

RALLYE

2006 Annual Results

Current operating income up 9.0% to €1,045 million
Net income, Group's share: €147 million

The Board of Directors of Rallye, chaired by Jean-Charles NAOURI, met on March 21, 2007 in order to examine the accounts as of December 31, 2006.

2006 Results

Provisional consolidated figures – under auditor's review

Continuing operations ⁽¹⁾ (in € millions)	2006	2005	Var.
Net sales	23,281	21,120	+10.2%
EBITDA ⁽²⁾	1,583	1,437	+10.2%
Current operating income	1,045	959	+9.0%
Net income from continuing operations	425	256	+66.0%
Net income from discontinued operations	174	31	
Net income, Group's share	147	4	

(1) In line with IFRS 5, results from the Polish and US operations have been recognized in discontinued operations and the 2005 figures adjusted accordingly.

(2) EBITDA = current operating income + current depreciation and amortisation expense

1. GROUP ACTIVITY

Rallye consolidated net sales reached €23.3 billion, up 10.2% compared to 2005.

Current operating income up 9.0% to €1,045 billion mainly reflects the improving competitiveness of Casino's banners in France and abroad together with the increased contribution of the investment portfolio to Rallye's results.

Rallye's investment portfolio value at December 31, 2006 was €511 million, increased by €102 million versus December 31, 2005 with net investments of €32 million and value appreciation of €70 million.

Net income, Group's share reached €147 million versus €4 million in 2005, the latter including a net expense of €88 million related to the unwinding of the Cora equity swap.

2. SUBSIDIARIES ACTIVITY

CASINO

- **2006 OBJECTIVES MET:**
 - FASTER ORGANIC GROWTH
 - CURRENT OPERATING INCOME GROWTH
 - NET DEBT REDUCED BY MORE THAN €1 BILLION DURING THE YEAR

Casino consolidated net sales rose to €22.5 billion in 2006, up 10.4%. EBITDA was €1,560 million and current operating income €1,043 million, up respectively 9.6% and 7.9%.

In France, the operational projects now underway helped to increase sales growth to 3.1%, from 1.5% in 2005. They are paving the way for banner differentiation and were responsible for a substantial improvement in operating margin in the second half of 2006.

Current operating income was stable for the year at €852 million.

In international markets, Casino has significantly enhanced its profitable growth profile, in particular by refocusing operations on its priority growth regions, Latin America and South-East Asia after divesting its operations in Poland, Taiwan and in the United States. International net sales and current operating income from continuing operations increased by respectively 47.4% and 64.5%.

Net result, Group's share reached €600 million versus €344 million at end 2005.

Casino's balance sheet was significantly strengthened, in particular through the fast implementation of the disposal plan announced in March 2006. €1.9 billion in assets have been sold to date, of which €500 million to be received in 2007. Net debt stood at €4,390 million at December 31, 2006, improved by €1,054 million versus at end 2005. The net debt to EBITDA ratio amounted to 2.6x at end 2006 versus 3.5x at end 2005.

GROUPE GO SPORT: GAIN IN MARKET SHARES BUT DOWNWARD RESULTS

In 2006, Groupe GO Sport consolidated net sales growth overperformed the market, up 6.7% to €771.2 million.

The gross margin growth of 7.8% is still insufficient to cover additional costs and non-recurring items (€5m).

Net result reached -€12.2 million versus -€8.3 million at end 2005.

3. OUTLOOK

- In 2007, **Casino** will strengthen its profitable growth profile by:
 - Accentuating the differentiation of the banners in France
 - A better integration of subsidiaries
 - Pursuing expansion in high-growth regions
 - Developing promising businesses in retailing-related sectors, such as property management, financial services and e-commerce
 - Revitalising Franprix-Leader Price banners

The following objectives have been set for 2007:

- Further growth in current operating income
 - Further strengthening of the balance sheet to reduce net debt to EBITDA ratio to below 2.5x by year-end
-
- The action plan underway by **Groupe Go Sport** in 2007 mainly applies to:
 - Progressive rise in private label products
 - Strong pressure on operating costs
 - Sustained deployment of Courir and GO Sport new concepts
 - Closing plan for non profitable stores

This strategy should enable a return to profitability together with sustained gain in market share.

- In 2007, the **investment portfolio** should continue to create value and to significantly contribute to Rallye's results.

A dividend for financial year 2006 of 1.74 euros per share will be proposed at the Annual Shareholders' Meeting of June 6, 2007. As an interim dividend of 0.80 euro per share was paid on November 18, 2006, the balance thus amounts to 0.94 euro per share.

For more information, please consult the company's Internet site (<http://www.rallye.fr>)