	48.7	100.0
Spice Espana S.L.	Pamplona	Services	Full	48.7	100.0
Sudéco SAS	42100 Saint-Etienne	Food and general retailing	Full	48.6	100.0
Sudis 2 SNC	20137 Porto Vecchio	Food and general retailing	Full	48.6	100.0
Tevir SA	42100 Saint-Etienne	Holding	Full	48.7	100.0
Théiadis SAS	42100 Saint-Etienne	Holding	Full	46.9	96.5
Unigros 2 SNC	20200 Bastia	Food and general retailing	Full	48.7	100.0
Uranie SAS	42100 Saint-Etienne	Food and general retailing	Full	48.7	100.0
Vegas Argentina SA	Buenos Aires	Holding	Full	48.7	100.0
Villa Plancha SAS	42100 Saint-Etienne	Restaurants	Full	48.7	100.0
Vindémia SA	Sainte-Marie (Réunion)	Food and general retailing	Full	48.7	100.0
Vivéris Odyssée	75001 Paris	Real estate	Equity	13.0	26.7
Wilkes	São Paulo	Food and general retailing	Proportionate	33.5	68.8
Asinco SA (Franprix/Leader Price group)	**75016 Paris**	**Food and general retailing**	**Full**	**48.7**	**100.0**
Baud SA	94430 Chennevières sur Marne	Food and general retailing	Full	48.7	100.0
Cafige	75009 Paris	Holding	Full	29.2	60.0
Cofilead	75017 Paris	Holding	Full	29.2	60.0
Groupe Cogefisd	75017 Paris	Food and general retailing	Full	40.9	84.0
DBA SNC	56312 Lorient	Holding	Equity	31.3	49.0
Distribution Leader Price SNC	77220 Gretz Armainvilliers	Food and general retailing	Full	48.7	100.0
Groupe Figeac	75017 Paris	Food and general retailing	Full	40.9	84.0
Franprix distribution SAS	75016 Paris	Food and general retailing	Full	48.7	100.0
Franprix Holding SA	75016 Paris	Food and general retailing	Full	48.7	100.0

** listed companies*
Full: full integration
Proportionate: proportionate integration
Equity: equity method

CONSOLIDATED FINANCIAL STATEMENTS

Note to the consolidated financial statements

Company	Registered office	Business segment	Consolidation method	12/31/2009	
				% interest	% control
HD Rivière	31000 Toulouse	Holding	Equity	19.5	40.0
Patrick Fabre Distribution	75006 Paris	Holding	Equity	19.5	40.0
Besançon Saint-Claude SARL	25000 Besançon	-	Full	48.7	100.0
H2A	92700 Colombes	Finance	Full	29.2	60.0
Leader Price Argentina SA	Buenos Aires	Food and general retailing	Full	48.7	100.0
Leader Price Holding SA	75016 Paris	Food and general retailing	Full	48.7	100.0
Leadis Holding	94430 Chennevières-sur-Marne	Food and general retailing	Full	48.7	100.0
Lecogest SARL	92500 Rueil Malmaison	Holding	Full	48.7	100.0
Groupe Minimarché	94430 Chennevières-sur-Marne	Food and general retailing	Full	46.2	100.0
Pro Distribution SA	92370 Chaville	Holding	Equity	23.8	49.0
Groupe Retail Leader Price	94430 Chennevières-sur-Marne	Food and general retailing	Full	48.7	100.0
R.L.P. Investissement SA	77220 Gretz-Armainvilliers	Food and general retailing	Full	48.7	100.0
Sarjel	94100 St-Maur des Fossés	Finance	Equity	23.8	49.0
Sédifrais SA	95560 Montsoult	Food and general retailing	Full	47.1	100.0
Sodigestion	92000 Nanterre	Finance	Full	29.2	60.0
Groupe Sofigep	92500 Rueil-Malmaison	Food and general retailing	Full	48.7	100.0
Surgenord SAS	93500 Pantin	Holding	Full	47.1	100.0
S.R.P	75017 Paris	Food and general retailing	Full	48.7	100.0
Mercialys SA*	**75016 Paris**	**Real estate**	**Full**	**25.0**	**53.7**
Bourg en Bresse Kennedy SCI	42100 Saint-Etienne	Real estate	Full	24.1	96.5
Centre commercial Kerbernard SCI	42100 Saint-Etienne	Real estate	Full	24.6	98.3
Corin Asset Management SAS	20600 Furiani	Real estate	Proportionate	10.0	40.0
Diane (La) SCI	13100 Aix en Provence	Real estate	Full	25.0	100.0
Mercialys Gestion SAS	42100 Saint-Etienne	Real estate	Full	25.0	100.0
Mery 2 SAS	75116 Paris	Real estate	Full	25.0	100.0
Point Confort SA	42100 Saint-Etienne	Real estate	Full	25.0	100.0
Toulon Bon Rencontre SCI	42100 Saint-Etienne	Real estate	Full	24.2	96.7

** listed companies*
Full: full integration
Proportionate: proportionate integration
Equity: equity method

CONSOLIDATED FINANCIAL STATEMENTS

Statutory Auditors' report on the consolidated financial statements
Year ended December 31, 2009

To the Shareholders,
In fulfillment of the mission entrusted to us at your General Meetings, we present below our report on the year ended December 31, 2009, on:

- the audit of the accompanying consolidated financial statements of Rallye;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, by audit sampling and other selective testing procedures, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the information we gathered provides a sufficient and appropriate ground for our opinion.
In our opinion the consolidated financial statements for the year ended December 31, 2009, give a true and fair view of the assets, liabilities, financial position and results of the Group constituted by the persons and entities included in the consolidation, in accordance with the IFRSs adopted by the European Union.

Without calling into question the opinion expressed above, we draw your attention to the following:

- Notes 1.3 and 1.6 to the consolidated financial statements in the section "Accounting principles and methods" which describe the new standards and interpretations adopted by the Group as from January 1, 2009;
- Note 1.2 to the consolidated financial statements in the section "Comments on the content of the financial statements" which explains, first, the Group's accounting treatment of the dividend paid in Mercialys shares and, second, the positions taken by the Group when consolidating the financial statements of its Venezuelan subsidiary, Cativen.

II. JUSTIFICATION OF THE ASSESSMENT

In accordance with Article L. 823-9 of the Code of Commerce on the justification of our assessment, we draw your attention to the following matters:

I Accounting principles

Note 1.2 in the section "Comments on the content of the financial statements" explains the accounting treatment of a dividend paid in Mercialys shares and the principles applied when reporting the Group's Venezuelan operations. Note 18 explains the justification for reporting the investments in the OPCI funds using the equity method.
We have examined all legal and factual points that might affect the appropriateness of the principles and methods applied by the Group to these operations as well as the accuracy of the information disclosed in the notes.

CONSOLIDATED FINANCIAL STATEMENTS

Statutory Auditors' report on the consolidated financial statements
Year ended December 31, 2009

I Accounting estimates

The Group has made a number of estimates and assumptions concerning the impairment of goodwill, real estate assets and available-for-sale financial assets (Notes 1.14, 1.16, 1.18 and 1.19 in the section "Accounting principles and methods", with further details given in Notes 13, 14, 15, 16 and 17). As regards these assets and goodwill, the Group has based its assessment of their recoverable amount on either independent appraisals or multi-year financial plans approved by the management.
We have examined the available documentation, evaluated the reasonable nature of the estimates used, and verified that the notes to the financial statements provide accurate information about the assumptions used by the Group.
The evaluations thus made are part of our overall audit of the consolidated financial statements, taken as a whole, and have therefore contributed to the formation of our opinion, as given in the first section of this report.

III. SPECIFIC VERIFICATION

As required by law, we have also specifically verified, in accordance with the professional standards applicable in France, the information on the Group given by the management report.
We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, April 12, 2010
Statutory Auditors

KPMG AUDIT
Department of KPMG S.A.
Catherine CHASSAING

ERNST & YOUNG et Autres
Henri-Pierre NAVAS

COMPANY FINANCIAL STATEMENTS

As at December 31, 2009

RALLYE INCOME STATEMENT

(In € millions)	Note	2009	2008
Net sales	1	**5.7**	**4.6**
Other purchases and external expenses		(16.5)	(13.7)
Taxes		(0.4)	(1.2)
Personnel expenses		(7.3)	(8.2)
Net provisions (reversals) for depreciation, amortization and provisions		(5.8)	(3.4)
Net other operating expenses		(0.3)	(0.3)
Operating income (loss)	1	(24.6)	(22.1)
Financial income		221.3	270.9
Financial expenses		(203.1)	(227.0)
Net financial income (loss)	2	**18.2**	**43.9**
Income from current operations before income tax		**(6.4)**	**21.8**
Exceptional provision reversals (expenses)			4.9
Exceptional income (expenses) from management operations		2.3	
Exceptional income (expenses) on share capital operations		152.4	20.8
Net exceptional income (loss)	3	**154.7**	**25.7**
Income tax	4		
Net income		**148.3**	**47.5**

COMPANY FINANCIAL STATEMENTS
As at December 31, 2009

RALLYE BALANCE SHEET

ASSETS

(in € millions)	Notes	Gross	Depreciation and amortization	2009 Net	2008
Intangible assets	5	0.3	0.3		
Property, plant and equipment	5	1.2	0.8	0.4	0.5
Financial investments	6-8	1,919.6	397.5	1,522.1	1,716.1
Total fixed asset		**1,921.1**	**398.6**	**1,522.5**	**1,716.6**
Receivables	7	2,064.5	0.1	2,064.4	1,854.1
Marketable securities	8	578.1		578.1	361.6
Cash and cash equivalents	8	0.1		0.1	
Total current assets		**2,642.7**	**0.1**	**2,642.6**	**2,215.7**
Prepaid expenses	9	0.8		0.8	0.8
Deferred bond issue costs	9	21.6		21.6	5.5
Bond redemption premiums	9	5.4		5.4	0.7
Translation adjustments					
TOTAL ASSETS		**4,591.6**	**398.7**	**4,192.9**	**3,939.3**

LIABILITIES

(In € millions)	Notes	2009	2008
Share capital		127.1	127.1
Share premiums		1,309.0	1,309.0
Reserves		74.6	74.6
Retained earnings		29.4	57.9
Interim dividend		(33.1)	(33.7)
Net income from the year		148.3	47.5
Total shareholders' equity	**10**	**1,655.3**	**1,582.4**
Provisions	11	56.6	49.6
Borrowings and loans	12	2,456.6	2,144.0
Accounts payable	13	7.4	14.0
Other debt	13	16.9	148.9
Total debt		**2,481.0**	**2,306.9**
Unearned revenue		0.2	0.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,192.9**	**3,939.3**

COMPANY FINANCIAL STATEMENTS

Rallye statement of cash flows

(In € millions)	2009	2008
Cash flows from operating activities:		
Net income	**148.3**	**47.5**
Adjustments to eliminate non-cash or non-operating expenses and revenues:		
- Depreciation, amortization and provisions [1]	99.6	71.9
- Capital gains, net of taxes	(155.3)	(25.1)
- Dividends paid as shares	(42.8)	
Cash flow	**49.7**	**94.3**
Changes in operating working capital requirement:		
- Net inventories		
- Net accounts receivable	9.6	15.5
- Accounts payable	(6.7)	(1.5)
Net cash provided by operating activities (A)	**52.7**	**108.3**
Cash flows from investing activities:		
Purchase of property, equipment and intangible assets		(0.1)
Sale of property, equipment and intangible assets		
Purchase of financial investments	(149.8)	(199.1)
Sale of financial investments	438.3	119.2
Net cash used in investing activities (B)	**288.5**	**(80.0)**
Cash flows from financing activities :		
Dividends paid to company shareholders	(75.4)	(77.2)
Share capital increase in cash		0.8
Capital repayment		
Debt issuance	1,087.7	250.0
Debt redemption	(787.8)	(159.6)
Change in accrued interests	(1.5)	6.6
Current account loans to subsidiaries	(344.3)	196.1
Net cash provided by financing activities (C)	**(121.3)**	**216.7**
Change in cash and cash equivalents (A+B+C)	**219.9**	**245.0**
Cash and cash equivalents opening balance (D)	345.6	100.6
Cash and cash equivalents closing balance (E)	565.4	345.6
Change in cash and cash equivalents (E-D)	**219.9**	**245.0**

(1) excluding provisions on current assets

COMPANY FINANCIAL STATEMENTS

Notes to the Rallye parent company financial statements as at December 31, 2009

I. ACCOUNTING PRINCIPLES AND METHODS

The financial statements have been prepared in accordance with the principles, standards and methods set out in the French National Chart of Accounts issued in 1999, in conformity with Regulation no. 99-03 of the French Accounting Regulations Committee (CRC).
Accounting principles and methods are identical to those applied to the previous annual company financial statements.
Information which is not mandatory appears only if it is of significant importance. Accounting entries are valued on the basis of the historical cost method.

1.1. Property, equipment and intangible assets

Property, equipment and intangible assets are recorded at historical cost. Fixed asset depreciation is carried out according to the straight-line method, over the periods listed below:

Type of assets	Depreciation period
Software	1 year
Furniture and office equipment	2 to 10 years
Transportation equipment	4 years
Fittings and improvements	10 years

1.2. Financial investments

1.2.1. Investment securities:

Investments are recorded on the balance sheet at their acquisition or contribution cost. Impairment losses are recorded if their value in use is lower than their book value.
Rallye measures the value in use of its investments in associates on the basis of several criteria, including net worth, revalued net asset value, present value of financial income less debt, stock market price and external appraisals. Impairment of the current account or provisions for contingencies may be recorded when the shareholders' equity of the subsidiary is negative.

1.2.2. Other financial investments:

Loans and receivables and other long-term investments are recorded in the balance sheet at their acquisition cost under "Other financial investments". Impairment losses are recorded when their expected net realizable value is lower than their book value.
With regard to Rallye shares acquired in connection with buyback arrangements, the expected net realizable value is the average share price over the twenty last days of the financial year.

1.3. Receivables

Receivables are recorded under assets at their nominal value. An allowance for impairment is recorded when their fair value, based on collectibility, is lower than their book value.

1.4. Marketable securities

Marketable securities are recognized at their acquisition cost. Impairment is recorded when their market value is lower than their gross book value:

- the average share price from the last twenty days of the fiscal year for treasury stock;
- the selling price at year-end for investment securities.

Treasury shares which are assigned to bonus share and stock option plans are not impaired, due to the existing allocation commitments towards employees and to the contingency provision recognized as a liability.

COMPANY FINANCIAL STATEMENTS

Notes to the Rallye parent company financial statements as at December 31, 2009

1.5. Deferred bond issue costs

Issue costs of borrowings and bonds are spread out over the life of the issue, in line with scheduled redemption.

