

**PRESS RELEASE**

**Improvement in results for the first half of 2003**  
**Operating income: +11.6%**  
**Net income Group's share : +53.1%**  
**Payment of an interim dividend of 0.80 euro per share**

The Board of Directors of Rallye, chaired by Jean-Charles Naouri, met on 10 September 2003 to review accounts for the first half ended 30 June 2003.

<i>In millions of euros, except as noted (unaudited figures)</i>	<b>H1 2003</b>	<b>H1 2002</b>	<b>Var. (%)</b>
Consolidated net sales	11,383.4	11,419.0	-0.3%
Operating income	429.9	385.3	+11.6%
Income from current operations	284.4	258.7	+9.9%
Net income	143.1	139.8	+2.3%
<b>Net income, Group's share</b>	<b>25.1</b>	<b>16.4</b>	<b>+53.1%</b>
<i>Per share</i>			
<b>Net income, Group's share (in euros)</b>	<b>0.73€</b>	<b>0.46€</b>	<b>+58.3%</b>
<i>Weighted average number of shares</i>	34,478,169	35,640,675	-3.3%

**1. Group activity**

**Sales rose 5.1% at constant exchange rates** The consolidated sales of Rallye rose to 11.4 billion euros, down by 0.3% but up by 5.1% at constant exchange rates. This reflected healthy sales for the Group's formats both in France and internationally.

**Operating income: +11.6%** Operating income rose by 11.6% to 430 million euros, demonstrating the effectiveness of the Casino growth model and the strong operational performance of Groupe Go Sport during the first half of 2003.

Net income Group's share rose to 25 million euros, up 53.1%.

**2. Activity of the subsidiaries****- CASINO : net income, Group's share rose by 12.1%**

**Sales rose 5.5% at constant exchange rates** Casino sales for the first six months rose to 11 billion euros, up 5.5% at constant exchange rates.

**Operating income in France: +13.4%** Operating income came to 442.9 million euros, up by 10.3% with operating margin reaching 4.0%, up from 3.6% in the first half of 2002.

This growth reflects healthy performance in France (96% of Casino's operating income), where operating income grew 13.4%. This was

based on:

- The effectiveness of the development strategy focused on high growth formats offering the highest return on investment such as Franprix - Leader Price and Superettes,
- Margin growth from all group formats, contributing to an increase in the France operating margin from 4.5% to 4.9% of sales.

**Sale of US loss-making activities Recovery at Laurus**

Internationally, the disposal of loss-making activities in the US, the turnaround of profitability at Laurus in the Netherlands, and the recovery measures implemented in Poland and Taiwan should have a favourable impact on results starting in the second half of the year.

Net income Group's share came to 199 million euros (+12.1%), and earnings per share (EPS) rose by 12.3% to 1.83 euros per share.

**EPS: +12.3%**

**- GROUPE GO SPORT : Improvement in results**

**Sales: +3.7%**

Sales for the first six months rose 3.7% to 301 million euros, driven by further gains in market share for the Go Sport banner, which achieved a 7.3% increase in sales.

Courir and Moviesport experienced a decline in sales of 8.9%, compared with growth of 15.7% in the first half of 2002.

**Significant improvement in operating income**

A 0.2 point improvement in commercial margin to 44.3% of sales and tight control of operating costs led to significant growth in operating income, which rose to 5.8 million euros (compared with 2.8 million euros in the first half of 2002).

**Increase in net income**

Net income was 2.8 million euros, up from 0.9 million euros.

**- Other activities**

Athlete's Foot registered an operating loss of 5.9 million euros in the first half of 2003. There was a continuing rise in the number of franchises, with 29 new stores, in conjunction with the restructuring of the existing corporate store network (17 unprofitable stores were closed).

The financial investments portfolio amounted to 230 million euros as of 30 June 2003.

**3. Outlook**

Casino's buoyant positioning in France and the turnaround in its international activities enabled the company to confirm its targets for 2003:

**Positive outlook for the group's growth**

- Organic sales growth of more than 6%,
- Growth in operating income and income from current operations comparable with levels achieved in 2002,
- Cash flow exceeding capex by between 400 and 450 million euros, allowing a reduction in net debt of more than 10%.

As for Groupe Go Sport, which will open about 10 new stores during the second half-year, it should continue to benefit from banner sales growth and continuing efforts to strengthen management.

Underpinned by strong growth from subsidiaries, Rallye should continue

to achieve profit growth.

***Payment of interim  
dividend of 0.80  
euro***

The Rallye Board of Directors decided upon the payment of an interim dividend of 0.80 euro per share, effective 18 September 2003.

Paris, 11 September 2003