

RALLYE

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PRESS RELEASE

8 January 2003

Rallye announces that it has launched a EUR 230 million "OCEANE" Convertible Bond issue convertible into new Shares and/or exchangeable for existing Shares

Rallye, the majority shareholder in Casino, has announced today the launch of an "OCEANE" convertible bond issue, the proceeds of which will be used in connection with its general financing needs and to increase its financial flexibility.

The Offering size is EUR 229,999,968, after exercise in full of the Issuer's increase option, and may be increased up to a maximum of EUR 264,499,928 in the event the Managers exercise their over-allotment option (which may be exercised until 14 January 2003).

This press release is a translation of the French-language press release prepared in accordance with applicable French regulatory provisions and contains a summary of the principal terms of the Offering.

The French-language *Note d'opération* has received a COB *visa* Nr. 03-003 dated 7 January 2003.

ISSUER

Rallye ("Rallye" or the "Issuer")

Rallye is active in the retail sector, predominantly food-related, and in the sports goods specialised retail sector.

USE OF PROCEEDS

The objective of the Offering is to strengthen the Issuer's long-term financial structure by creating shareholders equity. The proceeds will be used in connection with the Issuer's general financing needs and, among others, to refinance its debt, in particular the convertible bond issued in 1998 and which matured on 1 January 2003.

THE CONVERTIBLE BONDS

- Date of the authorisation by the General Meeting of Shareholders: 6 June 2001.
- Date of the decision by the Board of Directors: 3 January 2003.
- Decision by the Chairman of the Board of Directors: 7 and 8 January 2003.
- Offering of Bonds convertible into new Shares and/or exchangeable for existing Shares with a principal amount of EUR 229,999,968, corresponding to 5,227,272 Bonds.
- Settlement date: 16 January 2003.
- Denomination/nominal value per Bond: EUR 44.00, payable in whole on the settlement date and corresponding to a premium of 26 % above the volume weighted average price of the shares of EUR 34.9206 as determined at the time of pricing on 8 January 2003.
- Coupon: 3.75 %.
- Redemption: in whole on 1 January 2008 at a redemption price of EUR 48.25, equal to 109.67 % of the nominal value.
- Yield-to-maturity: 5.50 %.
- For information purposes, the Rallye share price at maturity would have to reach the levels

indicated below in order to achieve the following yields (on the basis of a EUR 34.92 share reference price):

Yield-to-maturity at the settlement date (1)	Share price on 01/01/2008 (EUR)	Average annual growth rate of the share price
OAT + 2 % = 5.50%	48.25	6.74%
OAT + 3% = 6.50%	50.82	7.86%
OAT + 4% = 7.50%	53.49	8.98%

(1) French treasury bonds (*OAT*) with the same maturity : interpolated rate of 3.50 % on 8 January 2003

- Over-allotment Option: up to 15 % of the issue size. The total issue size may thus be increased up to EUR 264,499,928 (corresponding to 6,011,362 Bonds).

- Issuer call: Issuer early redemption option exercisable from 1 January 2006 at accreted value if the share price exceeds 125 % of such accreted value. For information purposes, the table below sets forth the Rallye share price which needs to be reached in order for the Issuer call to be triggered (on the basis of a EUR 34.92 share reference price):

Redemption date	Early Redemption Price (EUR)	Minimum share price (EUR)	Implied annual growth rate of the share price	Yield-to-maturity for any Bondholder exercising its conversion/exchange right
1 January 2006	46.40	58.00	18.71%	13.23%
1 January 2007	47.30	59.13	14.23%	11.13%

SUBSCRIPTION

- The shareholders have waived their preferential subscription rights and no priority subscription period is applicable.

- Underwriting: a syndicate of banks lead-managed by ABN AMRO Rothschild, BNP Paribas and Crédit Lyonnais has underwritten the Bonds in accordance with the terms of an underwriting agreement entered into with the Issuer on 8 January 2003.

TIMETABLE

7 January 2003	COB <i>visa</i> on the <i>Note d'opération</i>
8 January 2003	Press release by the Issuer announcing the preliminary terms of the Offering Commencement of the institutional bookbuilding Closing of the institutional bookbuilding Decision to exercise Increase Option Press release announcing the final terms of the Offering
From 9 to 13 January 2003	French public offering period
14 January 2003	Deadline for exercise of the Over-allotment Option

16 January 2003

Settlement of the Bonds

LISTING

Second Marché of Euronext Paris S.A.

Listing date: expected to be 16 January 2003.

OTHER INFORMATION

Placement: the Bonds have been offered to institutional investors under an international private placement in accordance with the rules applicable in each jurisdiction where Bonds are offered. In addition, the Bonds will be offered to the public in France from 9 January until 13 January 2003 (both dates included). There will be no placement in the U.S.A., Canada and Japan.

Governing law: French law.

Shareholders' intentions: Société Foncière Euris, which holds 59.3 % of the share-capital of Rallye, has indicated to the Issuer that it did not intend to participate in the Offering. To the best of the knowledge of the Issuer, no other shareholder has indicated its intentions in respect of the present Offering.

Maximum number of Bonds which may be issued: 6,011,362.

Settlement date: 16 January 2003. Duration: 4 years and 350 days from the Settlement Date.

CONVERSION AND/OR EXCHANGE OF THE BONDS INTO SHARES

At any time from 25 February 2003 until the 7th business day preceding the Maturity Date, at a ratio of ONE Share for ONE Bond (subject to adjustment in certain events). The Issuer has the option to deliver new Shares to be issued and/or existing Shares.

Maximum number of shares which may be issued: 6,011,362, corresponding to a 0.139 % dilution for any shareholder which did not participate in this Offering

JOINT LEAD-MANAGERS AND BOOKRUNNERS

ABN AMRO Rothschild
BNP Paribas
Crédit Lyonnais

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