Paris, March 20, 2009

RALLYE

2008 Annual Results

Growth in current operating income, due to excellent performance at Casino
Negative net income, Group's share, resulting mostly from impairment of assets and losses on the stock market portfolio disposed of in 2008

The Board of Directors of Rallye, chaired by Jean-Charles NAOURI, met on March 19, 2009 in order to review the accounts for the year ended December 31, 2008.

2008 results

Consolidated figures

(in €m)	*2007*	***2008***	*Change*
Net sales from continuing operations	***25,736***	***29,448***	***+14.4%***
EBITDA [(1)]	***1,883***	***1,975***	***+4.9%***
Current operating income	***1,261***	***1,283***	***+1.7%***
Other income and expenses from operations	*161*	*(127)*	
Net income from continuing operations	*680*	*293*	*(56.9)%*
Net income from continuing operations, Group's share	***216***	***(78)***	
Net income from discontinued operations	*154*	*(16)*	
Net income	*834*	*277*	
Net income, Group's share	***288***	***(86)***	

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

1. Group Activity

Rallye **consolidated net sales** reached €29.4bn, up 14.4% compared to 2007.

Current operating income amounted to €1,283m, up 1.7% due to:

- the steady growth of Casino current operating income (€1,283m in 2008 vs €1,196m in 2007)
- the lower contribution of the investment portfolio (€42m in 2008 vs €95m in 2007)
- the decline in Groupe GO Sport current operating income (€(14)m in 2008 vs €(3)m in 2007)

Other income and expenses from operations were €(127)m (of which impairment of assets for €(56)m) in 2008, vs €161m last year. They included in 2007 €290m of capital gains on asset disposals at Casino.

Net income from continuing operations, Group's share was €(78)m vs €216m in 2007. It was negatively impacted by the deterioration of the financial result, which included €69m of expenses at Rallye, resulting mostly from losses on the stock market portfolio disposed of in 2008.

Rallye's **investment portfolio** is valued at €622m at December 31, 2008, compared to €614m at December 31, 2007. The portfolio was rebalanced between financial investments and real estate programs, now accounting for respectively €379m and €243m (vs €545m and €69m at year-end 2007). The objectives related to the disposal program of private equity assets were met, pursuant to the strategic decision announced in August 2008 to reduce the size of the investment portfolio: €233m of assets accounting for 70 lines in the portfolio were sold during the second half. The group carried out €271m of divestments during the year, offset by €314m of investments linked to capital calls and commercial real estate complementary investments, and recorded value depreciation for €35m. The portfolio's contribution to current operating income amounted to €42m, of which €29m during the second half of 2008.

2. Subsidiaries activity

Casino: Excellent performance in France and in international markets and 2008 objectives met:

- ✓ Faster organic[1] growth, at 5.9% vs 3.8% in 2007
- ✓ Sustained 7.3% rise in current operating income
- ✓ Underlying attributable net income[2] up 6.0%

In 2008, Casino consolidated net sales were €28.7bn, up 14.9%, and current operating income reached €1,283m, up 7.3%, underpinned by a 7.6% organic[1] growth, which drove a 7 bps organic[1] improvement in operating margin. These results demonstrate the effectiveness of the Group's business model, well aligned with the current environment, with its focus on the most buoyant retailing formats as well as on its highly successful private label.

In France, sales grew by a robust 3.6%, reflecting the Group's good mix of formats in the current environment as well as the dynamism of the convenience stores, of Franprix/Leader Price and of Cdiscount. Current operating income was 3.9% higher on an organic[1] basis, with a stable operating margin over the year that however increased in the second half in a tougher economic environment. Géant Casino reported current operating income up by a strong 10.4%, demonstrating the banner's adaptability.

In international markets, sales surged by a strong 43.8%, driven by healthy 11.7% organic[1] growth and the first-time consolidation of Super de Boer and Exito. Current operating income was a significant 19.8% higher, mainly due to 18.6% organic[1] growth.

Underlying attributable net income[2] reached €540m, compared to €510m in 2007, up 6.0%.

Casino maintained its strict financial discipline during the year. The net debt / EBITDA ratio was stable at 2.5x and net debt stood at €4,851m at December 31, 2008. The Group's liquidity position was strengthened through bond issuances for €1.2 billion in 2008 and another €500 million in January 2009, as well as through property asset disposals and the postponement of the exercise period for Monoprix call and put options.

