First Half 2009 results

Resilient sales
Net income impacted by non-recurring charges
Transformation underway

Resilient H1 sales, results impacted by commercial investments and exceptional charges:

- Resilient sales: +1.9% at constant exchange rates ex petrol and adjusted for calendar impact (-1.6% reported) in spite of continued difficult trading conditions
- Market share gains, notably in France +0.3% *
- Activity Contribution: €1,010m, down 27.6% mainly reflecting €353m of commercial investments to support sales, in line with our plans
- Net income from continuing operations Group share at €-58m vs. €744m in H1 2008 is impacted by **non-recurring charges of €511m**
- Capex under control, with €988m in H1 2009 vs. €1,189m in H1 2008

***"En Avant !" t*ransformation plan launched to become the preferred retailer:**

- 7 initiatives underway to increase market share and achieve gains of €4.5bn by 2012
- €2.1bn recurring cost savings by 2012, of which €212m obtained in H1 09
- 7 days of inventory reduction by 2012, of which 1.3 days achieved in H1 09 versus H1 08

2009 priorities unchanged:

- A €600m investment to support sales and market shares
- Minimum €500m operating cost savings
- Discipline and selectivity in investments, with capex closely monitored and capped at €2.5bn

2009 objectives confirmed:

- Activity Contribution between €2.7bn and €2.8bn if current sales trends continue
- Generation of operating free cash flow of around €1.2bn
- Inventories reduced by 2 days

Lars Olofsson, CEO and Board Member of Carrefour, declared:

"In a challenging environment, Carrefour posted resilient first-half sales and market-share gains, notably in France, highlighting the successful acceleration of our brand convergence program and the relevance of our multi-format model. Our Activity Contribution reflects our decision to boost our commercial offer in order to gain market share. We recorded encouraging progress in the first half, with improved price image in France, the successful launch of Carrefour Discount, promising tests of our new convenience and hard discount concepts, first signs of change in Italy and Belgium and cost reductions. With a focused and determined management and mobilised teams, we are on track to deliver our 2009 objectives, execute our transformation plan and make Carrefour the preferred retailer."

** Source: TNS WorldPanel – January – June 2009*

In its August 25, 2009 meeting, Carrefour's Board of Directors examined and approved the H1 2009 consolidated financial statements.

€ m	H1 2009	H1 2008	Var.
Sales Excl. VAT	41,277	41,940	*-1.6%*
ACDA	1,964	2,294	*-14.4%*
Activity Contribution	1,010	1,395	*-27.6%*
Non-recurring income and expenses	-511	85	*na*
EBIT (Activity contribution after non-recurring items)	499	1,480	*-66.3%*
Net income from continuing operations, Group share	(58)	744	*na*

Performance by zone

	Sales by zone				Activity contribution by zone		
€ m	H1 2009	H1 2008	Change	Change at const. exch. rates	H1 2009	H1 2008	Var.
France	17,690	18,351	-3.6%	-3.6%	442	685	-35.5%
Europe	14,835	15,677	-5.4%	-2.9%	307	444	-30.8%
Latin America	5,335	4,936	+8.1%	+18.5%	148	147	+0.3%
Asia	3,417	2,977	+14.8%	+3.8%	113	119	-4.5%
Total	41,277	41,940	-1.6%	-0.2%	1,010	1,395	-27.6%

- **France**

In France, sales were down 0.6% ex petrol and we registered a 30 basis point* market share gain over the period. Like-for-like hypermarket sales ex petrol were down 1.9%, while the roll-out of Carrefour Market continued successfully, with two-thirds of the network converted at the end of June. Commercial margin, as a percentage of sales, was down, reflecting our investments in price, promotion and loyalty. Thanks to cost savings, SG&A expenses fell slightly. Overall, Activity Contribution decreased by 35.5% to €442m.

- **Europe**

Sales in Europe were down 2.5% ex petrol at constant exchange rates (-5.4% reported). Sales trends were difficult throughout the half in Spain, while Italy and Belgium recorded a slight improvement in Q2. Other European markets generally saw challenging trends, reflecting the economic environment. Activity Contribution fell by 30.8% to €307m, reflecting the €842m sales decline, mitigated by an improvement in commercial margin and a reduction in SG&A expenses.

- **Latin America**

Latin American activities continued to post strong sales growth of 18.3% at constant exchange rates ex petrol (+8.1% reported), driven notably by the good performance of our Brazilian operations, which saw an acceleration in sales in Q2 vs. Q1. Commercial margin as a percentage of sales fell slightly, mainly due to the increasing proportion of sales coming from Atacadao. The SG&A expenses-to-sales ratio improved marginally over the period. Activity Contribution was up 0.3% to €148m, including a €15m negative FX impact.

- **Asia**

With sales up 3.8% ex petrol at constant exchange rates (+14.8% reported), our Asian activities continued to grow, albeit with contrasted performances. China sales were up +6.4% at constant exchange rates, driven by better performance in Q2 and expansion, while Taiwan experienced more difficult trends. Activity Contribution was down 4.5% to €113m, including a €12m positive FX impact. Taiwan accounted for most of the decline while Activity Contribution in China was resilient.