1.6. Translation adjustments

Receivables and debts denominated in foreign currencies are converted at the closing exchange rate. Any differences which may arise between the amounts originally recorded and the amounts as converted at the closing exchange rate are booked under unrealized foreign exchange rate gains and losses. A provision covers unrealized foreign exchange rate losses.

1.7. Provisions

In accordance with CRC Regulation no. 2000-06, provisions are recorded for the liabilities and contingencies arising from the Company's obligations toward third parties, which are expected to result in the use of resources without any consideration in return.
The provision for tax litigation reflects the assessment of the associated financial risk, based on the current status of legal proceedings.
Provisions for retirement obligations reflect the forecast liability based on the aggregate rights vested by employees, in accordance with CNC Recommendation 2003 R-01. This provision was calculated using the projected unit credit method and taking into account social security charges. As at December 31, 2009, the provision stood at €42,976.
The conditional redemption premium on bond issues may be provisioned if the payment of the premium becomes likely. The provision is spread out over the life of the issue. The Company has assessed the need to provision redemption premiums, in particular, taking into account the maturity date of the bonds and the difference between the current market price of the underlying shares and the redemption value of the bonds.
The Company has granted bonus share allocation plans and as such, booked a provision equal to the acquisition cost of shares which should be allocated according to the terms of the plan as at the date of closure. This provision is made in accordance with Opinion 2008-17 of the French National Accounting Board (Conseil National de la Comptabilité-CNC).
Other provisions are made for specific risks and expenses. The amount of the provisions is given in note 11 to the parent company financial statements.

1.8. Debt

Trade payables and other payables are recorded at nominal value under liabilities.

1.9. Financial instruments

As part of its interest rate risk management policy, Rallye uses derivative instruments intended to convert certain lines of credit from fixed-rate to variable-rate in order to take advantage of lower interest rates.
Income and expenses resulting from interest rate risk hedging transactions are included on an accrual basis in the income statement for the period. The fair value of these financial instruments amounted to €24.4 million as at December 31, 2009.

1.10. Income from current operations

Income from current operations corresponds to the income and expense arising from the company's ordinary operations.

1.11. Net exceptional income (loss)

Net exceptional income (loss) includes the income and expense arising from transactions outside the company's ordinary operations, as well as income and expense of exceptional amounts.

1.12. Income tax

Rallye has opted for tax consolidation and assumes the income tax due for the consolidated group. As at December 31, 2009 the group includes 18 companies.
The tax consolidation agreement signed between Rallye and its subsidiaries sets out the methods for sharing out the tax burden between the companies, as follows:

- Rallye personally and finally bears the cost of corporate tax, additional income tax payments, as well as taxes on capital gains made by its subsidiaries included in the tax consolidation group;
- subsidiaries which are included in the tax consolidation group shall pay Rallye the portion of annual minimum tax (IFA) due on their behalf;
- in the event that a subsidiary leaves the tax consolidation perimeter, Rallye is solely liable for the payment of tax and any other payments which may be due. Rallye may compensate the exiting subsidiary for additional taxes which might be due as a result of its having belonged to the group.

HIGHLIGHTS FROM THE FISCAL YEAR

Rallye continued to shore up its liquidity by issuing two bond features of €500m each, coming to maturity in January 2015 and November 2016

Rallye successfully released two bond features of €500 million each, maturing on January 20, 2015 and November 4, 2016 respectively. Both issues were intended to refinance existing debt, to extend the debt's maturity and to reinforce Rallye's cash situation.
Both bonds coupons (8.375% and 7.625% respectively) were hedged at a variable rate, which allowed Rallye to optimize their financing cost.

Acceptance of a dividend in Mercialys shares:

In June 2009, Rallye received 1,972,888 Mercialys shares when Casino gave its shareholders 1 Mercialys share for every 8 Casino shares they held, as a follow-up to Casino's contribution of real estate assets worth a total of €334 million to Mercialys.
In June 2009, Rallye also acquired 4,853,105 Mercialys shares from its subsidiaries, which received the shares during the Casino distribution, when they were centralized with Rallye.
After these transactions, Rallye held an approximate 7.6% stake in Mercialys's capital and voting rights.
In the 2009 fiscal year, this shareholding was fully disposed of as part of an equity swap signed with a bank.

POST-CLOSING EVENTS

None.

II. COMMENTS ON SOME ITEMS OF THE FINANCIAL STATEMENTS

I NOTE 1 - Operating income (loss)

1.1. Breakdown

(In € millions)	2009	2008
Services	5.7	4.6
Provision reversals	1.4	1.4
Transfers of operating expenses	23.0	0.8
Operating revenue	**30.1**	**6.8**
Other purchases and external expenses	39.5	14.5
Taxes	0.4	1.2
Payroll expenses	7.3	8.2
Allowance for depreciation, amortization and provisions	7.2	4.7
Other operating expenses	0.3	0.3
Operating expenses	**54.7**	**28.9**
Operating income (loss)	**(24.6)**	**(22.1)**

COMPANY FINANCIAL STATEMENTS

Notes to the Rallye parent company financial statements as at December 31, 2009

1.2. Operating revenue

(In € millions)	2009	2008
Services	1.7	0.7
Financial services	4.0	3.9
Net sales	**5.7**	**4.6**
Reversal of provisions	1.4	1.4
Transfers of expenses	23.0	0.8
Operating revenue	**30.1**	**6.8**

Net sales are entirely generated in France and mainly consist of services provided to subsidiaries. The transfers of charges for €23 million concern bond issue costs and disbursements made by Rallye on behalf of its subsidiaries.

1.3. Operating expenses

Other purchases and external expenses include bank commissions and fees.
The other operating expenses consist essentially of director's fees issued to members of the company's Board of Directors.

1.4. Headcount and remuneration of directors and executives

	2009	2008
Executive staff	23	23
Other staff	13	14
Total average workforce	**36**	**37**
Compensation to directors and executives (in € millions)	1.3	1.2

I NOTE 2 - Net financial income (loss)

(In € millions)	2009	2008
Dividend	106.8	118.6
Provision reversals	1.8	11.8
Other interests and similar income	111.1	128.1
Net income/sale of securities	1.6	12.4
Financial income	**221.3**	**270.9**
Interests and similar expenses	107.5	149.8
Financial provision allowances	95.6	77.2
Financial expenses	**203.1**	**227.0**
Net financial income (loss)	**18.2**	**43.9**

In 2009, the dividends came from Casino (€81.8 million), Cobivia (€13.6 million), Omnium de Commerce et de Participations (€9 million), Matignon Sablons (€1.4 million) and Mercialys (€1 million).

Provision reversals include:
- share purchase options that expired without being exercised, for €1.5 million;
- investment securities, for €0.3 million.

Other interests and similar income concern mainly the remuneration of current accounts held with subsidiaries and interest rate hedging operations.
Financial provision allowances mainly concern:
- the depreciation of investment securities, amounting to €86.3 million (see note 6.2);
- bond redemption premiums, amounting to €5.6 million; and
- share purchase options, amounting to €3.2 million.

Financial income also includes an amount of €1.6 million corresponding to the excess of market value over book value resulting from the full transfer of assets of the company Mermoz Kléber on June 15, 2009.

I NOTE 3 - NET EXCEPTIONAL INCOME (LOSS)

(In € millions)	2009	2008
Sale of financial investments	152.4	20.8
Provision reversals (expense)		4.9
Other exceptional income/(expenses)	2.3	
Net exceptional income (loss)	**154.7**	**25.7**

The income from the disposal of these financial investments mainly involves capital gains from the sale of Casino and Mercialys shares (see note 6.2).
In 2009, €2.3 million was posted for a tax reduction on salaries for 2006 to 2008.

I NOTE 4 - CORPORATE INCOME TAX

4.1. Breakdown

(In € millions)	2009	2008
Income from current operations	(6.4)	21.8
Net exceptional income (loss)	154.7	25.7
Net income before tax	**148.3**	**47.5**
Impact of tax consolidation		
Net income	**148.3**	**47.5**

As the head of the tax consolidation group, Rallye is personally and ultimately liable for tax on the companies in the group. The tax consolidation resulted in 0.1 million in tax savings, corresponding to the sum of taxes that would have been paid by the subsidiaries.
If Rallye had not been tax consolidated, it would not have been taxable.

4.2. Latent tax situation

Tax loss carry-forwards totaling €1,313.6 million as at December 31, 2009, are recorded within the tax consolidation group and may be carried forward indefinitely
Long-term capital loss carryforwards amounted to €3.4 million. They were recorded by the tax consolidation group and may be charged against gains of the same nature generated in the next ten fiscal years.

COMPANY FINANCIAL STATEMENTS

Notes to the Rallye parent company financial statements as at December 31, 2009

NOTE 5 - Property, equipment and intangible assets

5.1. Breakdown

(In € millions)	2009	2008
Gross intangible assets	**0.3**	**0.3**
Depreciation	(0.3)	(0.3)
Intangible assets net value		
Land	0.1	0.1
Buildings	0.6	0.6
Other property, plant and equipment	0.5	0.5
Gross value	**1.2**	**1.2**
Depreciation	(0.8)	(0.7)
Tangible assets net value	**0.4**	**0.5**
Tangible and intangible assets net value	**0.4**	**0.5**

5.2. Change

(In € millions)	Gross	Depreciation	Net
As at January 1, 2008	**1.5**	**(1.0)**	**0.5**
Increase		(0.1)	(0.1)
Decrease		0.1	0.1
As at December 31, 2008	**1.5**	**(1.0)**	**0.5**
Increase		(0.1)	(0.1)
Decrease			
As at December 31, 2009	**1.5**	**(1.1)**	**0.4**

NOTE 6 - Financial investments

6.1. Breakdown

(In € millions)	2009	2008
Investment securities	1,918.9	2,000.5
Amortization	(397.5)	(300.9)
Net value of investment securities	**1,521.4**	**1,699.6**
Other financial investments	0.7	16.5
Amortization		
Net value of other financial investments	**0.7**	**16.5**
Net financial investments	**1,522.1**	**1,716.1**

6.2. Change

(In € millions)	Gross	Provisions	Net
As at January 1, 2008	**1,940.8**	**(238.0)**	**1,702.8**
Increase	183.3	(63.1)	120.2
Decrease	(107.1)	0.2	(106.9)
As at December 31, 2008	**2,017.0**	**(300.9)**	**1,716.1**
Increase	203.0	(96.9)	106.1
Decrease	(300.4)	0.3	(300.1)
As at December 31, 2009	**1,919.6**	**(397.5)**	**1,522.1**

The increase in financial assets is due mainly to:
- the (external) acquisition of Casino shares, for €1.9 million;
- the acquisition of Mercialys shares received during Casino Guichard-Perrachon's distribution of a dividend as Mercialys shares for €41.8 million;
- the acquisition (within the Group) of Mercialys shares for the amount of €103.8 million;
- the purchase under the liquidity contract of Rallye shares for €19.8 million and mutual funds for €25.1 million.

The decrease in financial assets results mainly from:
- the disposal (within the Group) of Casino common shares for the amount of €89 million;
- the external disposal of Mercialys shares for the amount of €145.6 million;
- the accounting impact of the full transfer of the assets and liabilities of the company Mermoz Kléber to Rallye for the amount of €5 million;
- the sale under the liquidity contract of Rallye shares for the amount of €22.7 million and of mutual funds for the amount of €38.1 million.

Provision allowances concern €85.5 million for the depreciation of Parande shares.

I NOTE 7 - Receivables

The amounts and maturities of net receivables reported under balance sheet assets are as follows:

(In € millions)	2009	2008
Receivables booked to fixed assets	**0.1**	**0.1**
Trade receivables and related accounts	104.6	117.8
Current accounts	1,912.1	1,700.0
Other operating receivables	47.7	36.3
Current receivables	**2,064.4**	**1,854.1**
Net receivables	**2,064.5**	**1,854.2**
of which : Up to 1 year	*2,048.6*	*1,838.3*
Over 1 year	*15.9*	*15.9*

As at December 31, 2009, "Other operating receivables" comprised:
- 5.2 million interest receivable from interest rate hedges;
- receivables of €21 million, which corresponds to the deposit for an equity swap issued by the company in June 2009;
- Casino share purchase option premiums of €15.8 million.

The current account advances made by Rallye to its subsidiaries are part of the Group's centralized cash management system. They are due within one year.

COMPANY FINANCIAL STATEMENTS

Notes to the Rallye parent company financial statements as at December 31, 2009

I NOTE 8 - Net cash position

8.1. Marketable securities

(In € millions)	2009	2008
Treasury stock	12.4	15.8
Marketable securities	565.7	345.8
Gross value	**578.1**	**361.6**
Amortization		
Net value	**578.1**	**361.6**

As at December 31, 2009, "Treasury shares" comprises 891,789 Rallye shares assigned to cover stock option and bonus shares plans. "Marketable securities" consists of very short-term cash investments. The market value of these investments is approximately identical to their book value.

8.2. Treasury stock

	2009			2008
	Marketable securities	Financial investments	Total	
Number of shares held:				
As at January 1	**1,039,945**	**195,000**	**1,234,945**	**405,828**
Cancellation				(316,452.0)
Purchase		1,135,769	1,135,769	1,903,183
Sale	(148,156)	(1,330,769)	(1,478,925)	(757,614)
As at December 31	**891,789**		**891,789**	**1,234,945**
Gross value of shares held (in € millions):				
As at January 1	**15.8**	**2.9**	**18.7**	**18.7**
Cancellation				(14.6)
Purchase		19.8	19.8	40.9
Sale	(3.4)	(22.7)	(26.1)	(26.4)
As at December 31	**12.4**		**12.4**	**18.6**

In connection with the liquidity agreement entered into by Rallye and Rothschild & Cie Banque in June 2005, the Company acquired 1,135,769 and sold 1,330,769 Rallye shares. At closing, the company does not hold any more Rallye shares.
In 2009, the company also disposed of 148,156 Rallye shares intended for hedging of stock option plans, but which no longer provided any coverage.
On June 8, 2009, 33,044 Rallye shares were transferred in the framework of bonus share allocation plan which had reached maturity.

8.3. Net cash and cash-equivalents

(In € millions)	2009	2008
Marketable securities	565.7	345.8
Amortization		
Net value	**565.7**	**345.8**
Cash and cash equivalents	0.1	
Bank overdrafts	(0.4)	(0.2)
Spot credit lines		
Net cash and cash-equivalents	**565.4**	**345.6**

I NOTE 9 - Adjustments and similar accounts

(In € millions)	2009	2008
Prepaid expenses	0.8	0.8
Deferred bond issue costs	21.6	5.5
Bond redemption premiums	5.4	0.7
Adjustments and similar accounts	**27.8**	**7.0**

Borrowings issuance costs and bond redemption premiums are amortized over the life of the debt and credit lines, or in line with the debt redemption schedule.

