2008: resilient performance in a tough trading environment

- **Sales ex-VAT: up 5.9% at €87bn (+6.4% at constant exchange rates)**
- **2008 Activity Contribution: up 0.3% at €3,300m**
- **Non recurring charges: €524m including €396m of impairment charges**
- **Net income from recurring operations, Group share: -32.8% at €1,256m**
- **Free cash flow: €1.9bn vs. €691m in 2007**
- **Proposed dividend unchanged at €1.08 per share**

Carrefour's 2008 results reflect:

- An **environment** marked by a sharp slowdown in food price inflation in the second half and deteriorating discretionary spending in the Fourth Quarter
- In this context**, good sales resilience** (up 6.4% at constant exchange rates, including 1.8% from acquisitions) thanks to sustained promotional efforts
- Slight growth in Activity Contribution due notably to **firm operating cost discipline** with savings of €150m
- Net income from recurring operations, Group share impacted by non recurring charges, principally impairments and a €126m tax provision
- A strengthened balance sheet: free cash flow of €1.9bn through tight management of our merchandise treasury and capex

In its March 10, 2009 meeting, Carrefour's Board of Directors examined and approved the 2008 consolidated financial statements. The Board decided to propose to shareholders at the AGM a dividend of €1.08 per share for 2008, unchanged from the 2007 level. The dividend will be paid on 7 May 2009.

€ m	FY 2008	FY 2007	Var.
Sales Excl. VAT	86,967	82,148	*5.9%*
ACDA	5,161	5,014	*2.9%*
Activity Contribution	3,300	3,291	*0.3%*
Non-recurring income and expenses	-524	47	*na*
EBIT (Activity contribution after non-recurring items)	2,776	3,338	*-16.8%*
Net income from recurring operations, Group share	1,256	1,868	*-32.8%*

In 2009, priority to sales dynamics and free cash flow generation through:

- A €600m investment to reinforce sales dynamics
- Operating cost savings of €500m to invest in sales
- Increased discipline and selectivity in investments, with capex capped at €2.5bn

Lars Olofsson, CEO of Carrefour, declared:

"Carrefour's resilient performance in 2008 underlines the Group's solid fundamentals. In a trading environment that remains challenging, we will focus on boosting our sales dynamics while improving our organisation and reducing our costs.

Our objectives for the future are clear: generate profitable, sustainable, organic growth that outpaces that of the market, and improve our margins. To accelerate our growth, we will strengthen our positions in France and in Europe and focus our expansion on our growth markets with the highest potential. By increasing our knowledge of our customers and better serving them, by transforming ourselves to become more agile, improve execution and gain in operational efficiency and by regaining market leadership through innovation, we will achieve our ambition: make Carrefour the preferred retailer."

A video interview with Lars Olofsson, CEO, together with a full transcript, is now available on http://www.carrefour.com and http://w3.cantos.com/carrefour

Performance by zone

€ m	Sales by zone FY 2008	FY 2007	Change	Change at const. exch. rates	Activity contribution by zone FY 2008	FY 2007	Var.
France	37,968	37,621	0.9%	0.9%	1,510	1,556	-3.0%
Europe	32,418	30,837	5.1%	5.4%	1,153	1,216	-5.1%
Latin America	10,505	8,211	27.9%	31.0%	395	301	31.1%
Asie	6,076	5,480	10.9%	13.3%	242	218	10.9%
Total	86,967	82,148	5.9%	6.4%	3,300	3,291	0.3%

- **France:**

In France, we delivered a good performance in supermarkets and convenience stores. Hypermarkets saw a downturn in sales, mainly due to a fall in non-food sales, particularly discretionary products. 160 supermarkets were converted to the Carrefour Market banner at end-2008, generating solid sales growth.
Commercial margin, as a percentage of sales, was down slightly, reflecting our commitment to maintaining price competitiveness through promotions. SG&A expenses remained under control thanks to cost savings in the second half. Overall, Activity Contribution in France fell by 3%, equal to 4% of sales, almost unchanged relative to 2007.

- **Europe:**

Sales in Europe rose by 5.4% at constant exchange rates, with sustained growth in Spain (+5.7%), Romania and Portugal. Sales growth slowed in Europe as a whole in the fourth quarter, particularly in discretionary products.
Commercial margin, as a percentage of sales, was stable overall, with a decline in Spain offset by rises in all other countries. Cost savings did not fully offset the negative impact caused by the sharp downturn in sales at the end of the year.
Overall, Activity Contribution fell by 5.1% to €1,153m.

