

# RALLYE

## 2007 first half results

**Current operating income up 25.5% at €532m**  
**Net income group's share: €172m**  
**Payment of an interim dividend of €0.80 per share**

The Board of directors of Rallye chaired by Jean-Charles Naouri, met on August 30, 2007, to review accounts for the first half ended 30 June 2007.

### 2007 first half results

Consolidated figures

(in €m)	H1 2006 <sup>(1)</sup>	H1 2007	Change
<b>Net sales</b>	<b>11,233</b>	<b>11,916</b>	<b>+6.1%</b>
<b>EBITDA <sup>(2)</sup></b>	<b>696</b>	<b>830</b>	<b>+19.3%</b>
<b>Current operating income</b>	<b>424</b>	<b>532</b>	<b>+25.5%</b>
Net income from continuing operations	211	257	+21.8%
Net income from discontinued operations	7	164	
Net income	218	421	+93.1%
<b>Net income, group's share</b>	<b>29</b>	<b>172</b>	

(1) In line with IFRS 5, Casino's Polish and American activities are accounted for as discontinued activities and accounts for first half 2006 adjusted accordingly.

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

## 1. GROUP ACTIVITY

Rallye consolidated net sales reached €11.9bn, up 6.1% compared to the first half of 2006.

Current operating income, up 25.5% to €532m, reflects good performance of Casino's banners both in France and abroad together with the growing contribution of the investment portfolio to Rallye's results.

At 30 June 2007, Rallye's investment portfolio value reached €575m compared to €511m at 31 December 2006. The increase in the value of the portfolio over the first half of the year resulted from a €7m net investment and value appreciation of €57m.

Net income, group's share reached €172m compared to €29m on the first half of 2006.

## 2. SUBSIDIARIES ACTIVITY

### CASINO: FURTHER IMPROVEMENT IN THE CASINO'S PROFITABLE GROWTH PROFILE

- ROBUST SALES GROWTH LED BY INTERNATIONAL OPERATIONS
- SIGNIFICANT RISE IN CURRENT OPERATING INCOME (+14%)
- TIGHTER INTEGRATION OF SUBSIDIARIES

Casino consolidated net sales for the first half of 2007 rose to €11.5bn, up 6.2% and current operating income was €492m, up 14.0%.

In France, sales rose +2.9%, excluding Franprix-Leader Price and its disappointing performance, reflecting the retail businesses' good sales momentum and the other businesses' continued rapid pace of growth. Current operating income improved significantly to €378m compared to €344m at 30 June 2006, leading to a 34-basis point increase in operating margin. This trend resulted from an improvement in gross margin fuelled by higher private label sales and expanded fresh produce counters combined with a limited increase in costs.

In international markets, organic growth remained strong at +11.0%, led by the two Group's priority growth regions, Latin America (+14.1%) and Asia (+9.9%). International operations benefited from the full consolidation of Exito as of 1<sup>st</sup> May 2007. Current operating income increased by 30%. Thereby, international markets confirm their role as a growth driver and now account for just under 30% of consolidated net sales (on the basis of a full year consolidation of Exito).

Net income, Group's share reached €367m compared to €258m on the first half of 2006.

Casino is continuing to deploy its profitable growth profile by accentuating banner differentiation in France integrating subsidiaries more tightly pursuing expansion in high-growth regions and developing promising businesses in retailing-related sectors (property, financial services and e-commerce).

#### **GROUPE GO SPORT: SALES GROWTH SLOWDOWN**

Groupe Go Sport consolidated net sales at 30 June 2007 reached €366m, up 2.3% compared to the first half of 2006. In France, GO Sport banner saw a 0.8% drop in sales due to a high base effect and a disappointing performance of «winter» seasonal products. Courir confirmed its leadership of the sneaker market with a 9.8% sales growth. International sales growth was driven by the Poland strong improvement of 29.2%.

Current operating income at 30 June 2007 was €-8.1m compared to €-9.7m at 30 June 2006. The improvement in commercial margin rate of 0.3 point on the first half cumulated to the external expenses decrease remain insufficient to set off the sales growth slowdown.

Net income reached €7.2m due to a net capital gain of €15.1m related to the disposal of 4 stores properties at 30 June 2007.

### **3. OUTLOOK**

**Casino** confirms its two objectives: a further growth in current operating income and an improvement in the financial structure to reach a net debt to EBITDA ratio of less than 2.5 by year-end.

**Groupe Go Sport** management team, led by François Neukirch, appointed as Managing Director in July 2007, has the mission to start a new stage in the recovery of the Group and the return to profitability.

On the second half of 2007, **the investment portfolio** should continue to create value and to significantly contribute to Rallye's results.

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The Board of directors of Rallye decided the payment of an interim dividend of €0.80 per share to be paid on October 5, 2007.

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