I NOTE 10 - Shareholders' equity

10.1. Breakdown

As at December 31, 2009, share capital totaled at €127,080,420, made up of 42,360,140 shares with a par value of €3.

(In € millions)	2009	2008
Share capital	127.1	127.1
Share, merger and contribution premiums	1,309.0	1,309.0
Legal reserve	12.8	12.8
Regulated reserves	1.4	1.4
Other reserves	60.4	60.4
Retained earnings	29.4	57.9
Interim dividend	(33.1)	(33.7)
Net income from the year	148.3	47.5
Total shareholders' equity	**1,655.3**	**1,582.4**

COMPANY FINANCIAL STATEMENTS

Notes to the Rallye parent company financial statements as at December 31, 2009

10.2. Changes in shareholders' equity

(In € millions)	2009	2008
As at January 1	1,582.4	1,625.9
Capital increase/decrease		(0.9)
Share premium		(12.9)
Other changes		
Dividend paid	(75.4)	(77.2)
Net income from the year	148.3	47.5
As at December 31	**1,655.3**	**1,582.4**

10.3. Changes in the number of shares outstanding

(In € millions)	2009	2008
Number of shares as at January 1	42,360,140	42,652,592
Cancellation of shares		(316,452)
Exercise of stock options		24,000
Conversion of bonds		
Number of shares as at December 31	**42,360,140**	**42,360,140**

10.4. Share equivalents

Share subscription option plans

Type of plans	S	S	S	S	S	S
Date of grant	06/08/2005	06/07/2006	10/01/2007	04/23/2008	04/27/2009	12/09/2009
Date of maturity	12/07/2010	12/06/2011	03/31/2013	10/23/2013	10/26/2014	06/08/2015
Number of options initially granted	224,084	254,120	181,127	258,091	310,521	12,000
Number of shares that can be issued or purchased	207,001	238,807	179,807	254,566	310,521	12,000
Number of options canceled	17,083	15,313	1,320	3,525		
Strike price in	40.16	36.84	48.73	43.15	14.24	24.62
Valuation of options at the time of grant, in	8.64	7.20	10.16	8.74	1.55	5.90

All of the option plans were granted without conditions in terms of objectives, but their recipients are required to be employed within the Group.

Bonus share plans

Date of grant	06/07/2006	10/01/2007	04/23/2008	09/25/2008	04/27/2009
Date of maturity	06/07/2009	01/01/2011	07/23/2011	09/25/2010	10/27/2011
Number of shares initially granted	40,858	29,686	44,161	41,150	199,768
Number of shares that can be issued or purchased	38,124	29,356	43,279	41,150	199,175
Number of shares canceled	2,734	330	882		593
Valuation of shares at the time of grant	32.40	42.60	36.62	16.83	9.72

The vesting by recipients of the June 2006, October 2007, and April 2008 plans is subject to company performance criteria and to the obligation of employment within the Group. The performance criterion used is the coverage of net financial debt by assets, and appreciated at the level of the "Rallye holding scope". This criterion is assessed annually and is used each year for the determination of the percentage of shares acquired during the course of the year in question.
The final vesting by the recipients of the plans issued in September 2008 and April 2009 is subject to employment status within the Group.
As at December 31, 2009, 253,432 Rallye shares were assigned to cover these plans and a provision of €1.3 million was recorded as a liability.
The bonus share plan that came to maturity in June 2009 generated an expense of €1.6 million for the fiscal year. This expense was covered by a provision of €1.3 million (for the 2008 fiscal year the expense amounted to €1.5 million and the corresponding reversal came to €1.4 million).

I NOTE 11 - Provisions

11.1. Breakdown

(In € millions)	Contingencies and charges			Total
	Tax disputes	Reimbursement bonuses	Miscellaneous risks	
As at January 1, 2008	9.3	37.7	5.1	52.1
Provisions		5.6	9.6	15.2
Reversals	(4.9)	(11.5)	(1.3)	(17.7)
As at December 31, 2008	4.4	31.8	13.4	49.6
Provisions		5.6	4.2	9.8
Reversals			(2.8)	(2.8)
As at December 31, 2009	4.4	37.4	14.8	56.6

The contingency provision for tax litigation relates to a risk with respect to the tax audit of the years 1992 to 1994.
As at December 31, 2009, the risk provision for redemption premiums covers a bond issue in the amount of €299.7 million. The provision for the year was calculated pro rata over the life of the loan.
The miscellaneous contingency provision concerns bonus share plans, as well as Casino share purchase options.

COMPANY FINANCIAL STATEMENTS

Notes to the Rallye parent company financial statements as at December 31, 2009

11.2. Change

(In € millions)	2009	2008
As at January 1	**49.6**	**52.1**
Provisions	9.8	15.2
Reversals [1]	(2.8)	(17.7)
As at December 31	**56.6**	**49.6**
Of which operating	*(0.2)*	*0.3*
Of which financial	*7.2*	*2.2*

NOTE 12 - Financial debt

12.1. Breakdown of financial debt

(In € millions)	2009	2008
Bank borrowings	631.0	838.2
Bonds exchangeable for Casino shares	304.6	304.6
Other bond issues	1,520.6	1,001.0
Other financial debt	0.4	0.2
Borrowings and loans [1]	**2,456.6**	**2,144.0**
of which: fixed-rate	*1,825.2*	*810.8*
variable rate	*631.4*	*1,333.2*

(1) of which expenses payable €43.5 million as at December 31, 2009.

12.2. Maturity of financial debt

(In € millions)	2009	2008
Within 1 year	43.9	604.3
1-5 years	1,362.7	1,339.7
Over 5 years	1,050.0	200.0
TOTAL	**2,456.6**	**2,144.0**

As at December 31, 2009, Rallye had €1,043 million in unused credit lines.
Borrowings of less than one year from credit institutions include interest on financial debt incurred as at December 31, 2009.

12.3. Bond features

Bonds exchangeable for Casino shares

	OEAO
Total par value	€300 million
Issue date	April 2003
Annual interest rate	3.25%
Bond par value	€80
Normal maturity	July 1, 2013
Redemption value	€95.256
Exchange	1.0653 share for 1 bond (1)
Listing	yes
Volume outstanding:	
- at the time of the issue	3,750,000
- as at December 31, 2009	3,745,872

(1) Exchange option which may be exercised up until June 20, 2013; Rallye has an early redemption option beginning July 1, 2006; the bearer has an early redemption option on July 1, 2011.

Other bond issues

	October 2004	October 2009	November 2009
Total par value	€500 million	€500 million	€500 million
Issue date	October 2004	October 2009	November 2009
Annual interest rate	5.625 %	8.375%	7.625%
Bond par value	€1,000	€50,000	€50,000
Normal maturity	October 13, 2011	January 20, 2015	November 04, 2016
Redemption value	€1,000	€50,000	€50,000
Listing	yes	yes	yes
Volume outstanding:			
- at the time of the issue	500,000	10,000	10,000
- as at December 31, 2009	498,000	10,000	10,000

I NOTE 13 - Accounts payable and other debt

(In € millions)	2009	2008
Accounts payable	**7.4**	**14.0**
Current accounts	6.1	138.3
Other debt (1)	10.8	10.6
Other debt	**16.9**	**148.9**
of which: Up to 1 year	*14.0*	*152.6*
Over 1 year	*10.3*	*10.3*

(1) of which expenses payable €5.7 million as at December 31, 2009.

The loans received from Rallye's subsidiaries are paid into the current account as part of the Group's centralized cash management system.

COMPANY FINANCIAL STATEMENTS

Notes to the Rallye parent company financial statements as at December 31, 2009

NOTE 14 - Information on off-balance sheet transactions

14.1. Commitments related to current operations

(In € millions)	2009	2008
Interest rate hedging instruments	1,150.0	500.0
Other reciprocal commitments		3.6
Total reciprocal commitments	**1,150.0**	**503.6**
Securities and bank guarantees pledged	748.9	899.1
Bond redemption premiums	19.7	25.3
Other commitments given	8.8	4.4
Total commitments given	**777.3**	**928.8**
Unused confirmed credit lines	1,043.0	1,090.0
Total commitments received	**1,043.0**	**1,090.0**

Rallye also guarantees its investment subsidiaries in connection with currency forward transactions concluded with leading financial institutions.

14.2. Maturity schedule of contractual obligations

(In € millions)	< 1 year	1-5 years	> 5 years	Total
Financial debt	43.9	1,362.7	1,050.0	2,456.6
Operating leases	1.8			1.9
Total	**45.7**	**1,362.7**	**1,050.0**	**2,458.5**

14..3 Individual training rights

At December 31, 2009, commitments for individual training rights amounted to 3,033 hours. During the fiscal year, 107 hours were used.

NOTE 15 - Exposure to risks

15.1. Interest rate risks

Borrowings and and debt from credit establishments, whose outstandings came to €2,412.7 million at December 31, 2009, broke down into €1,797.7 million in fixed-rate and €615 million in variable rate. Rate hedging operations were also introduced during the fiscal year, aiming to make some fixed-rate debt lines variable.
At December 31, 2009, these rate-swap hedging operations involved a notional amount of €1,150 million.

15.2. Liquidity risks

Rallye has a large confirmed credit line. As at December 31, 2009, these unused confirmed credit lines amounted to €1,043 million.
Loans and credit lines may result in a pledge of Casino shares. As at December 31, 2009, there were 2,862,486 Casino common shares pledged to financial institutions as collateral for various loans and credit lines.

15.3. Share risks

Rallye owns a 10.54% direct stake in Casino's capital and 44.59% in Go Sport's capital. These companies, which are listed in accordance with note 1.2 "Accounting principles and methods", are evaluated according to multiple criteria and were not subject to provisions at December 31, 2009.
At December 31, 2009, Rallye had €565.7 million in cash money market mutual funds at no risk. Rallye also has 891,789 Rallye shares for a sale price of €12.4 million, as part of the bonus share and stock option plan hedging, whose market value at December 31, 2009 was €21.7 million.
In April 2003, Rallye issued bonds exchangeable for Casino shares worth €300 million, and given the Casino share price at December 31, 2009, the reimbursement bonus was provisioned prorata temporis in the financial statements.

I NOTE 16 - Affiliated companies

(In € millions)	Aggregate figures of affiliated companies	Aggregate figures of companies in which Rallye holds an equity interest
Assets		
Net financial investments	1,520.8	0.7
Net receivables	2,016.1	
Liabilities		
Debt	6.5	0.6
Income		
Investment income	106.8	
Other financial income	104.5	
Financial expenses	7.3	

I NOTE 17 - Consolidation

Rallye prepares consolidated financial statements. The Company's accounts are in turn integrated in the consolidated financial statements of parent company Foncière Euris, with registered office at 83, rue du Faubourg Saint-Honoré – 75008 Paris - France (Siren no.: 702 023 508).

COMPANY FINANCIAL STATEMENTS

Subsidiaries and equity interests

SUBSIDIARIES AND EQUITY INTERESTS

(In € millions)	Share capital	Share-holders' equity excl. share capital	Share of capital held (in %)	Book value of shares held		Outs-tanding loans and advances granted by Rallye	Gua-rantees granted by Rallye	Net sales for the last fiscal year	Net in-come for the last closed fiscal year	Dividends received by Rallye over the fiscal year
				Gross	Net					
A- Subsidiaries [1] (at least 50% of the company's share capital)										
Cobivia SAS	31.8	5.0	100%	54.1	54.1	91.4	289.0		11.8	13.6
Kerrous SAS	184.5	(41.7)	100%	187.6	187.6	325.5	205.0		13.8	
Magasins Jean SAS	0.3	0.6	100%	2.2	0.9		2.5	6.4	0.3	
Matignon Sablons SAS	10.8	(0.5)	100%	11.0	11.0				(1.0)	1.4
MFD SA	35.7	1.2	100%	307.5	36.9				(0.8)	
OCP SAS	2.4	101.2	100%	121.4	121.4	202.8	50.0		15.3	9.1
Parande SAS	73.0	(160.8)	100%	153.8	40.3	534.1			(38.9)	
B- Equity interests[1] (10-50% of the company's share capital)										
Casino Guichard - Perrachon SA	168.9	6,955.1	10.54%	915.1	915.1			151.2	403.4	81.8
Groupe Go Sport SA	15.1	192.4	44.59%	151.4	151.4			26.7	20.2	
Sivigral SCI	0.4	1.1	40%	2.1	0.7					
C- Other subsidiaries and equity interests										
Subsidiaries other than A				2.1	2.0	0.2				
Equity interests other than B										

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

COMPANY FINANCIAL STATEMENTS

Financial performance of Rallye over the last five years

(In €)	31/12/2005	31/12/2006	31/12/2007	31/12/2008	31/12/2009[1]
1 - Financial situation at year-end					
Share capital	116,422,761	117,633,084	127,957,776	127,080,420	127,080,420
Common shares in existence	38,807,587	39,211,028	42,652,592	42,360,140	42,360,140
Maximum number of shares to be created:					
- through bond redemption [2]	6,131,589	6,131,589			
- through exercise of subscription option	221,584	475,704	646,261	839,781	1,202,702
- through exercise of warrants	1,760,905				
- through remittance of bonus shares to be issued		40,858	69,152	87,298	
2 - Operations and net income of the year					
Net sales	1,597,155	2,200,052	3,305,611	4,958,279	5,730,202
Earnings before tax, employee shareholding and Allowance for depreciation, amortization and provisions	31,682,011	86,676,277	44,868,239	111,275,856	247,871,625
Income tax	187,039		(201 675)		
Earnings after tax, employee shareholding and Allowance for depreciation, amortization and provisions	27,411,674	113,619,477	39,362,294	47,523,454	148,297,761
Distributed earnings	65,196,746	68,227,189	78,054,243	77,519,056	77,519,056
3 - Earnings per share					
Earnings after tax, employee shareholding but before the allowance for depreciation, amortization and provisions	0.81	2.21	1.06	2.63	5.85
Earnings after tax, employee shareholding and allowance for depreciation, amortization and provisions	0.71	2.90	0.92	1.12	3.50
Dividend per share	1.68	1.74	1.83	1.83	1.83
4 - Personnel					
Average workforce on payroll during the fiscal year	35	37	39	39	36
Payroll costs for the year	4,836,773	5,987,950	5,865,768	5,621,944	5,109,375
Total paid for social benefits during the fiscal year	2,352,491	2,694,949	2,506,847	2,647,027	2,175,537

(1) Subject to approval by the General Meeting.
(2) For the years 2005 to 2006, this figure represents the maximum number of shares to be created by the conversion of OCEANE bonds.

