

RALLYE

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8 January 2003

Rallye launches a EUR 200 million "OCEANE" Convertible Bond issue Convertible into new Shares and/or exchangeable for existing Shares

Rallye, the majority shareholder in Casino, has announced today the launch of an "OCEANE" convertible bond issue, the proceeds of which will be used in connection with its general financing needs and to increase its financial flexibility.

The Offering size will be approximately EUR 200 million which may be increased to approximately EUR 230 million in the event the Issuer exercises its increase option and may be further increased to a maximum of EUR 264.5 million in the event the Managers also exercise their over-allotment option (which may be exercised until 14 January 2003).

This press release is a translation of the French-language press release prepared in accordance with applicable French regulatory provisions and contains a summary of the principal terms of the Offering.

The French-language Note d'opération has received a COB visa Nr. 03- 003 dated 7 January 2003. ISSUER Rallye ("Rallye" or the "Issuer") - sector activity: Rallye is active in the retail sector, predominantly food-related, and in the sports goods specialised retail sector.

USE OF PROCEEDS

The objective of the Offering is to strengthen the Issuer's long-term financial structure by creating shareholders equity. The proceeds will be used in connection with the Issuer's general financing needs and, among others, to refinance its debt, in particular the convertible bond issued in 1998 and which matured on 1 January 2003.

THE CONVERTIBLE BONDS

- Date of the authorisation by the General Meeting of Shareholders: 6 June 2001.
- Date of the decision by the Board of Directors: 3 January 2003.
- Decision by the Chairman of the Board of Directors: 7 January 2003.
- Offering of Bonds convertible into new Shares and/or exchangeable for existing Shares with a principal amount of approximately EUR 200 million, which may be increased to a maximum of around EUR 264.5 million (if the increase option and the over-allotment option are exercised in full).
- Closing price of the shares on 7 January 2003: EUR 36.00.
- Settlement date: expected to be on 16 January 2003.
- Denomination/nominal value per Bond: the nominal value per Bond will reflect a premium of between 21 to 26 % above the share reference price determined at pricing.
- Coupon: 3.75 %.
- Redemption: on 1 January 2008 at a redemption price between 107.54 % and 111.83 % of the nominal value.
- Yield-to-maturity: between 5.125 % and 5.875 %.
- Increase Option: issue initial size of approximately EUR 200 million (4.409.171 to 4.591.368 Bonds), subject to increase at the closing of the bookbuilding to approximately EUR 230 million (5.070.547 to 5.280.073 Bonds).
- Over-allotment Option: up to 15 % of the issue size (after increase, if applicable). The total issue size may thus be further increased up to approximately EUR 264.5 million (5.831.129 to 6.072.084 Bonds).
- Issuer call: Issuer early redemption option exercisable from 1 January 2006 at accreted

value if the share price exceeds 125 % of such accreted value.

SUBSCRIPTION

- The shareholders have waived their preferential subscription rights and no priority subscription period is applicable.
- Underwriting: a syndicate of banks lead-managed by ABN AMRO Rothschild, BNP Paribas and Crédit Lyonnais will underwrite the Bonds in accordance with the terms of an underwriting agreement to be entered into with the Issuer on the date the final terms are determined, expected to be 8 January 2003.

TIMETABLE :

7 January 2003	COB visa on the Note d'opération
8 January 2003	Press release by the Issuer announcing the preliminary terms of the Offering Commencement of the institutional bookbuilding Closing of the institutional bookbuilding Decision to exercise Increase Option Press release announcing the final terms of the Offering
From 9 to 13 January 2003	French public offering period
14 January 2003	Deadline for exercise of the Over-allotment Option
16 January 2003	Settlement of the Bonds

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LISTING

Second Marché of Euronext Paris S.A.

Listing date: expected to be 16 January 2003.

OTHER INFORMATION

Placement: the Bonds will be offered to institutional investors under an international private placement in accordance with the rules applicable in each jurisdiction where Bonds are offered. In addition, the Bonds will be offered to the public in France from 9 January until 13 January 2003 (both dates included). There will be no placement in the U.S.A., Canada and Japan.

Governing law: French law.

Shareholders' intentions: Société Foncière Euris, which holds 59.3 % of the share-capital of Rallye, has indicated to the Issuer that it did not intend to participate in the Offering. To the best of the knowledge of the Issuer, no other shareholder has indicated its intentions in respect of the present Offering.

Maximum amount of Bonds which may be issued: 6.072.084, on the basis of the share reference price of EUR 36.00.

Settlement date: expected to be 16 January 2003.

Duration: 4 years and 350 days from the Settlement Date.

CONVERSION AND/OR EXCHANGE OF THE BONDS INTO SHARES

At any time from 25 February 2003 until the 7th business day preceding the Maturity Date, at a ratio of ONE Share for ONE Bond (subject to adjustment in certain events). The Issuer has the option to deliver new Shares to be issued and/or existing Shares.

JOINT LEAD-MANAGERS AND BOOKRUNNERS

ABN AMRO Rothschild
BNP Paribas
Crédit Lyonnais

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