Groupe GO Sport: year in deficit but improvement in EBITDA during the second half

Groupe GO Sport 2008 consolidated net sales amounted to €726.6m, down 3.6% compared to 2007. In France, GO Sport banner recorded a 6.7% drop in sales, with however a tangible improvement in trend since the second half of 2008, still ongoing during the beginning of 2009. Courir (excluding Moviesport) confirmed its leadership with a 4.5% sales growth on a same-store basis. In international markets, the sharp increase in sales reflected the solid growth in Poland (+15.4%) and the dynamism of the franchise activity.

EBITDA was down at €11.2m vs €15.9m in 2007, but with an improvement in trend during the second half (H1 08 down €5.6m vs H1 07 and H2 08 up €1m vs H2 07).

Current operating income was down at €(13.8)m, following the decline in EBITDA and the increase in depreciation and provisions for impairment.

Net income from continuing operations stood at €(13.2)m, including €3.2m capital gains from the disposal of one GO Sport store premises and €6.9m store eviction fees, compared to €23.1m capital gains in 2007 from six property asset disposals.

The year 2008 was put to good use to deploy the action plan initiated in 2007, which has started to bear fruit (cleaning up of inventories, closure of unprofitable stores, increase in productivity, cost control), as demonstrated by the tangible sales and EBITDA trend improvement at GO Sport France since the second half of 2008.

3. CONCLUSION

Rallye holds a portfolio of assets with strong value appreciation potential:

- **Casino** is well positioned in the current environment :
  - ✓ An efficient business model, well suited to continue to outperform the market in France and deliver sustained growth in international markets
  - ✓ Step-up in operating action plans (focused on costs, working capital and capital expenditure)
  - ✓ Ongoing strategy to enhance the value of property assets through the contribution to Mercialys of a €334m real estate portfolio under the Alcudia program and the distribution to Casino shareholders of a dividend in Mercialys shares (1 Mercialys share for 8 Casino shares held), in addition to the cash dividend
  - ✓ Simplification of Casino's shareholding structure and enhancement of its stock market profile following the conversion of preferred shares into ordinary shares on the basis of 6 ordinary shares for 7 preferred shares
  - ✓ Increased financial flexibility thanks to improved free cash flow generation and a €1bn asset disposal program to be completed by the end of 2010 with the objective to improve the net debt / EBITDA ratio at end-2009 and bring the ratio down to below 2.2x at end-2010

- **Groupe GO Sport** intends to pursue its action plan in 2009, based on the reorganization of sales floor areas, the differentiation of the offering, a more efficient communication, the streamline of the supply chain and strict control over investments and costs, with tangible and ongoing improvements since the second half of 2008.

- An **investment portfolio** now re-balanced, with disposals to be pursued in private equity as well as in commercial real estate.

Rallye has a sound liquidity position, with €1bn available resources (following the €500m bond redemption in January 2009), of which €184m of cash and cash equivalents and €865m of secured bank financing. Rallye renewed its bank financing maturing in 2009 and has no bond redemption scheduled before October 2011.

Rallye is committed to reducing its net financial debt on a long-lasting basis and noticeably improving its financial structure ratios over the next two years, through:

- ✓ a Casino dividend up 10% in 2009 to be cashed-in, at €138m
- ✓ a 7.6% stake to be received in Mercialys, enjoying a strong value appreciation potential, valued at €147m[3]
- ✓ the control over financial costs, facilitated by the decline in interest rates
- ✓ the ongoing disposal of investment portfolio assets:
  - o by year-end 2010, disposal of the commercial real estate assets, valued at €243m at 12/31/2008
  - o depending on market conditions, disposal of the private equity portfolio, valued at € 379m at 12/31/2008.

A dividend for financial year 2008 of 1.83 euros per share, stable compared to 2007, will be proposed at the Annual Shareholders' Meeting of June 3, 2009. As an interim dividend of 0.80 euro per share was paid on October 3, 2008, the balance thus amounts to 1.03 euro per share.

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

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[1] Based on a comparable scope of consolidation and constant exchange rates, excluding the impact of asset sales to the OPCI property mutual funds.
[2] Adjusted for the impact of other operating income and expense and non-recurring financial items.
[3] Subject to Mercialys and Casino Annual Shareholders' Meetings approval on May 19, 2009. Valued at the closing price of Mercialys share as at March 19, 2009 (€21.60).