COMPANY FINANCIAL STATEMENTS

Statutory Auditors' report on the annual financial statements for the year ended December 31, 2009

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings, we hereby present to you our report on the year ended December 31, 2009, on:

- the audit of the accompanying annual financial statements of Rallye;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes examining, by audit sampling and other selective testing procedures, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the information we gathered provides a sufficient and appropriate ground for our opinion.

In our opinion, the annual financial statements for the year give a true and fair view of the results from the operations for the year, as well as of the financial position, assets and liabilities of the company at the end of this year, in accordance with the French accounting rules and principles.

2 JUSTIFICATION OF THE ASSESSMENT

The accounting estimates used in preparing the financial statements as at December 31, 2009 were made in a highly volatile market environment in which it was difficult to make economic forecasts. In this environment, in accordance with the requirements of Article L. 823-9 of the French Commercial Code, we made our own assessments, regarding, in particular:

- The rules for assessing financial investments and marketable securities described in Note "Accounting principles and methods" to the "Financial investments" and "Marketable securities" sections, in addition to Notes 6 "Financial investments" and 8 "Net cash and cash equivalents";
- the accounting rules governing provisions for bond redemption premiums, described in the note to the financial statements entitled "Accounting principles and methods," under "Provisions," and also in Note 11 – "Provisions".

As part of our assessment of the accounting rules and principles followed by your Company, we verified the appropriateness of the accounting methods detailed above and of the information provided in the Notes, and we ascertained that they were correctly implemented.

The evaluations thus made are part of our overall audit of the annual financial statements, taken as a whole, and have therefore contributed to the formation of our opinion, as laid down in the first section of this report.

3 SPECIFIC VERIFICATION AND INFORMATION

We also, in accordance with professional standards applicable in France, performed all the specific verifications required by law.
We have no matters to report regarding the fair presentation and conformity with the annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.
Concerning the information provided in application of the provisions of Article L. 225-102-1 of the French Commercial Code on corporate officers' compensation and benefits in kind and on the commitments granted in their favor, we have checked their conformity with the financial statements or with the data used to draw up these financial statements and, when necessary, with the information gathered by your Company from the companies that control your Company or companies that it controls. Based on this work, we certify that this information is exact and sincere.
As provided by law, we ascertained that the required information concerning the names of the main shareholders and holders of voting rights have been properly disclosed in the management report.

Paris-La Défense and Neuilly-sur-Seine, April 12, 2010
Statutory Auditors

KPMG AUDIT
Department of KPMG S.A.
Catherine CHASSAING

ERNST & YOUNG et Autres
Henri-Pierre NAVAS

RESOLUTIONS
submitted to the Ordinary Annual General Meeting of Shareholders

RESOLUTIONS SUBMITTED TO THE ORDINARY ANNUAL GENERAL MEETING OF SHAREHOLDERS

First resolution:

Adoption of the Company financial statements for the year ended December 31, 2009

The Shareholders, after having heard the reports of the Board of Directors and the Statutory Auditors, receive and adopt the financial statements for the year ended December 31, 2009, as presented, showing net income of €148,297,761.39.
The Shareholders also approve the operations reflected by these financial statements or summarized in these reports.

Second resolution:

Adoption of the consolidated financial statements for the year ended December 31, 2009

The Shareholders, after having heard the reports of the Board of Directors about the activity of the Group for the year ended December 31, 2009, and the Statutory Auditors report, receive and adopt the consolidated financial statements, as presented, showing consolidated net income of €674,497,504.

Third resolution:

Income appropriation

The Shareholders, on proposal of the Board of Directors, given that the legal reserve has already reached 10% of share capital resolve to appropriate net income for the year ended December 31, 2009 in the following manner:

Net income for the year		€148,297,761.39
Retained earnings	(+)	€29,345,467.45
Profit allocation	(=)	€177,643,228.84
Dividend payment to shareholders	(-)	€77,519,056.20
Retained earnings balance	(=)	€100,124,172.64

The proposed dividend corresponds to a dividend payment of €1.83 net per share.
The dividend income paid to shareholders is eligible for the 40% tax deduction for individuals having their tax residence in France, in accordance with Article 158-3, 2° of the French General Tax Code (Code Général des Impôts) unless they opt for the withholding tax pursuant to Article 117 quater of the General Tax Code.
The Shareholders note that an interim dividend in the amount of €0.80 per share was decided by the Board of Directors on August 28, 2009 and paid on October 2, 2009; the net balance of €1.03 per share will be paid out as from June 18, 2010.
Dividends paid in respect of the last three years were as follows:

(In €)	2008	2007	2006
Net dividend	1.83	1.83	1.74

Dividends on shares held in treasury stock by the Company on the day the dividend payment is made will be transferred to "Retained earnings".

Fourth resolution:

Dividend paid in shares

In application of Article 33 of the bylaws, the Shareholders resolve that they may opt to take 50% of the balance of the outstanding dividend payment (i.e. €0.515 per share) in the form of Rallye shares.

The shares subscribed for will be common shares.

The new shares issued under this option will be valued at 90% of the Rallye share's average opening price on the twenty stock market trading days preceding the meeting, less the amount of the allocated dividend and rounded up to the nearest cent. The corresponding rights will be exercisable from January 1, 2010.

If the amount of the dividend payment to which a shareholder is entitled does not correspond to a whole number of shares, the shareholder can subscribe either for the next higher number of shares, paying the difference in cash, or for the next lower number of shares, receiving the difference in cash.

Requests to receive the dividend in shares must be received, accompanied by any cash payments to make up the difference to the next higher whole number of shares, from May 26, 2010 to June 7, 2010 included.

The Shareholders grant the board all powers, which may be delegated to the Chief Executive Officer, to take all measures necessary to carry out this resolution, to register the capital increase resulting from shareholders opting to take their dividends in shares, to amend the bylaws and to carry out all necessary publication formalities.

Fifth resolution:

Approval of agreements under Article L 225-38 of the French Code of Commerce

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

Sixth resolution:

Interim dividend paid in shares

The Shareholders, in accordance with Article L 232-18 of the French Code of Commerce, authorize the Board of Directors, if they so decide, to offer shareholders the option of taking part or all of any interim dividend payment or payments in 2010 in either cash or shares.

The Board of Directors is accordingly authorized, at its sole discretion, to pay the interim dividend as follows:
- either by offering shareholders the option of a payment in cash or shares;
- or by offering shareholders part of the payment in cash and the remainder with the option of receiving either cash or shares.

The Board of Directors may also decide to pay one or more of these interim payments wholly in cash.

If shareholders decide to exercise their option to receive dividends in shares, the shares subscribed for shall be common shares. They shall have the same characteristics and confer the same rights as former shares, except that the date from which shareholders can exercise their rights shall be the first day of the fiscal year in which the new shares are subscribed.

The Board of Directors shall set the period, as from the time the decision to pay an interim payment is taken, that shareholders will have to request payment in shares. This period shall not be longer than three months.

The Shareholders resolve that the issue price of the new shares shall be 90% of the Rallye shares' average opening price on the twenty stock market trading days preceding the date of the resolution to pay the interim dividend, less the net amount of the interim dividend and rounded up to the nearest cent.

Subscriptions must be for a whole number of shares. If the amount of the interim dividend does not permit this, the shareholder can ask to receive either the next lower whole number of shares, in which case they shall receive the balance of their entitlement in cash, or the next higher whole number of shares, in which case they must pay the balance outstanding in cash when they submit their request to receive the interim dividend in shares.

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submitted to the Ordinary Annual General Meeting of Shareholders

The Board of Directors is granted all powers, which may be delegated to the Chief Executive Officer, to take all measures necessary to pay the interim dividend or dividends, if it should so decide, and to offer the option of payment in shares, to register the resulting capital increase and to amend the bylaws accordingly.

Seventh resolution:

Reappointment of a Board member

The Shareholders renew the term of office of Philippe Charrier as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Eighth resolution:

Reappointment of a Board member

The Shareholders renew the term of office of André Crestey as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Ninth resolution:

Reappointment of a Board member

The Shareholders renew the term of office of Jean Chodron de Courcel as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Tenth resolution:

Reappointment of a Board member

The Shareholders renew the term of office of Jacques Dermagne as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Eleventh resolution:

Reappointment of a Board member

The Shareholders renew the term of office of Jacques Dumas as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Twelfth resolution:

Reappointment of a Board member

The Shareholders renew the term of office of Jean-Charles Naouri as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Thirteenth resolution:

Reappointment of a Board member

The Shareholders renew the term of office of Christian Paillot as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Fourteenth resolution:

Reappointment of a Board member

The Shareholders renew the term of office of the company Finatis as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Fifteenth resolution:

Reappointment of a Board member

The Shareholders renew the term of office of the company Foncière Euris as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Sixteenth resolution:

Reappointment of a Board member

The Shareholders renew the term of office of the company Euris as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Seventeenth resolution:

Reappointment of a Board member

The Shareholders renew the term of office of the company Matignon Corbeil Centre as Board member for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Eighteenth resolution:

Reappointment of the Censor

The Shareholders renew the term of office of Jean Levy as Censor for a period of one (1) year, expiring at the conclusion of the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2010.

Nineteenth resolution:

Appointment of Deputy Auditor

The Shareholders, having noted the resignation of Deputy Auditor Patrick-Hubert Petit resolve to appoint as replacement KPMG Audit IS SAS, with registered office at La Défense cedex (92923), Immeuble Le Belvédère, 1, cours Valmy, for the remaining term of office of their predecessor, expiring at the General Meeting convened to approve the financial statements for the year ended December 31, 2012.

Twentieth resolution

(Determining the total amount of director's fees and the Censor's compensation)

The General Meeting, set the total amount of director's fees and the Censor's compensation at €300,000 for the previous year. This amount will apply for the following fiscal years unless it is modified at the next General Meeting.

RESOLUTIONS
submitted to the Ordinary Annual General Meeting of Shareholders

Twenty-first resolution:

Authorization for the Company to purchase its own shares

The Shareholders, having noted the Board of Directors' report, and in application of Articles L 225-207 et seq. of the French Code of Commerce, authorize the Board of Directors to purchase Company shares in order to:

- cover the stock option plans granted to the employees and corporate officers pursuant to Articles L 225-177 et seq. of the French Code of Commerce, as well as any employee savings plan or any shareholding plan;
- allot bonus shares to employees and officers of the Company within the framework laid down by Articles L 225-197-1 et seq. of the French Code of Commerce;
- ensure market activity in the framework of a liquidity agreement entered into with an investment services provider, in compliance with the code of conduct prepared by the AMAFI and recognized by the AMF;
- provide for the exercise of any rights attaching to securities issued by the Company which entitle the holders to receive existing shares in the Company via redemption, conversion, exchange, presentation of a warrant or by any other means;
- hold shares for subsequent use as exchange or payment in a merger or acquisition transaction, in compliance with market practice as permitted by the French Financial Markets Authority (AMF);
- cancel shares, up to a maximum of 10% of share capital over a period of 24 months, as part of a capital reduction plan.

The maximum purchase price per share is set at €75.

The Board of Directors may, however, adjust the above-mentioned purchase price in the event of modification of the share's nominal value, capital increase through incorporation of reserves and bonus shares, stock split or reverse split, capital redemption or reduction, distribution of reserves or other assets and any other transactions affecting shareholders' equity, in order to take into account the impact of these transactions on the value of the share.

Exercise of this authorization shall not result in the Company holding more than 10% of the total number of shares representing the Company's capital at March 31, 2009, i.e., 4,236,014 shares with a maximum value of €318 million. For the purposes of this calculation Company shares purchased under a liquidity contract shall be counted net of shares sold under the same contract during the period of the authorization.
The shares may be purchased, sold, transferred or exchanged by any means and at any time, on or off the market, over the counter, in blocks of shares or through the use of derivative instruments, including the purchase of call options. The maximum share of capital that may be transferred in the form of blocks of shares may be as high as the entire amount of the buy-back program.

The shares may also be loaned, in conformity with the provisions of articles L 432-6 et seq. of the Monetary and Financial Code.

This share purchase authorization is valid for a period expiring at the General Meeting convened to approve the management and the financial statements for the 2010 fiscal year or, at the latest, on November 18, 2011.
The Shareholders resolve that the Company may continue to implement its buy-back program even in the event of takeover or share exchange bids for shares or securities issued by the Company or initiated by the Company.

A description of the share buy-back program will be included in the Reference Document filed with the French Financial Markets Authority (AMF).

In view of guaranteeing the implementation of this resolution, full powers are given to the Board of Directors, with the option to delegate these powers in order to:

- carry out the actual transactions, determine the conditions and the methods;
- complete all declarations and formalities with the French Financial Markets Authority (AMF);
- execute all trading orders, enter into any agreements with a view, in particular, to keeping registers of the purchase and sale of shares;
- make adjustments in the purchase price of the shares to take into account the effect of the above-mentioned transactions on the value of the share; and
- carry out all formalities and, more generally, take all necessary measures.
- The Board of Directors shall inform the Shareholders at their General Meeting of the transactions carried out pursuant to the present authorization.

OTHER INFORMATION

General information on Rallye

GENERAL INFORMATION

Company name: RALLYE
Registered office: 83, rue du Faubourg St Honoré - 75008 Paris
Company headquarters: 32, rue de Ponthieu - 75008 Paris

I Legal form:

RALLYE is a "Société Anonyme" (joint stock corporation) under Book II of the French Code of Commerce.

Legislation: French legislation
Existence - duration
Date established: January 20, 1925
Expiry date: December 31, 2064
Duration: 90 years, beginning December 31, 1974, the date of its first extension.

I Mission statement:

Article 3 of the by-laws states:
"The company's mission is:

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

It may, in France or abroad, create, acquire, operate or cause to operate any brand of manufacture, trade, or service, any model or design, any patent or manufacturing process related to the above mission.
It may act in any country, be it directly or indirectly, on its own account or on behalf of others, alone or in association, participation, grouping or company, in conjunction with any other person or company, and it may carry out the transactions necessary to its mission, under any form."

I Legal Register of Companies

Registered in the Paris (France) Register of Companies (R.C.S.), number 054 500 574.

I Consultation of the documents and information relating to the Company

Company documents relating to the last three fiscal years (annual financial statements, minutes of Shareholders' Meetings, Directors, statutory auditors' reports, by-laws, etc.) can be consulted at the Company headquarters, 32, rue de Ponthieu - 75008 Paris France.
The accounting year -Article 32 of the by-laws states:
The accounting year starts on January 1 and ends on December 31.

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General information on Rallye

STATUTORY REQUIREMENTS REGARDING CORPORATE AND MANAGEMENT BODIES - BOARD OF DIRECTORS INTERNAL RULES OF PROCEDURE

Board of Directors

Composition of the Board of Directors (extract of Article 14 of the by-laws)
The company is administered by a Board with between three and eighteen members.

