

RALLYE

2011 first quarter consolidated net sales

Rallye Group consolidated net sales by business segment

Consolidated net sales (in €m)	Q1 2011	Q1 2010	Change QoQ
Casino	7,850	6,609	18.8%
Groupe GO Sport	158	164	-3.9%
Others*	4	4	-
Total Rallye Group	8,012	6,777	18.2%

* Relative to holding activity and investment portfolio

During the first quarter of 2011, Rallye consolidated net sales reached €8.0bn, up 18.2% compared to the first quarter of 2010.

Casino: first-quarter 2011 sales up a very strong 18.8% – 8.2% growth at constant scope of consolidation and 5.7% organic growth, driven by the strong momentum in international markets (10.5%), the 0.2-pt gain in Group market share in France and the continued turnaround at Leader-Price

Consolidated net sales rose by a reported 18.8% in the first three months of 2011. Changes in scope of consolidation accounted for 10.6 points of the reported gain, mainly reflecting the consolidation of Casas Bahia by GPA and the consolidation of Carrefour Thailand's operations by Big C effective January 1, 2011. Currency rates and the rise in petrol prices had a 2.5% and 1% positive impact respectively, while the calendar effect, due to the shift in the Easter holidays, was negative in France (-0.7%) and in international markets (-0.8%). Organic growth stood at 4.7% (excluding petrol) for the period.

In France, organic sales ended the quarter up 3.1%, with a 0.2-pt gain in market share during the first quarter. Leader Price continued to recover, with same-store sales up 3.8%. Excluding petrol and adjusted for the calendar effect, Géant Casino's same-store performance was similar to the previous quarter's, with a stable market share over the period. Total sales by Monoprix, Casino Supermarkets and Franprix were satisfactory. Finally, Cdiscount sales grew by 12.2% on an organic basis and now exceed Géant Casino's non-food sales.

International operations delivered double-digit organic growth in sales, both in South America (11.1%) and Asia (11.7%). South America's very satisfactory performance was led by the dynamic expansion in Brazil and Colombia. In Asia, the speed-up in organic growth observed in the fourth quarter continued in first-quarter 2011. Total sales in international markets rose by 44.1% over the quarter, lifted by the consolidation of Casas Bahia and Carrefour Thailand, and accounted for 44% of the consolidated total for the period.

Groupe GO Sport: first quarter sales slightly down, by 2.3% (on a same-store basis and at constant exchange rates) but tangible trend improvement in February and March for GO Sport in France and Poland and confirmation of the boost in Courir sales dynamics

For Q1 2011, consolidated sales of Groupe GO Sport reached 157.8 M€, down 2.3% compared to Q1 2010, on a same-store basis and at constant exchange rates.

In France, GO Sport brand sales (on a same-store basis) decreased by 4.2%, compared to Q1 2010, mainly penalized by the underachievement of winter products at the beginning of the year and a difficult month of January for the whole market. 42 stores now embody the new merchandising, following the remodeling of 10 stores during the first quarter. Stores that were remodeled in 2010 have kept on outperforming the rest of the network, which led to a tangible trend of improvement in February and March at the brand level. **Courir** confirms the success of its repositioning, with an increase in sales of 6.2% on a same-store basis in Q1 2011, driven by the optimization of the product mix between footwear / clothing / accessories, the differentiation of the offering and an efficient merchandising. The new concept has now been rolled-out in 15 stores in total, which have outperformed the rest of the network by more than 20 growth points since their reopening.

GO Sport Poland sales on a same-store basis and at constant exchange rates were down 8.0% compared to Q1 2010. The brand sales were penalized, like the rest of the market, by mild weather at the beginning of the year. GO Sport Poland however delivered double-digit growth in sales in March, supported by the stores with the new concept, now deployed in more than half of the network.

Outlook

- **Casino** is confident in its ability to deliver sales growth of more than 10% in each of the next three years and confirms its 2011 targets: strengthen market share in France, drive-up margin at Franprix-Leader Price, continue to deliver strong and profitable organic growth in international markets, and keep-up the asset rotation strategy, with a target of €700 million worth of asset disposals.
- **Groupe GO Sport**, comforted by its encouraging performance in February and March, intends to continue implementing its action plans based on the roll-out of the new GO Sport and Courir store concepts, greater offer differentiation and the strengthening of the customer relationship.
- As to the **investment portfolio**, the disposal program will be pursued according to the Group's commitment, in commercial real estate as well as in Private Equity.

Financial situation

- As of 31 March 2011, **Rallye benefits from a strengthened liquidity situation**, with €1.7bn of undrawn and immediately available confirmed credit lines, following the refinancing, in February 2011, of the revolving credit facility maturing in 2012, and close to €650m of cash and cash equivalents.
- **Rallye** confirms its commitment to further improve its financial structure and to significantly reduce its net financial debt, notably through the significant reduction of the size of its investment portfolio by year-end 2012.

Calendar:

Wednesday, May 4, 2011: Shareholders' Meeting
Friday, July 29, 2011: Second quarter consolidated net sales and 2011 first-half results

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

Analysts contact

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