- **Latin America:**

Latin American activities posted excellent sales growth of 31% at constant exchange rates, including 22.7% excluding acquisitions. Atacadao (Brazil) continued to register solid sales growth in 2008.
Commercial margin as a percentage of sales fell slightly, mainly due to the increasing proportion of sales coming from Atacadao. Firm cost discipline led to a 31.1% increase in Activity Contribution to €395m, equal to 3.8% of sales (up from 3.7% in 2007).

- **Asia:**

With sales up 10.9% (+13.3% at constant exchange rates), 2008 was a satisfying year, despite a sharp slowdown in most Asian countries in late 2008.
Commercial margin fell slightly as a percentage of sales, impacted by efforts to remain price-competitive. The cost ratio in Asia improved relative to 2007. Overall, Activity Contribution rose by 10.9% to €242m.

Analysis of 2008 results:
Sales, profitability and financial position

Income statement

- **Sales** rose by 5.9% relative to 2007, or by 6.4% excluding currency effects. All zones achieved sales growth in 2008.
- **Commercial margin, as a percentage of sales**, fell by 30 basis points as a result of the Group's commitment to price competitiveness.
- **Cost savings**, mainly in the second half, exceeded our targets and reached €150m. These savings enabled the Group to keep **SG&A expenses** under control and offset the slowdown in sales in late 2008. General and administrative expenses (excluding rents) equalled 15.3% of sales, down from 15.5% in 2007. **Asset costs** rose by 8.7% as a result of ongoing expansion.
- **Activity Contribution** rose by 0.3% to €3,300m, with rises in Latin America and Asia offsetting declines in France and Europe.
- **Non-recurring charges** totalled €524m. The main items were as follows: a €157m capital gain on the disposal of Merter in Turkey, a €126m tax provision, €76m of rebranding and integration costs and €396m of impairment charges, mainly in Italy.
- As a result, Group **EBIT** fell by 16.8% to €2,776m.
- **Financial expenses** rose by 6.9% to €562m.
- **The tax rate** was 33.6%, higher than the 28.7% seen in 2007. *The effect of the low capital gains tax rate on the Merter disposal in Turkey was more than offset by the tax provision, calculated net of tax, and the impact of impairments, most of which were non-deductible. Excluding these last two effects, the tax rate would have been around 28%.*
- The change in **minority interests** (-€267m versus -€180m in 2007) was mainly due to the gain on the Merter disposal and the growth of subsidiaries' results where the Group works with partners.
- **Net income from recurring operations, Group share** was €1,256m, down 32.8% relative to 2007. **Earnings per share from recurring operations** totalled €1.83, versus €2.67 in 2007.

Cash flow, debt and liquidity statement

- **Cash flow** totalled €4bn in 2008, roughly unchanged relative to 2007.
- The improvement in **working capital requirement** was mainly the result of a €649m increase in merchandise treasury, and reflects good management of inventories and supplier payment.
- **Capex** remained under control, and was stable overall at €2.9bn. Investments increased in Asia, Latin America and Eastern Europe.
- As a result, **free cash flow** rose from €691m in 2007 to €1.9bn in 2008.
- At year-end, **net debt** totalled €6,652m, down from the end-2007 figure of €7,357m.
- The Group's **liquidity situation** is solid, with €3bn of unconditional undrawn syndicated loans, and with no refinancing needed until May 2010.

AGM:
The AGM will be held at 9.30am on 28 April 2009 at the Carrousel du Louvre, 99 rue de Rivoli, 75001 Paris.
Publication of Q1 2009 sales: 16 April 2009

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APPENDIX

CONSOLIDATED STATEMENT OF INCOME

In millions of euros	dec 2008	% Prog	dec 2007
Sales, net of taxes	**86 966,8**	**5,9%**	**82 148,5**
Other revenues	1 258,3	9,7%	1 147,2
Total revenues	**88 225,2**	5,9%	**83 295,7**
Cost of sales	(68 709,4)	6,3%	(64 609,4)
Margin of current activities	19 515,8	4,4%	18 686,3
SG&A	(14 354,7)	5,0%	(13 672,7)
Activity contribution			
Before depreciation & provisions (ACDA)	**5 161,1**	**2,9%**	**5 013,6**
Depreciation & provisions	(1 860,8)	8,0%	(1 722,5)
Activity contribution (AC)	**3 300,3**	**0,3%**	**3 291,2**
Non current income and expenses	(524,3)		47,0
EBIT	**2 775,9**	**-16,8%**	**3 338,2**
Financial result	(562,3)	6,9%	(526,1)
Result before tax	2 213,6	-21,3%	2 812,1
Income tax	(743,1)	-7,9%	(806,9)
Net income from recurring operation of			
Consolidated companies	1 470,5	-26,7%	2 005,2
Equity accounted companies	52,1	20,9%	43,1
Net income from recurring operation	1 522,6	-25,7%	2 048,3
Minority interests	(266,9)	48,5%	(179,8)
Net income from recurring operation- Group Share	**1 255,6**	**-32,8%**	**1 868,5**
Discontinuing operations Group Share	16,2		430,9
Discontinuing operations Minority Interest	0		(0,0)
Total net income	1 538,8	-37,9%	2 479,2
Net income- Group Share	1 271,8	-44,7%	2 299,4