Directors' shares (extract of Article 15 of the by-laws)
Each Director must own at least 1 (one) registered share.
If a Director does not own the requisite shares on the day of their appointment, or ceases to own them during the term of their office, they shall automatically retire from office unless they remedy the position within six months.

Term of Office – Age limit – Replacement (extract of Article 16 of the by-laws)
I – The Members of the Board shall be appointed for a term of office of one year expiring after the General Shareholders' Meeting held in the year during which their term of office expires to approve the prior year financial statements.
II – All Members of the Board who are natural persons and all Members that are permanent representatives of a legal entity shall automatically retire from office after the General Shareholders' Meeting held to approve the financial statements for the year during which they reach 75 years of age.
III - The Members of the Board shall be appointed or re-reappointed by the General Shareholders' Meeting.
In the event of a vacancy due to the death or resignation of one or several Members of the Board, the Board may, between two General Shareholders' Meetings, appoint a temporary Member or Members. These appointments shall be subject to ratification at the subsequent General Shareholders' Meeting.
Even if the appointment of a Member by the Board is not ratified by the General Shareholders' Meeting, the actions performed by the Member and the proceedings undertaken by the Board during the temporary appointment period remain valid.
If the number of Members falls below three, the remaining Members (or the statutory auditors or a representative designated, at the request of any interested party, by the President of the Commercial Court) shall immediately call an Ordinary General Shareholders' Meeting to appoint one or several new Members in order to fill the vacancies and bring the number of Board Members up to the legal minimum requirement.
The Member appointed to replace another Member shall only fill the vacancy for the remainder of the unexpired term of their predecessor.
The appointment of a new Board Member in addition to serving Members may only be decided by the General Shareholders' Meeting.

Board of Directors' Organization, Meetings and Proceedings
> Chairman – Officers of the Board (extracts of articles 17 and 20 of the by-laws)
The Board of Directors shall appoint a Chairman from its Members, who must be a natural person.
The Chairman of the Board of Directors shall organize and direct the activities of the Board and shall report thereon to the General Shareholders' Meeting. He shall ensure that the Company's management bodies are functioning and that Board Members are able to fulfill their mission.
The Chairman may be appointed for the entire term of his office as Member of the Board, subject to his removal from office by prerogative of the Board of Directors and his own prerogative to resign before the expiry of his tenure. The Chairman shall be eligible for reappointment.
The Chairman shall automatically resign from office after the General Shareholders' Meeting convened to approve the financial statements for the year during which he reaches 75 years of age.
The Board of Directors may remove him from office at any time.
In the event of the temporary incapacity or death of the Chairman, the Board of Directors may delegate the powers and duties of the Chairman to another Member. In the event of temporary incapacity, the delegation of the powers and duties shall be given for a limited period, which may be renewed. In the event of death, the delegation shall be valid until the appointment of a new Chairman.

> Censors (extract of Article 23 of the by-laws)

The General Shareholders' Meeting may appoint censors, which may be either legal entities or natural persons, from among the shareholders. Between two Ordinary General Shareholders' Meetings, the Board of Directors may appoint censors subject to the ratification of the appointment at the subsequent Shareholders' Meeting. There may not be more than five Censors in total.
The Censors shall be appointed for a term of office of three years. Their appointment shall expire after the General Shareholders' Meeting convened to approve the financial statements for the previous year and held in the year during which their term of office expires. The Censors shall be eligible for reappointment at any time, and may be removed from office at any time by decision of the General Shareholders' Meeting.
The Censors shall participate in the Board of Directors' meetings. At such meetings, they shall give their opinion and comments and play a consultative role in the Board's proceedings.
They may receive remuneration. The aggregate amount of remuneration shall be set by the General Shareholders' Meeting and maintained until a new decision is taken at another Shareholders' Meeting. The remuneration shall be divided between the Censors by the Board of Directors, as it sees fit.

Board Proceedings (extract of Article 18 of the by-laws)

I – The Board of Directors shall meet as often as required by the interests of the company and whenever it judges appropriate, at a place indicated in the notice of the meeting.
Notices of the meetings shall be issued by the Chairman or on his behalf by a person designated by him. When a meeting has not been held for more than two months, one third of the serving Members may ask the Chairman to call a meeting with a specific agenda. The Chief Executive Officer may also ask the Chairman to call a Board meeting with a specific agenda.
II – The proceedings of the Board of Directors shall be valid if at least half the serving Members are effectively present. A register of attendance shall be signed by the Members participating in the meetings.
Decisions shall be taken by a majority vote of the Members present or represented. In the event of a tied vote, the Chairman's vote is casting. However, if the Board consists of less than five Members, decisions may be taken by two present Members, who are in agreement.
The Members may participate in proceedings by means of a video conference or similar communications system under the conditions set forth and the arrangements governed by current regulations and the Board's internal rules of procedure.

Board's powers (extract of Article 19 of the by-laws)

I -The Board of Directors shall determine the strategic orientations of the company's business and shall ensure that they are implemented. Subject to the powers expressly attributed to the Shareholders' Meetings, and within the limits of the Company's purpose of business, the Board of Directors deals with all issues that concern the Company's operations. Through its proceedings, it resolves the issues confronting the Company.
II - When the Chairman is appointed or re-appointed, the Board of Directors shall set out the arrangements governing the executive management of the Company, which shall be performed either by the Chairman or by another natural person appointed for that purpose.
However, the Board of Directors may, by a Board decision and at any time, modify the arrangements governing the executive management of the Company, without requiring any amendment to the Company's by-laws.
III -The Board may appoint committees and set forth their composition and duties. The Members of these committees shall be responsible for examining issues referred to them by the Chairman or the Board.
IV - The Board shall authorize, in compliance with legal provisions, the agreements other than those relating to ordinary business operations concluded under normal conditions, pursuant to Article L.225-38 of the French Commercial Code. However, the Company may not grant loans, overdrafts, sureties or guarantees to the persons mentioned in Article L.225-43 of the French Commercial Code or for the purposes provided for in Article L.225-219 of the Commercial Code.
V -Except where forbidden by law, all powers, offices and duties limited to one or several operations or types of operation may be delegated to any persons, whether Board Members or not.
Furthermore, the Board of Directors of the Company has set up a number of mechanisms in its internal rules of procedure to ensure the oversight of the executive management of the Company (see the section on "Corporate Governance").

Executive Management System

The powers and duties of the Chairman of the Board of Directors and the Chief Executive Officer may be entrusted to the same person (extract of Article 21 of the by-laws)

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Executive management
The executive management of the Company may be carried out either under the responsibility of the Chairman of the Board of Directors or by a Chief Executive Officer appointed by the Board of Directors.
Although the Company's by-laws provide for the separation of these powers, the Chairman of the Board of Directors holds the office of Chief Executive Officer.
The executive management of the Company shall be conducted under the responsibility of the Chairman of the Board of Directors, either by the Chairman or by another natural person, whether Board Member or not, appointed by the Board of Directors and bearing the title of Chief Executive Officer.
If the executive management of the Company is conducted by the Chairman, the provisions of this Article shall apply to him. He shall then take the title of Chairman and Chief Executive Officer.
The Chief Executive Officer shall have the broadest powers to act in all circumstances on behalf of the Company. He shall exercise these powers within the limits of the corporate purpose and subject to the powers expressly reserved by law to Shareholders' Meetings and the Board of Directors.
He shall represent the Company in its dealings with third parties.
The term of office of the Chief Executive Officer shall be set freely by the Board of Directors. It may not exceed the Members' term of office as set forth in Article 16 above.

The Chief Executive Officer shall automatically resign from office after the General Shareholders' Meeting convened to approve the financial statements for the year during which he reaches 75 years of age.
The Chief Executive Officer may be removed from office at any time by the Board of Directors. If the Chief Executive Officer is removed without just cause, he may seek damages, unless he is also Chairman of the Board of Directors.

Deputy Managing Directors
On proposal by the Chief Executive Officer, the Board of Directors may appoint one or several natural persons to assist the Chief Executive Officer, with the title of Deputy Managing Director.
The maximum number of Deputy Managing Directors shall be five.
In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and duration of the powers granted to the Deputy Managing Directors. In dealings with third parties, the Deputy Managing Directors shall have the same powers as the Chief Executive Officer.
The Deputy Managing Directors may be removed from office at any time by the Board of Directors on proposal by the Chief Executive Officer. If they are removed without just cause, they may seek damages.
The Chairman, if he also acts as Chief Executive Officer, the Chief Executive Officer or any of the Deputy Managing Directors are authorized to delegate or substitute powers to carry out one or several operations or types of operation.

Board of Directors' Internal Rules of Procedure

The Board of Directors of the Company has adopted internal rules of procedure for its operations, in addition to the laws, regulations and bylaws governing the Company.
These internal rules of procedure specify how the Board is organized and operates and set out the powers and duties of the Board of Directors and the Committees that it has established. They also set out the arrangements for monitoring and assessing its performance (see the section on "Corporate governance", which describes the various Board committees, the limits placed on executive management and the system for control and evaluation of the Board of Directors).

I Appropriation of income

Article 33 of the by-laws states:
"I –The income statement shows income or loss for the period, after the deduction of amortization and provisions.
From this income, less losses carried forward from previous periods, if any, the following must be paid in priority:

- at least five per cent to constitute the legal reserve fund. This shall cease to be mandatory once the said fund has reached one-tenth of par value, but shall resume should, for whatever reason, this requirement cease to be met;
- and any amounts to be appropriated to reserves in compliance with the law.

The balance, together with any income carried over, constitutes the earnings available for distribution. It is at the disposal of the shareholders at the general meeting to be, if proposed by the Board of Directors, either totally or in part, distributed to the shares as a dividend, appropriated to any reserve or capital amortization accounts, or to retained earnings.
The general meeting of shareholders voting on the accounts for the period may grant each shareholder, for all or part of the dividend to be distributed, the option to choose between receiving the dividend in cash or in shares.
II –The shareholders at the general meeting may choose to use the reserves at their disposal to pay a dividend on shares. Should this be decided, the decision shall expressly indicate the headings from which the amounts are taken."

I Information about general meetings of shareholders:

Articles 25, 27 and 28 of the by-laws state:
General meetings of shareholders shall be convened by the Board of Directors.
Failing that, and in accordance with Article L. 225-103 of the French Code of Commerce, they may be convened by the statutory auditors or by a court-appointed auditor, at the request of the person concerned in the event of an emergency, i.e., shareholders owning at least 5% of company capital, or a group of shareholders that meet the criteria laid down in Article L 225-120 of the Code of Commerce, or the receivers.

I Shareholders' meetings shall be convened as follows:

Article 27, paragraphs I and II of the by-laws states:
At least 35 days before the scheduled general meeting, the French bulletin of mandatory legal announcements (BALO) will publish an announcement containing the provisions provided for by the Code of Commerce.
Shareholders are convened via a notice published in the bulletin of mandatory legal announcements and in a journal of legal announcements in the département (administrative district) where the registered office is located. The first announcements shall be published at least 15 days before the date of the meeting, with a subsequent announcement to follow no less than six days before the meeting. In addition, those who have owned registered shares for at least one month before the date of this announcement shall receive a letter of invitation by mail.
Meetings shall take place in the town where the Company has its registered office, or in any other town in France, depending on what has been decided by the person convening the meeting, and in the venue indicated.
The agenda for each general meeting is established by the person convening the meeting. If applicable, it contains proposals made by one or several shareholders, under the conditions provided by law.

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Conditions of admission:

Article 25, paragraphs I, II and III of the by-laws states:

- Whatever number of shares they hold, all shareholders have the right, upon providing proof of their identity and position, to participate in general meetings, provided that their shares were recorded on the third trading day preceding the general meeting at midnight (CET):
  - for holders of registered shares: in the name of the shareholder in the nominative accounts held by the Company;
  - for holders of bearer shares: in the name of the intermediary registered on the shareholder's behalf in the bearer share accounts held by the authorized intermediary,
- and, if necessary, subject to providing the Company with any necessary proof of identification, in compliance with applicable rules and regulations.
- Accounting entries or registration of shares in bearer share accounts held by the authorized intermediary will be confirmed by a participation certificate issued by the latter, in compliance with legal and regulatory provisions.
- Shareholders may be represented by a proxy, provided that the proxy is also a shareholder;
- Legal representatives of shareholders who are legally incompetent and representatives of shareholding companies have access to the meetings whether or not they are themselves shareholders;
- Beneficial owners, bare owners, joint owners of shares may attend meetings under the conditions provided by law (Article 12 of the by-laws).

Composition of the General Meeting of Shareholders:

Article 25, paragraph IV of the by-laws states:
In application of Article L 225-107 of the French Code of Commerce, at each General Meeting, the Board of Directors is authorized to allow shareholders to participate by videoconference or by any other means of telecommunication that transmits at least their voice and guarantees their identification under the conditions laid out by the regulations in force at the time. If necessary, this decision is mentioned in the notice of meeting.

Conditions for the exercise of voting rights:

Article 28, paragraph III and IV of the by-laws states:

- Shareholders have as many votes as shares they own or represent, with no limits, except as provided by law;
- Votes are cast by a show of hands, or by any electronic system, unless a secret ballot is requested by one or more shareholders who together represent one tenth of the capital represented at the meeting, under the option provided for in Article 25-IV;
- Shareholders can vote by absentee ballot under legal conditions. They can also vote electronically on a website created by the Company exclusively to this end. In this case, they cannot access this website unless they identify themselves by means of a code given before the meeting.

Conditions for the acquisition of double voting rights:

Article 28, paragraph III of the by-laws states:
Shares paid in full, and which have been recorded for at least two years under the name of the same shareholder, have double voting rights as compared to equivalent shares in Company capital (Extraordinary General Meeting of October 25, 1993).
If capital is increased through appropriation of reserves, of earnings, or of issue premiums, double voting rights are granted, upon issue, to the registered shares allocated to each shareholder on the basis of pre-existing shares for which he or she enjoys these rights. Double voting rights are canceled upon the conversion of shares into bearer shares or identifiable bearer shares, or upon the sale or transfer of shares, except in inheritance or divorce proceedings, or bequests "inter vivos" to a spouse or a direct heir, which does not interrupt the time period necessary for the acquisition of a double voting right.

I Share ownership thresholds which must be declared to the Company:

Article 10, paragraph II of the by-laws states:
Besides being required to fulfill the legal obligation of informing the Company when he or she comes to own more than a certain share of company capital and the attached voting rights, any person or legal entity who, alone or indirectly, under the terms of Article L 233-9 of the French Code of Commerce, or a third party with whom this person is acting in concert as defined by the terms of Article L 233-10 of the French Code of Commerce, comes to hold or ceases to hold, in any way, a share equal to 1% of the voting rights or any multiple thereof, up to 50%, must send a registered letter with return receipt requested to the Company's registered office within five trading days from the date the share ownership threshold was attained, informing the Company of the total number of shares and voting rights owned in the same way, and which ultimately provide access to the capital, as well as of the number of voting rights attached.
Should this obligation to inform not be respected, and upon the request, as recorded in the minutes of the general meeting, of one or several shareholders holding at least 5% of company capital, the voting rights exceeding the fraction which should have been declared may not be exercised at any meeting held, for a period of two years following the date of compliance with the notification requirement.

