

RALLYE

2009 third quarter consolidated net sales

Rallye Group consolidated net sales by business segment

Consolidated net sales (in €m)	Q3 2009	Change QoQ	9 months 2009	Change 9Mo9M
Casino	7,116.9	(1.4)%	20,563.6	(2.2)%
Groupe GO Sport	188.5	(8.0)%	527.0	(4.7)%
Other (*)	2.2		6.8	
Total Rallye Group	7,307.6	(1.6)%	21,097.4	(2.3)%

(*) Relative to holding activity and investment portfolio

Rallye consolidated net sales reached €7.3bn, down 1.6% compared to 2008 third quarter.

CASINO: THIRD QUARTER SALES ALMOST STABLE ON AN ORGANIC BASIS EXCLUDING PETROL

During the third quarter of 2009, Casino's consolidated net sales were €7.1bn, down by a reported 1.4%. The negative currency effect and the lower petrol prices were partly offset by the positive impact of the consolidation of Ponto Frio by Grupo Pão de Açúcar from July 1st 2009. Excluding petrol sales, organic growth for the period was a negative 1.0%. Moreover, Super de Boer announced that it had received two offers from local competitors for the acquisition of the entire business. At this stage, reported sales include Super de Boer's contribution.

In France, organic growth was a negative 3.2% excluding petrol sales, in a persistently lacklustre consumer environment. However, reported sales in France were down 5.3%, a performance in line with the first-half trend. The convenience formats (Monoprix, Casino Supermarkets and Franprix) continued to demonstrate strong resilience over the period. Franprix's same-store sales were almost stable (down 0.7%) in the quarter. This solid performance, combined with faster expansion at both Franprix and Leader Price, enabled the two banners to post a combined negative organic growth of 0.6%, in line with the first half trend. In an increasingly competitive environment, Géant Casino reported a 6.3% decline in same-store sales excluding petrol, continuing the trend observed in the first half. During the period, the hypermarket banner kept up its strategy of targeted price cuts. Cdiscount maintained its strong momentum, attesting to the attractiveness of its business model.

International operations continued to perform well, with organic growth at 2.9% excluding petrol, lifted by the performance of the emerging markets (up by a strong 4.0%) which now represent more than 30% of the Group's sales vs 26% in 2008¹. In South America, organic growth excluding petrol came to 5.5%, led by a dynamic activity in Brazil. In Asia, sales were down by just 0.9% on an organic basis, negatively impacted by the gloomy economic environment in Thailand, while Vietnam continues to experience strong growth.

Consolidated net sales for the first nine months of 2009 were stable on an organic basis excluding petrol, reflecting the good positioning of the business portfolio characterised by a favourable mix of formats in France, a leadership in online non-food sales, and an international presence focused on high potential countries.

GROUPE GO SPORT: WELL-RESISTANT SALES AT GO SPORT FRANCE DURING THE FIRST NINE MONTHS OF 2009

During the third quarter of 2009, Groupe GO Sport consolidated net sales were €188.5m, down 7.7% on a same-store basis and at constant exchange rates. **In France**, during the first nine months of 2009, the GO Sport banner sales were down 1.7% (-1.9% on a same-store basis and at constant exchange rates). In the third quarter, sales decreased by 5.5% (-6.6% on a same-store basis and at

¹ The 2009 percentage was computed excluding Super de Boer.

constant exchange rates), due to lower traffic and average basket. The volumes sold during the summer sales were relatively low, as the banner benefited from the successful commercial operations that took place before the summer, and from the spring sales. Nevertheless, the banner's results are improving since the beginning of September. Courir reported a 9.9% decrease in sales in the first nine months of the year (-12.0% on a same-store basis and at constant exchange rates, vs. a 7.4% increase in 2008). Since July, Jacques Krauze, the new CEO, is in charge of implementing a new action plan in order to revitalise the banner. **In Poland**, the negative currency effect hampered the change in euros in GO Sport net sales (-13.7% in the third quarter). On a comparable basis and at constant exchange rates, sales increased by 3.3%, driven notably by the success of the private label.

INVESTMENT PORTFOLIO

The disposal program of the investment portfolio is progressing according to plan, at prices in line with the assets fair value as at June 30, 2009. As of today, more than half of the €80m disposals which were being negotiated as at end of August 2009, have been completed.

OUTLOOK

- **Casino** intends to step up its action plans with the objective to enhance its banners' shopper appeal and effectively maintain margins, in particular by moving up a gear in the implementation of programmes to cut costs and optimizing both its food and non-food product mixes. Financial flexibility will be enhanced by the improvement in free cash flow² generation and a €1 billion asset disposal programme to be implemented by the end of 2010. The Group therefore confirms its objective of improving the net debt/EBITDA ratio at the end of 2009 and of reducing the ratio to less than 2.2x by the end of 2010.
- **Groupe GO Sport**, encouraged by the good resistance of its sales since the beginning of 2009, intends to pursue the deployment of its action plan defined in 2007, aimed at improving its sales and profitability.
- As to the **investment portfolio**, the disposals will be pursued according to the Group's commitment, in commercial real estate by 2010 as well as in Private Equity, depending on market conditions.

FINANCIAL SITUATION

- In the first semester, Rallye renewed the entirety of the 2009-maturity credit lines for €280m, as well as the syndicated loan for an amount of €410m, and new financings have been obtained for a total amount of €140m. Since then, the Group kept reinforcing its liquidity situation through the successful €500m bond issue on September 18, 2009 maturing in January 2015, which also allowed Rallye to extend its debt maturity.
- As to its stake in Mercialys, Rallye sold 4.1 million shares in the market since June 2, 2009, for an amount of €98m. As of today, Rallye therefore holds 2.8 million shares, valued at €81m³.
- Rallye confirms its commitment to reduce its net financial debt and noticeably improve its financial structure ratios over the next two years, notably through the ongoing disposal of investment portfolio assets.

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² Free cash flow = current operating cash flow before tax, less capital expenditure, changes in WCR, income tax paid and net interest paid

³ Valuation based on Mercialys closing market price as at October 13, 2009 (€28.87 / share)

Appendix: 2008/2009 Rallye consolidated net sales
(In € millions)

	2009	2008	Change
First quarter:			
Casino (*)	6,624	6,853	(3.3)%
Groupe GO Sport	172	175	(1.9)%
Other (**)	2	5	-
Total first quarter	6,798	7,033	(3.3)%
Second quarter:			
Casino (*)	6,823	6,956	(1.9)%
Groupe GO Sport	167	173	(3.7)%
Other (**)	3	3	-
Total second quarter	6,992	7,132	(2.0)%
First semester:			
Casino (*)	13,447	13,810	(2.6)%
Groupe GO Sport	339	348	(2.8)%
Other (**)	5	8	-
Total first semester	13,790	14,166	(2.7)%
Third quarter:			
Casino (*)	7,117	7,221	(1.4)%
Groupe GO Sport	189	205	(8.0)%
Other (**)	2	4	
Total third quarter	7,308	7,430	(1.6)%
Nine months:			
Casino (*)	20,564	21,030	(2.2)%
Groupe GO Sport	527	553	(4.7)%
Other (**)	7	12	
Total nine months	21,097	21,595	(2.3)%

(*) International Financial Reporting Standard IFRS 8 "Operating Segments" and IFRIC Interpretation 13 "Customer Loyalty Programmes" have been applied by the Group from 1 January 2009. 2008 data were adjusted accordingly.

(**) Relative to holding activity and investment portfolio