MAIN RATIOS

	dec 2008	dec 2007
Gross margin / Sales	22,4%	22,7%
SG&A / Sales	-16,5%	-16,6%
Activity contribution / Sales	3,8%	4,0%
EBIT / Sales	3,2%	4,1%
Tax rate	33,6%	28,7%
ACDA / Financial result	(9,2)	(9,5)
Activity contribution / Financial result	(5,9)	(6,3)

CONSOLIDATED BALANCE SHEET

In million of euros	dec 08	dec 07
ASSETS		
Intangible assets	12 417	12 847
Tangible assets	14 809	14 751
Financial Investments	1 741	1 555
Deferred tax assets	672	944
Investment properties	346	500
Non current assets	**29 985**	**30 597**
Inventories	6 891	6 867
Trade receivables	2 919	3 424
Bank loans	4 805	4 672
Other receivables	1 769	1 538
Current financial assets	245	0
Cash and cash equivalents	5 317	4 164
Current assets	**21 946**	**20 665**
Non current assets of discontinued activities	150	669
TOTAL	**52 082**	**51 931**
LIABILITIES		
Shareholders equity, Group share	10 161	10 663
Minority interests in consolidated companies	791	1 107
Shareholders equity	**10 952**	**11 770**
Deferred tax liabilities	424	462
Provisions for contingencies	2 320	2 147
Non current liabilities	**13 696**	**14 379**
Borrowings	12 215	11 523
Trade payables	17 276	17 077
Bank loans refinancing	4 495	4 419
Other debts	4 376	4 307
Current liabilities	**38 361**	**37 325**
Non current liabilities of discontinued activities	25	227
TOTAL	**52 082**	**51 931**

MAIN RATIOS

Main ratios	dec 08	dec 07
Net debt	6 652	7 357
Net debt / Shareholders equity	61%	63%
Operating working capital (in days of COGS)	40	39

CONSOLIDATED STATEMENT OF CASH FLOW

In million of euros	dec 2008	dec 2007
NET DEBT OPENING	**(7 357)**	**(6 309)**
Cash Flow	4 011	3 918
Change in working capital	964	(88)
Others	22	40
Cash flow from operations (ex. financial services)	**4 997**	**3 869**
Capital expenditures	(2 918)	(3 069)
Change in payables to fixed assets suppliers	(161)	(6)
Others	(2)	(103)
Free Cash Flow	**1 916**	**691**
Financial investments	(439)	(1 489)
Disposals	945	1 221
Others	(21)	(44)
Cash flow after investments	**2 401**	**378**
Dividends / capital increase	(939)	(814)
Others (dividends, change and perimeter)	(757)	(614)
NET DEBT CLOSING	**(6 652)**	**(7 357)**

CHANGES IN SHAREHOLDERS EQUITY

In million Euros	Retained Earnings	SH equity Group share	Minority Interests
At December 31, 2007	**11 770**	**10 663**	**1 107**
Fy 2008 result	1 539	**1 272**	**267**
2007 dividends	-927	**-740**	**-187**
Capital increase and premiums	3	**0**	**3**
Foreign currency translation adjustments	-828	**-781**	**-47**
Change in consolidation perimeter	-346	**-8**	**-338**
And other movements	-259	**-245**	**-14**
At December 31, 2008	**10 952**	**10 161**	**791**

DEFINITIONS

Gross margin from current operations

Gross margin from current operations corresponds to the sum of net sales and other income less the cost of sales (other than inventory purchases and variations, the cost of goods sold includes other costs that mainly consist of the costs of products sold by financial companies, income from discounts and exchange rate differences generated by goods purchases).

Activity contribution before depreciation and amortization (ACDA)

Activity contribution before depreciation and amortization (ACDA) corresponds to the gross margin from current operations less sales, general and administrative expenses.

Activity contribution (AC)

Activity contribution corresponds to the gross margin from current operations less sales, general and administrative expenses, depreciation and amortization.

EBIT

EBIT corresponds to the gross margin from current operations less sales, general and administrative expenses, depreciation, and amortization and non-recurring items (items of an unusual type due to their nature and frequency are accounted for under non-current income and non-current expenses, such as depreciation of assets and restructuring costs).

ROCE (Return On Capital Employed)

ROCE is the ratio of Activity Contribution to capital employed.

Free cash flow

The Free cash flow corresponds to the cash flow generated by operating activities plus the change in working capital less capital expenditures.