I Identification of shareholders:

Article 10, paragraph III of the by-laws states:
For the purpose of identifying holders of bearer securities, and in accordance with Article L 228-2 of the French Code of Commerce, the Company has the right to, at any time, and at its own expense, obtain certain information from the securities clearing house. This includes the names (or company name in the case of a legal entity), nationality, and address of the holders of securities conferring either present or future rights to vote at its shareholders' meetings, as well as the number of shares held by each holder, and any restrictions which may apply to the shares in question.
The company may also, under the terms of Articles L 228-2-II and L 228-3 et seq. of the French Code of Commerce, ask holders of the Company's shares whether they hold the shares on their own behalf, or on behalf of a third party. Should the latter be the case, they must provide information serving to identify this third party or parties.

Should the identity of the owners of the shares not be revealed, the vote or proxy authorization issued by the intermediary will be discarded.
In addition, by virtue of Article L 228-3-I of the French Code of Commerce, any legal entity owning shares in excess of 2.5% of the capital or of the voting rights, must, when so requested by the Company, reveal the identity of the individuals and/or legal entities which own, either directly or indirectly, more than one third of its own capital or voting rights.
In application of Articles L 228-3-2 and L 228-3-3 of the French Code of Commerce, failure to provide the information requested, by virtue of Articles L 228-2-II or L 228-I of the French Code of Commerce, or the provision of incomplete or erroneous information will be punishable by the loss of the voting and dividend rights attaching to the shares held by the person who received the request for information, until such date as the correct information is supplied.

OTHER INFORMATION

General information on company capital

AMOUNT OF CAPITAL

- Share capital at December 31, 2009: €127,080,420
- Share capital at February 28, 2010: €127,080,420
- Number of shares at December 31, 2009: 42,360,140
- Number of shares at February 28, 2010: 42,360,140

The shares have a par value of €3 each, are paid in full and belong to the same category.
Shares may be either registered, or bearer shares, at the option of the shareholder.
The company keeps track of its share capital distribution, in compliance with the terms of the law.
The shares are freely negotiable, except as otherwise stipulated by law or regulations.
Double voting rights are granted to shares that have been held as registered shares by the same person for over two years. At February 28, 2010, double voting rights having been granted to 18,796,923 shares, the total number of voting rights amounted to 64,372,099 for 42,360,140 shares.

FINANCIAL AUTHORIZATIONS

Shareholders at the General Meeting of June 3, 2009 delegated certain powers to the Board of Directors which would allow the company to raise funds on financial markets for the purpose of continuing the Group's development and strengthening its financial position. The powers granted or delegated to the Board, which will allow it to issue securities conferring rights over the capital, are as follows:

Type of issue	EGM	Authorization period	End of authorization	Nominal amount authorized (1)
Delegation of authority to increase stated capital by capitalization of reserves, income, premiums or other amounts whose capitalization is allowed.	6/6/2007	26 months	8/6/2009	€200 m
Delegation of authority to issue shares or securities that grant rights to new or existing shares or to existing shares of any company held directly or indirectly by over 50%, or to debt instruments with, in the case of issuances of new shares, preferential subscription right upheld. (2)	6/6/2007	26 months	8/6/2009	€200m(3) €1bn(4) & (5)
Delegation of authority to issue shares or securities that grant rights to new or existing shares or to existing shares of any company held directly or indirectly by over 50%, or to debt instruments with, in the case of issuances of new shares, preferential subscription right waived. (2)	6/6/2007	26 months	8/6/2009	€200m(3) €1bn(4) & (5)
Delegation of authority to issue securities granting access to capital in the event that Rallye offers to purchase the shares of another company.	6/6/2007	26 months	8/6/2009	€200m(3) €1bn(4)
Delegation of authority to decide, during a public offer period, to issue stock warrants allowing the subscription, on preferential terms, of company shares, including the granting of bonus shares to all the Company's shareholders.	6/4/2008	18 months	12/4/2009	€200m(3)
Granting of new or existing bonus shares to the employees or corporate officers of the Company or to those of affiliated companies.	6/4/2008	38 months	8/4/2011	2% of the total number of company shares at the time of issue
Increase of capital for employees who have a company savings plan in the Company or affiliated companies.	6/6/2007	26 months	8/6/2009	5% of the total number of company shares at the time of issue

(1) When the authorization is not used, the authorized amounts are equal to the residual amounts.
(2) The board of directors may increase the number of securities to be issued within the limit of 15% of the initial issues and at the same issuing price.
(3) For issuing securities giving rights to capital.
(4) For issuing debt.
(5) For debt instruments.

The Extraordinary Shareholders' Meeting of May 19, 2010, will be asked to renew the Board's authorization to grant stock options to employees and corporate officers of the Group for thirty-eight (38) months from the date of the meeting.
The total number of options granted may not confer rights to a number of shares representing more than 5% of share capital at the grant date, without taking into account the options granted under previous authorizations that have not yet been exercised.
The total number of options granted and unexercised cannot be more than 5% of the number of shares outstanding in the company at the grant date, without taking into account those already granted under previous authorizations.
The Board of Directors is also authorized to issue shares or share equivalents corresponding to a maximum 10% of the Company's share capital, as consideration for contributions in kind made to the Company in shares or share equivalents.

POTENTIAL CAPITAL AT FEBRUARY 28, 2010

Potential capital at February 28, 2010 breaks down as follows:

Number of shares at February 28, 2010	42,360,140
Exercise of stock options*	1,202,702
Number of potential shares	43,562,842

** not including stock option plans 10 to 13 (879,981 options) whose exercise price are heavily out-of-the-money*

The dilution effect, in the event of the exercise of stock options, amounts to 2.8% for a shareholder owning 1% of Company share capital at February 28, 2010.

OTHER INFORMATION
General information on company capital

CHANGES IN CAPITAL OVER THE PAST TEN YEARS

Date	Event	Changes			New capital (in €)	Total number of shares
		Number of shares	Share capital (in €)	Share premium (in €)		
1999	Exercise of warrants, options and convertible bonds	1,157,585	3,529,453.91	44,120,953.36		
	Cancellation of shares	(18,581)	(56,653.10)	(1,020,581.38)		
12/31/1999					84,962,825.31	27,865,980
2000	Exercise of warrants and convertible bonds	1,488,691	4,538,989.60	64,990,279.85		
12/31/2000					89,501,814.91	29,354,671
2001	Conversion of capital in euros		(1,437,835.66)			
	Exercise of warrants and convertible bonds	9,580,561	28,741,716.75	392,598,277.71		
12/31/2001					116,805,696.00	38,935,232
2002	Cancellation of shares	(5,000,000)	(15,000,000.00)	(285,000,000.00)		
	Exercise of warrants and convertible bonds	3,265,992	9,797,976.00	134,666,646.93		
12/31/2002					111,603,672.00	37,201,224
2003	Exercise of warrants and convertible bonds	206,620	619,860.00	8,057,485.58		
12/31/2003					112,223,532.00	37,407,844
2004	Exercise of warrants	5	15	275		
12/31/2004					112,223,547.00	37,407,849
2005	Payment of 2004 balance dividend in shares	438,907	1,316,721.00	14,361,037.04		
	Exercise of B warrants	2,424	7,272	103,020.00		
	Payment of the 2005 interim dividend in shares	958,407	2,875,221.00	30,055,643.52		
12/31/2005					116,422,761.00	38,807,587
2006	Payment of 2005 balance dividend in shares	403,255	1,209,765.00	11,984,738.60		
	Exercise of C warrants	186	558.00	8,370.00		
12/31/2006					117,633,084.00	39,211,028
2007	Exercise of options	314,300	942,900.00	8,450,793		
	Conversion of OCEANE bonds	3,127,264	9,381,792.00	125,519,779.47		
12/31/2007					127,957,776.00	42,652,592
2008	Exercise of options	24,000	72,000.00	725,265		
	Cancellation of shares	(316,452)	(949,356)	(13,632,380.88)		
12/31/2008					127,080,420.00	42,360,140
12/31/2008					127,080,420.00	42,360,140
02/28/2010					127,080,420.00	42,360,140

OTHER INFORMATIONS

Current capital ownership and voting rights

AT FEBRUARY 28, 2010

Total number of voting rights at February 28, 2010: 64,372,099
Number of shareholders: over 17,000, based on an identifiable bearer securities survey performed in May 2009.
To the Company's knowledge, the main shareholders at that time were as follows:

Shareholders	Shares	% Capital	Voting rights	% Voting rights
Foncière Euris*	24,430,858	57.67%	46,857,123	72.79%
Other companies of the Euris group*	1,057		2,114	
Other Members of the Board of Directors and management*	40,549	0.10%	74,744	0.12%
Subtotal	24,472,464	57.77%	46,933,981	72.91%
Treasury stock* (1)	775,629	1.83%		
Other shareholders (2)	17,112,047	40.40%	17,438,118	27.09%
- of which holders of registered shares:	*351,388*	*0.83%*	*363,050*	*0.57%*
- of which holders of bearer shares:	*16,760,659*	*39.57%*	*17,075,068*	*26.52%*
TOTAL	**42,360,140**	**100.00%**	**64,372,099**	**100.00%**

** Holders of registered shares*
(1) Of which 95,349 were allocated to the liquidity contract, while the balance was allocated to cover the bonus share and option plans.
(2) To the knowledge of the Company, none of the "Other shareholders" owns directly, indirectly or in concert 5% or more of the share capital or the voting rights.

I Threshold crossing disclosures between January 1, 2009 and February 28, 2010

In compliance with Article 10.II of the Company by-laws and based on the number of shares and voting rights declared by Rallye and published on the Company's website on January 14, 2009, the following companies disclosed threshold crossings:
During 2009, Richelieu Finance's holding fell below the threshold of 1% of Rallye's capital on July 20, 2009.

OTHER INFORMATIONS
General information on company capital

CHANGE IN CAPITAL OWNERSHIP OVER THE LAST THREE YEARS

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

Shareholders	Position at 12/31/2009			Position at 12/31/2008			Position at 12/31/2007		
	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
Foncière Euris*	24,430,858	57.67%	72.92%	24,430,858	57.67%	71.83%	24,431,108	57.28%	71.44%
Treasury shares	891,789	2.11%		1,234,945	2.92%		405,828	0.95%	
Other shareholders	17,037,493	40.22%	27.08%	16,694,337	39.41%	28.17%	17,815,656	41.77%	28.56%
TOTAL	**42,360,140**	**100%**	**100%**	**42,360,140**	**100%**	**100%**	**42,652,592**	**100%**	**100%**

** Directly or indirectly.*

The percentages are expressed at December 31 of each year.

DESCRIPTION OF THE COMPANY'S SHARE REPURCHASE PROGRAMME

Since the authorization granted by the Shareholders' Meeting on June 3, 2009 remains in force until December 3, 2010, the Shareholders' Meeting convened on May 19, 2010 will be requested to extend the duration of the share repurchase programme.

I Share of capital owned by the Company and breakdown of treasury stock holdings by purpose:

At February 28, 2010, the Company owned 775,629 shares, i.e., 1.83% of its capital, as follows:
- 680,280 set aside to cover bonus share and subscription plans;
- 95,349 shares within the framework of the AMAFI (French Financial Markets Association) liquidity contract concluded with Rothschild et Cie Banque.

OTHER INFORMATION
General information on company capital

I Objectives of the repurchase programme

The objectives of the share repurchase programme are, in decreasing order of priority, the following:

- to cover the options issued to employees and corporate officers under share purchase and/or subscription plans, in compliance with Articles L 225-177 et seq. of the French Code of Commerce, as well as Company savings plans or any shareholding plans;
- to issue bonus shares to the employees and executives of the Company, in compliance with Articles L 225-197-1 et seq. of the French Code of Commerce;
- to ensure market activity in the framework of a liquidity agreement entered into with an investment services provider, in compliance with the code of conduct prepared by the AMAFI and recognized by the AMF;
- to issue shares upon the exercise of rights attached to investment securities issued by the Company, that grant the right to receive existing company shares through redemption, conversion, exchange, presentation of a warrant, or in any other way;
- to keep the shares for use as exchange or payment in a future merger or acquisition, in compliance with market practices accepted by the AMF;
- to cancel shares up to a maximum which may not exceed 10% of the Company's share capital per 24-month period, as part of a company share capital reduction plan, which may be authorized by the Extraordinary Meeting of Shareholders of June 3, 2009.

I Maximum share ownership, maximum number of shares, characteristics of the shares which the Company plans to purchase, and maximum share purchase price

Rallye will be able to acquire 10% of its capital; that is, at February 28, 2010, 4,236,014 shares with a par value of €3 each. Given that the Company already owned 775,629 treasury shares at February 28, 2010, the maximum number of shares that can be bought under the share repurchase plan is 3,460,385. This corresponds to a maximum theoretical investment of €259,528,875 based on a maximum purchase price of €75 as laid down in the twenty-first resolution submitted to the Shareholders at the General Meeting of May 19, 2010.

I Duration of the repurchase programme:

The share repurchase programme has been extended for a period which will end at the Shareholder's Meeting convened to approve the management and the financial statements for the year 2010, or, at the latest, on November 18, 2011.

OTHER INFORMATION
General information on company capital

PLEDGED SECURITIES

Under the terms of the credit facilities it has arranged, Foncière Euris has pledged Rallye shares as collateral against borrowing capacity or amounts drawn and outstanding. Shares pledged as collateral by beneficiary at December 31, 2009, were as follows:

Beneficiary	Date of pledge (1)	Date of release (1)	Condition for releasing the shares as collateral	Number of shares pledged	% of the issuer's capital pledged (2)
HSBC	Jun-06	Jun-11	(3)	1,859,672	4.39%
Calyon	May-05	Apr-14	(3)	3,236,733	7.64%
CIC - Crédit Mutuel Group	Oct-05	Jul-12	(3)	1,537,317	3.63%
Natixis	Dec-04	Aug-13	(3)	6,598,879	15.58%
Société Générale	Jul-06	Dec-11	(3)	1,834,308	4.33%
BNP Paribas	Jun-08	Jun-13	(3)	2,914,798	6.88%
RBS	Aug-06	Dec-11	(3)	1,065,181	2.51%
TOTAL				**19,046,888**	**44.96%**

(1) The dates of pledge and release shown are the limit dates under the terms of existing credit facilities.
(2) At December 31, 2009.
(3) Redemption or maturity date of the facility.

SHAREHOLDERS' AGREEMENT AND ACTIONS IN CONCERT

To the Company's knowledge, there are no shareholders' agreements, or persons or group of persons who exercise or may exercise control over the Company.

MAJOR CONTRACTS

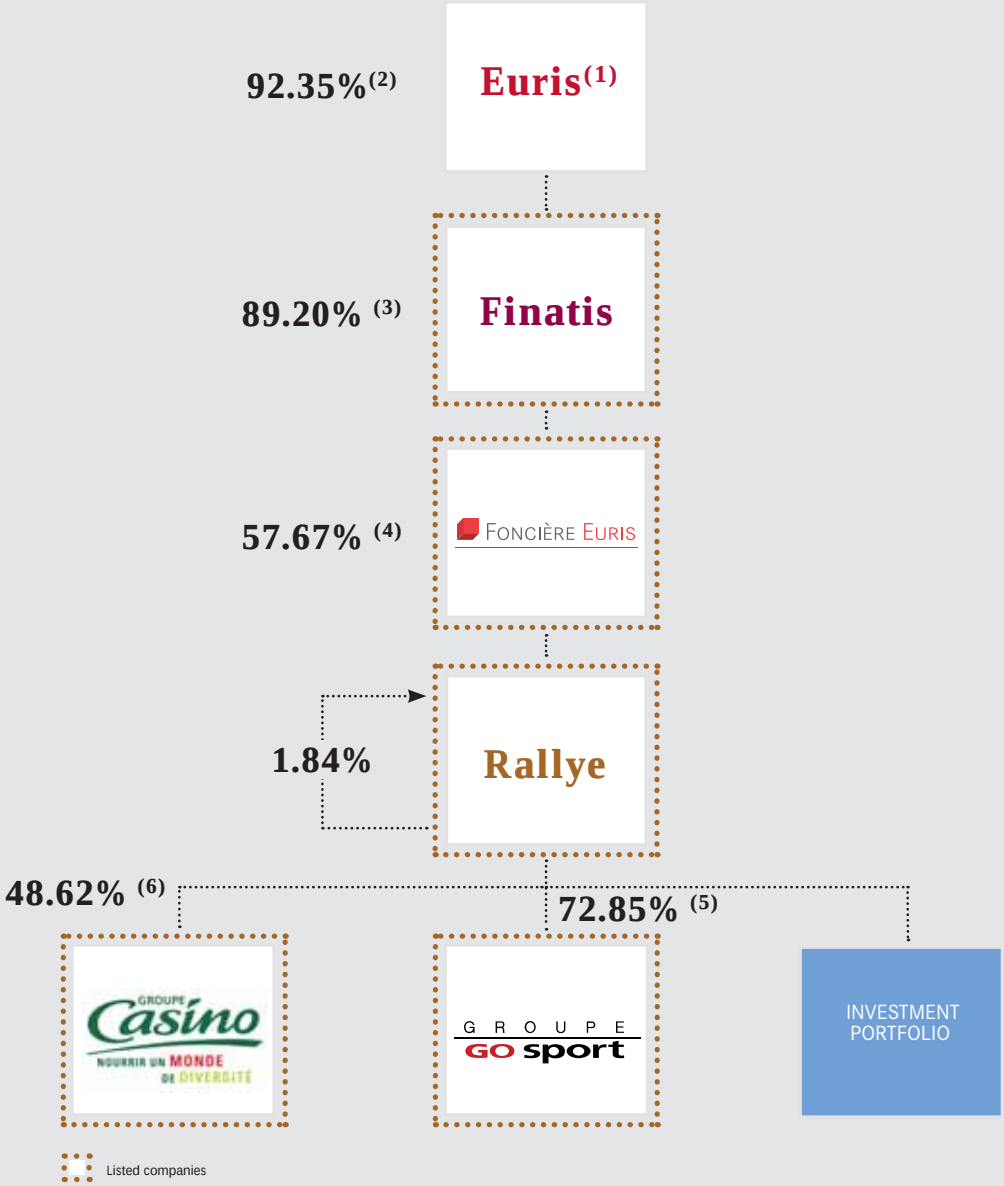
During the course of the last three years, to the date of the reference document, the Group has not entered into any major contracts, other than those that are part of its normal course of business, which might create a significant obligation or commitment for the Group as a whole.
Off-balance-sheet commitments are explained in note 35 to the consolidated financial statements.

TRANSACTIONS WITH RELATED PARTIES

Rallye has entered into a consulting and advisory agreement with Euris for strategic support.
Under the agreement, Euris draws on its structures and resources to provide Rallye with continuous support in determining strategy and managing and developing its business. It also provides technical assistance on legal and administrative matters.
No loans or guarantees have been set up or granted by the Company to Members of the Board of Directors.
Corporate officers or members of their family own none of the assets required for operations.

OTHER INFORMATIONS

Organization chart of the group at february 28, 2010



(1) Euris is controlled by Jean-Charles Naouri
(2) 92.55% of voting rights
(3) 91.99% of voting rights
(4) 72.79% of voting rights
(5) 78.35% of voting rights
(6) Shares held directly or indirectly, excluding treasury stock, by Rallye and its subsidiaries representing 60.91% of voting rights.

The Rallye Group's current structure is the result of the reorganization undertaken in 1992 and 1993, which notably involved:

- the transfer to the Casino group of all hypermarket, supermarket and cafeteria divisions;
- the merger and absorption of parent companies Rallye SA and Coficam and of SMPO and Record Carburants. After the mergers, the absorbing company, Genty-Cathiard, changed its name to Rallye;
- a transfer of property assets by Foncière Euris.

The latest changes in the structure result from the share exchange offer on Casino, launched in September 1997, the merger-absorption of Go Sport by Courir, now known as Groupe Go Sport, on December 27, 2000, and the Athlete's Foot management buy-out on December 27, 2003.

Rallye provides no management services to its operating subsidiaries. However, it receives technical and strategic support from Euris, the Group's parent company.

OTHER INFORMATIONS

Listing of company securities

SECURITIES LISTED ON THE EURONEXT PARIS STOCK EXCHANGE (COMPARTMENT A)

Rallye share (ISIN: FR0000060618) [1],

SECURITIES LISTED ON THE LUXEMBOURG STOCK EXCHANGE

Rallye 3.25% April 2013 bonds exchangeable for Casino common shares issued April 30, 2003 (ISIN: FR0000473985) [1].
Rallye 5.625% October 2011 bond (ISIN: FR0010117325) issued October 13, 2004 [1].
Rallye 8.375% September 2015 bond (ISIN: FR0010806745) issued September 20, 2009 [1].
Rallye 7.625% November 2016 bond (ISIN: FR0010815472) issued November 4, 2009 [1].
Rallye 5.875% March 2014 bond (ISIN: FR00108741115) issued March 15, 2010 [1].

Institution in charge of servicing the securities:
(1) BNP Paribas Securities Services – Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex

18-MONTH SUMMARY OF MARKET STATISTICS FOR RALLYE SHARES [1]

Years /months	Number of shares traded	Historical High	Historical Low	Trading volume
2008		€	€	(in 000's of €)
September	4,938,208	32.02	20.03	125,636
October	10,825,962	22.00	12.65	183,406
November	5,148,985	18.35	11.85	75,214
December	3,798,176	16.20	12.78	55,086
2009				
January	2,324,872	17.20	14.56	37,266
February	2,291,533	16.03	11.81	30,706
March	3,523,710	13.93	11.65	45,330
April	3,200,331	15.92	13.66	47,038
May	2,156,545	19.22	15.61	37,289
June	2,497,792	20.90	18.47	48,943
July	1,697,327	20.60	17.97	32,516
August	1,015,002	23.27	20.45	22,203
September	1,488,283	26.13	21.00	35,609
October	1,300,847	25.25	23.10	31,687
November	875,433	25.24	23.40	21,408
December	844,721	24.75	23.92	21,119
2010				
January	1,003,444	26.28	25.07	28,436
February	886,908	25.42	22.90	21,058

(1) Source: Bloomberg

At February 28, 2010, Rallye's share price stood at €23.715 and the Company's market capitalization totaled €1 billion.

DIVIDEND DISTRIBUTION POLICY OVER THE PAST FIVE YEARS – STATUTE OF LIMITATIONS FOR DIVIDENDS

Over the last five years, Rallye distributed dividends as follows:

	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009[1]
Net dividend (in €/share)	1.68	1.74	1.83	1.83	1.83[2]
Number of shares	38,807,587	39,211,028	42,336,140	42,360,140	42,360,140
Total dividends (in €)	65,196,746	68,227,189	77,728,298	77,519,056	77,519,056

(1) Pursuant to the resolutions submitted to the General Meeting of May 19, 2010.
(2) An interim dividend of €0.80 per share was paid on October 2, 2009, based on 42,360,140 shares outstanding at December 31, 2009.

Dividend policy is based on the Group's financial position and projected financing requirements.
No guarantees can be made as to the amount of dividends that will be paid out in respect of a given year.
At the General Meeting on May 19, 2010, shareholders will be asked to approve the distribution of a dividend of €1.83 per share.
An interim dividend of €0.80 per share, was paid on October 2, 2009. The balance of €1.03 per share will be paid on June 18, 2010.
Shareholders may opt to take 50% of this payment in new shares.
In accordance with Articles L.27 and R 46 of the French Code on Government Property (Code du Domaine de l'Etat), dividends which remain unclaimed five years after they became payable must be paid to the Treasury.

EMPLOYEE PROFIT-SHARING AGREEMENTS

As required by current regulations, most Rallye subsidiaries have employee profit-sharing contracts. The Rallye parent company does not, because of its small number of staff.

OTHER INFORMATIONS

STOCK OPTION AND BONUS SHARE PLANS

Stock option plans (purchase and subscription) and bonus share plans for employees and executive officers have the following characteristics:

Date of the General Meeting	EGM on 6/9/04	EGM on 6/9/04	EGM on 6/8/05	EGM on 6/6/07
Date of the Board meeting	6/8/05	6/7/06	6/7/06	10/1/07
Type of plan: S(ubscription) or B(onus share)	S	S	B	S
Number of initial beneficiaries	58	61	61	60
Number of options and bonus shares initially issued	224,084	254,120	40,858	181,127
of which options and bonus shares issued to executive officers	83,567	84,250	10,533	50,866
of which options and bonus shares issued to the top ten employees	47,733	74,190	12,061	
Beginning of exercise period	6/8/08	6/7/09	n.a.	1/1/11
End of exercise period	12/7/10	12/6/11	6/7/09	3/31/13
Strike price in	40.16	36.84	n.a.	48.73
Number of options exercised at Feb. 28, 2010	-	-	-	-
of which exercised since Jan. *1, 2009*	-	-	-	-
Options canceled at Feb. 28, 2010 (1)	17,083	15,313	2,734	1,320
of which exercised since Jan. *1, 2009*	9,583	-	-	-
Options and bonus shares remaining at Feb. 28, 2010	207,001	238,807	38,124	179,807
Number of shares remaining which, at Feb. 28, 2010, may be bought or subscribed	207,001	238,807	38,124	179,807

(1) Following the departure of beneficiaries

EGM on 6/8/05	EGM on 6/6/07	EGM on 6/8/05	EGM on 6/4/08	EGM on 6/6/07	EGM on 6/4/08	EGM on 6/6/07	Total
10/1/07	4/23/08	4/23/08	9/25/08	4/27/09	4/27/09	12/9/09	
B	S	B	B	S	B	S	
60	66	66	9	13	64	1	
29,686	258,091	44,161	41,150	310,521	199,768	12,000	1,554,708
6,359	80,234	10,029	22,800	151,852	37,963	12,000	527,920
9,204	72,624	12,159	5,750	62,937	60,633	-	345,230
n.a.	7/23/11	n.a.	n.a.	10/27/11	n.a.	6/9/12	
1/1/11	10/23/13	7/23/11	9/24/10	10/26/14	10/27/11	6/8/15	
n.a.	43.15	n.a.	n.a.	14.24	n.a.	24.62	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
330	3,525	882	0	0	593	0	39,046
-	400	100	0	0	593	0	10,676
29,356	254,566	43,279	41,150	310,521	199,175	12.000	1,515,662
29,356	254,566	43,279	41,150	310,521	199,175	12.000	1,515,662

OTHER INFORMATIONS

SHARE SUBSCRIPTION OPTIONS AND BONUS SHARES GRANTED OVER THE FISCAL YEAR BY THE ISSUER AND BY ANY OTHER COMPANY OF THE GROUP TO THE TOP TEN RECIPIENTS AMONG EMPLOYEES OF THE ISSUER

Name of granting company	Date of grant	Date of maturity	Type	Number of options granted	Equivalent number of shares	Subscription price (in €)
Rallye	4/27/2009	10/26/2014	Subscription	62,937	62,937	14.24
Rallye	4/27/2009	10/27/2011	Bonus	60,633	60,633	n.a.
Groupe Go Sport	5/18/2009	11/17/2014	Subscription	7,500	7,500	9.87

OPTIONS HELD ON THE ISSUER OR ANY COMPANY OF THE GROUP, EXERCISED OVER THE FISCAL YEAR BY THE TEN EMPLOYEES HAVING EXERCISED THE HIGHEST NUMBER OF OPTIONS

None

OTHER INFORMATIONS

Information on Rallye's activity - risk management

I. INFORMATION ON RALLYE'S ACTIVITY

Investment policy

The strategy of scaling down the portfolio, announced by Rallye in August 2008, led to a number of disposals in 2009. A total of €91 million in assets were sold over the year (including the €6 million leaseback refinancing of the Ruban Bleu mall at Saint-Nazaire). The Group also invested a net €12 million during the year. The investment portfolio is explained in greater detail on page 15 of the management report.

Annual investment by operating subsidiaries for the past two years were as follows:

(In € millions d'euros)	2009	2008
	832	1,259

Investments by operating companies are detailed in the "Business review" section of the management report. For more information on the strategy of the Group's operating subsidiaries, see "Recent trend and outlook" page 20.
Rallye is the holding company for two operating companies: Casino, in the sector based on food retail, and Groupe Go Sport, in sporting goods retail. As such it does not have any competitor to which it can be compared. Casino and Groupe Go Sport's competitive positions are described in detail in their respective 2009 reference documents.

Significant changes in the Group's financial or commercial position

There have been no significant changes in the Group's financial or commercial position since the end of the period for which audited financial statements or interim financial statements have been published.
The Group's recent trends and outlook are outlined on page 20 of the present annual report.

II. RISK MANAGEMENT

Market risk

Rallye as a parent company and its two main operating subsidiaries, Casino and Groupe Go Sport, manage market risks separately.

Within each company, cash, currency and interest rate risks are managed centrally, under the responsibility of the finance department, which has the necessary tools and expertise and reports to senior management.

These risks, as well as the tools used to manage them, are described in further detail in note 33 "Financial risk management policies and objectives" to the consolidated financial statements closed on December 31, 2009.
In addition, certain credit documents include change of control clauses enabling creditors to demand the immediate repayment of the outstanding amounts due and, where appropriate, the cancellation of the credit commitments entered into with the Company, in the event of a change of control over Rallye.

Operating risk

As a holding company, this type of risk does not apply directly to Rallye. It does however apply to Casino and Groupe Go Sport, which are subject to several business risks, including mainly:

OTHER INFORMATIONS
Information on Rallye's activity - risk management

Supply risk

Casino lists over 31,500 suppliers and is not dependent on any single supplier in any way. Further, through specialized subsidiary Easydis, Casino has its own logistics network in France, with around 1,000,000 square meters of warehouse space at 21 sites throughout France. This enables the group to supply its different networks.
The five main suppliers of Groupe Go Sport (Nike, Adidas, Puma, Sogecop and Planet Fun) account together for 41 % of the purchases delivered in 2009. However, the risk for the Company of being dependent on its major suppliers is limited, since Groupe Go Sport has developed a partnership with its suppliers, who can take advantage of the positioning and the concept of the Go Sport and Courir networks to promote their own brands.

Store network risk

The Group's chains operate in France through affiliated or franchised networks, which accounted for 61% of Casino outlets at December 31, 2009. These are mainly supermarkets (including Leader Price) and convenience stores. The credit risk related to the affiliate/franchise network is factored into the Group's credit management.
Store network risk is considered to be very limited at Groupe Go Sport, which markets its products through a network of wholly-owned stores for the two brands it operates in France and in Poland, and through franchise agreements in the rest of the world.

Risk linked to brands and chains

The Group owns almost all of its brands and is not particularly dependent on patents and licenses, with the exception of the "Spar" brand, for which it holds an operating license in France.

Customer credit risk

Through its specialist consumer credit subsidiary (Banque du Groupe Casino), the Group is exposed to customer credit risk. Customers are individually assessed using a credit scoring system managed by a specialized service provider.
Groupe Go Sport's retail model means that it is not dependent on any of its customers.

IT risk

The Group is increasingly dependent on standard IT applications for the data it needs to make operating decisions. IT security is taken into account from the design stage of any project and is monitored continuously.

Geographical risk

Some of the Group's businesses are subject to risk and uncertainty linked to activities in countries that may experience or have recently experienced a period of economic or political instability (e.g., South America and Asia). Recent events in Venezuela are discussed under note 37 to Casino's consolidated financial statements. In 2009, international activities accounted for 34% of the Group's consolidated sales and current operating income.

Industrial and environmental risk

See pages 24 to 27 ("Social and environmental information") of the annual report for a description of environmental risk and how it is managed.

Legal risk

Risk linked to regulations

Casino and Groupe Go Sport are mainly subject to laws and regulations that govern facilities classified as establishments open to the public or falling into administrative classifications. Some businesses are also subject to specific regulations (e.g., Casino Vacances, Banque du Groupe Casino, Mercialys, etc.). Furthermore, new store openings and store expansion projects are subject to administrative authorization procedures in France and in other countries where the Group is present.

Tax and customs risks

Periodically, the Group is subject to tax audits both in France and in the various countries where it is established. A provision is made for uncontested claims for taxes due, and claims that are contested are dealt with on a case-by-case basis, according to estimates of the likelihood that the actions and proceedings may not be upheld.

Litigation

As part of its normal operations, the Group is involved in various legal and administrative proceedings and may be the subject of various government inspections. The Group records provisions for these disputes and arbitrations if there is a legal, contractual or constructive obligation to a third party at the date of the financial statements, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

At the filing date of the reference document, there was no administrative, judicial or arbitration proceeding, including all proceedings of which the Company is aware, either unresolved or pending, that is likely to have, or has in the past 12 months had, a significant effect on the financial position or profitability of the Company and/or Group.
Note, however, that in the suit with the Baud family, the Court of Arbitration appointed to rule on the dispute between the Casino Group and Baud family, ruled on July 2, 2009 that the removal of the Baud family members from the management bodies of Franprix and Leader Price was for "just cause". The Court of Arbitration accepted the Casino Group's case for taking over operational management of Franprix and Leader Price and confirmed that the residual stakes held by the Baud family Members in Franprix and Leader Price, of 5% and 25%, respectively, should be valued at 14x the two chains' 2006 and 2007 average earnings, equivalent to the value recorded by Casino Group in its previous financial statements.
As provided for in the agreement and following the ruling by the Court of Arbitration, the definitive price for the interests of the Baud family (mainly held through the Belgian company, Baudinter), which exercised its put option on April 28, 2008, was calculated by an independent appraiser applying the 14x earnings multiple. The resultant price of €428.6 million was paid on November 12, 2009 by Casino Group, which now holds all the capital of Franprix and Leader Price. Interest accrued on this sum and demands by the Baud family for compensation for their dividend rights are currently being considered by the Court of Arbitration in accordance with its ruling of July 2, 2009. In the interests of prudence, a charge of €67 million to cover the dividend rights claimed for Franprix and Leader Price shares in respect of 2006 and 2008, which the Casino Group disputes, has been recognized under "Other current debts".
Regarding the company Geimex, which owns the international rights to the Leader Price brand (outside mainland France and the French overseas dominions and territories) and which is jointly owned 50% by the Casino Group and 50% by the Baud family, let it be pointed out that in response to the dispute between the two shareholders regarding the company's organization and functioning, a provisional administrator was appointed by the Paris Commercial Court in May 2008. Financial statements for 2006, 2007 and 2008 were drawn by the provisional administrator and presented to shareholders at Shareholders' Meetings in September and December 2009, but were not approved.
Geimex is proportionately consolidated in the Group's consolidated financial statements. Casino's interests in the company total €76 million, including goodwill of €62 million.

Insurance

Coverage of risks likely to be incurred by the Company

The Rallye Group manages its insurance and risks as part of a wider policy framework designed to protect the Group's balance sheet while monitoring certain objectives, including the following:
- to protect the assets and liabilities incurred by the Group;
- to defend shareholders' interests;
- to take account of regulations applying to establishments open to the public in France (known as the ERP rules).

Analysis of random insurable risk, as well as subscription and management of insurance policies and claims are handled independently by each of the operating subsidiaries (essentially Casino and Groupe Go Sport) and by the parent company Rallye.

Insurance subscribed

The main insurance policies subscribed by the Rallye Group cover the risks of:
- damage to property and consequent business interruption;
- civil liability.

OTHER INFORMATIONS
Information on Rallye's activity - risk management

The Group has also taken out the mandatory insurance required for its business, which includes motor vehicle insurance, construction insurance (structural damage and builder's ten-year warranty insurance), and professional civil liability insurance (property managers, travel agents, banking).
In addition, the Group has contracted various types of insurance in areas where the cash flows and risks are high, including a transport insurance scheme (covering domestic transport and imports) and an "all risks construction" insurance scheme (covering real estate assets).

With the same aim of smoothing insurance costs, but also to better manage its risks, Casino continued its policy of significant self-insurance in 2009, particularly for high-frequency claims for all risks, but principally property damage and civil liability risks. Management and monitoring of excesses is generally delegated to insurance brokers, overseen jointly by the Group and the insurers, based on the terms of the corresponding insurance policies.

Level of coverage

Property damage and business interruption
The purpose of this insurance is to protect the Group's assets.
Casino has contracted an "All risks except" policy (where the risks excluded define the scope of coverage provided by the insurers) according to the coverage available on the insurance market. This covers the usual risks for such policies, including fire, explosion, natural catastrophes, structural failure, etc.. Maximum coverage corresponds to the maximum possible claim for both direct damage and loss of business, and is €220 million for major events (fire, explosion, etc.) with lower ceilings on coverage of certain specific risks (including natural events, structural failure, theft).
At Groupe Go Sport, capital insured with AFM amounts to €330 million per year, against damage to property, and €320 million to cover lost business.

Civil liability insurance
The purpose of this insurance is to cover the financial consequences of the Group's civil liability due to the physical, material and/or financial damage to third parties arising from its goods delivered or sold, installations and equipment, buildings, store operations and services provided on behalf of third parties. The insurance policy contracted is also an "All risks except" type, which includes coverage for the costs of recalling goods and the financial warranty for accidents in the workplace and work-related illnesses within a sub-limit comprised in the general aggregate limit of insurance (€76 million).

Other insurance
For risks other than those mentioned above, the Group has taken out insurance cover whenever required by law. It has also done so whenever the nature of the risks in question makes insurance coverage useful and necessary and where the policies available on the market provide the degree of coverage sought.

Crisis prevention and management
Loss-prevention and business continuity measures after an accident are an integral part of the Group's insurance policy.
In line with the Group's long-standing loss-prevention policy, aimed particularly at minimizing the risk of damage to property, in 2009 Casino continued to regularly visit sites with high levels of insured capital, to carry out technical loss-prevention and asset safeguard audits, and to monitor and update the risk-mapping process, particularly with regard to property damage, natural disasters and other incidents, both in France and abroad.
Casino also continued its work on safeguarding against "product" risk to retailers' own brands and other brands. It has taken measures to ensure that, in the event of a serious crisis with potentially long-lasting effects on a business site's operations, it has the technical resources and the appropriate advice to be able to intervene rapidly and maintain business continuity and customer service as far as possible.
Rallye and its subsidiaries also have access to the support necessary to manage any crisis situation or serious disaster in the most appropriate way.
Rallye has conducted a review and believes that there are no significant risks other than those presented here.

OTHER INFORMATIONS

Person responsible for preparing the reference document and audit – disclosure policy

PERSON RESPONSIBLE FOR PREPARING THE REFERENCE DOCUMENT

Jean-Charles Naouri, Chairman and Chief Executive Officer.
The information contained in this document is the sole responsibility of the company's managers.

DECLARATION BY THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

"I declare that, having taken all reasonable care to ensure that such is the case, the information contained in the reference document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.
To the best of my knowledge, the financial statements have been prepared in accordance with the accounting standards applicable and give a true and fair view of the assets, financial position and profitability of the Company and all subsidiaries within the scope of consolidation. I further declare that the management report on pages 6 et seq. gives a true and fair view of the progress of the business, the results of operations and the financial position of the company and all subsidiaries within the scope of consolidation and also describes the main risks and uncertainties that they face.
I have received from the statutory auditors a completion-of-audit letter, in which they state that they have verified the information relating to the financial position and the financial statements in this reference document and read the document as a whole.
The statutory auditors' reports on the historical financial information contained in this document appear on page 149 for the year ended December 31, 2009 and on page 203, by reference, for the years ended December 31, 2008 and December 31, 2007, including the auditors' comments."

Chairman and Chief Executive Officer - Jean-Charles Naouri

INFORMATION INCLUDED BY REFERENCE IN THE REFERENCE DOCUMENT

In accordance with Article 28 of European Commission rule 809-2004 of April 29, 2004, the following information has been included by reference in this reference document:

- the consolidated financial statements prepared in accordance with IFRS and the Company financial statements at December 31, 2008, the corresponding auditors' reports and the Group's management report on pages 52 to 139, 142 to 161, 140, 162 and 6 to 42 of the reference document filed with the AMF on April 29, 2009 under number D 09-337;
- the consolidated financial statements prepared in accordance with IFRS and the Company financial statements at December 31, 2007, the corresponding auditors' reports and the Group's management report on pages 54 to 137, 140 to 160, 138, 161 and 6 to 44 of the reference document filed with the AMF on May 16, 2008 under number D 08-0400.

The chapters of the reference documents numbers D 09-337 and D 08-0400 that are not referred to above are either of no interest to investors or covered elsewhere in this reference document.

PERSON RESPONSIBLE FOR AUDIT

Statutory Auditors

- KPMG Audit Department of KPMG SA, 1 Cours Valmy – 92923 Paris La Défense CEDEX, represented by Catherine Chassaing, appointed at the General Shareholders' Meeting of June 29, 1993 and successively reappointed at the General Shareholders' Meetings of June 6, 2001 and 2007 for terms of six years, until the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2012.
- Ernst et Young et Autres, 41 rue Ybry - 92576 Neuilly sur Seine CEDEX, represented by Henri-Pierre Navas, appointed at the General Shareholders' Meeting of June 1, 1999 and reappointed at the General Shareholders' Meeting of June 8, 2005 for a term of six years, until the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2011.

OTHER INFORMATIONS

Person responsible for preparing the reference document and audit – disclosure policy

Deputy Statutory Auditors

- Patrick-Hubert Petit, 1 Cours Valmy – 92923 Paris La Défense CEDEX, appointed at the General Shareholders' Meeting of June 6, 2001 and reappointed at the General Shareholders' Meeting of June 6, 2007 for a term of six years, until the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2012.
- Monsieur Philippe Peuch-Lestrade, 41 rue Ybry - 92576 Neuilly sur Seine CEDEX, appointed at the General Shareholders' Meeting of June 12, 1996 and reappointed at the General Shareholders' Meetings of June 1, 1999 and June 8, 2005 for terms of six years, until the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2011.

PERSON IN CHARGE OF FINANCIAL COMMUNICATIONS

Didier Carlier – Deputy Managing Director
Tel.: +33 (0)1 44 71 13 73
Fax: +33 (0)1 44 71 13 70
Email: info@rallye.fr

PUBLICLY AVAILABLE DOCUMENTS - SHAREHOLDER INFORMATION

The following documents can be consulted at Rallye's registered office: corporate documents for the last three years (financial statements, minutes of Shareholders' Meetings, Shareholders' Meeting attendance record, auditors' reports, by-laws, etc.) and any reports, mailings, valuations and special reports prepared by expert assessors at the Company's request, historical financial information on the Company and its subsidiaries Casino and Groupe Go Sport for the last two years, including the consolidated financial statements prepared according to French GAAP.
Once a year, analysts and journalists are invited to a meeting at which the Company comments on the previous year's results. Company press releases, annual reference documents including historical financial information on the company filed with the regulator, the Autorité des Marchés Financiers, (www.amf-france.org), are available on the Company's website: www.rallye.fr. A printed copy of the reference document can be obtained at the Company's registered office at 32, rue de Ponthieu, Paris 75008.
The document listing all information published or made available to the public over the preceding 12 months, required by European Directive 2003/71/EC is available on the Company's website.
All the regulatory disclosures made by the Company under Articles 221-1 et seq. of the AMF general regulations are available on the Company's website:http://www.rallye.fr/fr/investisseurs/information-reglementee , and in digital format via Business Wire.

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