Analysis of H1 2009 results:
Sales, profitability and financial position

Income statement

- **Sales** were down 1.6% relative to H1 2008, but up 1.9% excluding currency effects and petrol and adjusted for calendar impact.
- **Commercial margin, as a percentage of sales**, fell by 30 basis points as a result of the Group's investments in prices, promotions and loyalty.
- **Cost savings** reached €212m, in line with our plan. These savings mitigated inflation in wages and other costs, allowing SG&A to remain under control. General and administrative expenses (excluding asset costs) were up 0.2% while **asset costs** rose by 7.9% as a result of ongoing expansion.
- **Activity Contribution** was down **27.6**% to €1,010m.
- **Non-recurring charges** totalled €511m. The main items were as follows: a €400m impairment charge linked to Finiper in Italy (adjustment to fair market value of the equity investment and the put option)*;* €60m of restructuring charges; and €17m of rebranding and integration costs.
- As a result, Group **EBIT** fell by 66.3% to €499m.
- **Financial expenses** rose by 13.4% to €317m.
- **The tax rate** was 115% as a result of the non-deductibility of the Finiper exceptional charge.
- The change in **minority interests** (-€47m versus -€157m in H1 2008) was due to: (1) the gain on the Merter and Mercury disposals in 2008 and (2) lower profit contribution from subsidiaries that are not fully-owned.
- **Net income from continuing operations Group share** was -€58m, compared to €744m in H1 2008. Adjusted for exceptional items, **net income from continuing operations Group** share was down 42.4% to €415m.

Cash flow for the trailing 12 months to June 30, debt and liquidity statement

- **Cash flow** for the trailing 12 months totalled €3.6bn in H1 2009, down 12.4%, mostly reflecting the decline in Activity Contribution before Depreciation and Amortization and the use of provisions.
- **On trailing twelve months, working capital requirements** decreased by €97m (vs. a cash outflow of €486m on June 30, 2008) , mainly reflecting the improvement in merchandise treasury of €190m (€-658m in 2008) which has been achieved notably thanks to better inventory management.
- **Capex**, from June 2008 to June 2009, was closely monitored and was down 13% to €2,716m. The decrease was mostly due to France, Spain, Italy and Poland. In H1 2009 capex decreased by 17% to €988m vs. the year ago period. Investments increased in France in H1 09 because of conversions to Carrefour Market.
- As a result, trailing 12 months **free cash flow** improved from €299m in H1 2008 to €975m in H1 2009
- At end-June, **net debt** totalled €11,322m, up 2.8% on end-June 2008 figure of €11,008m.
- The Group's **liquidity situation i**s solid with €3bn undrawn committed syndicated loans and no bond redemptions before May 2010

AGENDA
Publication of Q3 2009 sales: 15 October 2009

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APPENDIX

CONSOLIDATED STATEMENT OF INCOME

In millions of euros	June 09	% Prog	June 08
Sales, net of taxes	**41 276.9**	**-1.6%**	**41 940.4**
Loyalty program	(297.3)	0.3%	(296.3)
Other revenues	986.1	10.6%	891.5
Total revenues	**41 965.8**	**-1.3%**	**42 535.6**
Cost of sales	(32 841.3)	-0.9%	(33 153.1)
Commercial Income	9 124.5	-2.7%	9 382.4
SG&A	(7 160.4)	1.0%	(7 088.4)
Activity contribution			
Before depreciation & provisions (ACDA)	**1 964.0**	**-14.4%**	**2 294.1**
Depreciation & provisions	(953.6)	6.1%	(898.6)
Activity contribution (AC)	**1 010.4**	**-27.6%**	**1 395.5**
Non current income and expenses	(511.0)	-699.9%	85.2
EBIT	**499.5**	**-66.3%**	**1 480.6**
Financial result	(316.9)	13.4%	(279.5)
Result before tax	182.6	-84.8%	1 201.2
Income tax	(209.1)	-33.8%	(315.7)
Net income from recurring operation of			
Consolidated companies	(26.5)	-103.0%	885.5
Equity accounted companies	15.0	-7.7%	16.3
Net income from recurring operation	(11.5)	-101.3%	901.7
Minority interests	(46.8)	-70.3%	(157.5)
Net income from recurring operation- Group Share	**(58.3)**	**-107.8%**	**744.2**
Discontinuing operations Group Share	0.1	-94.6%	2.3
Discontinuing operations Minority Interest	0		0
Total net income	(11.4)	-101.3%	904.0
Net income- Group Share	(58.1)	-107.8%	746.5

MAIN RATIOS

	juin-09	juin-08
Gross margin / Sales	22.1%	22.4%
SG&A / Sales	-17.3%	-16.9%
Activity contribution / Sales	2.4%	3.3%
EBIT / Sales	1.2%	3.5%
Tax rate	114.5%	26.3%
Trailing 12 months ACDA / Financial result	(7.7)	(9.2)
Trailing 12 months Activity contribution / Financial result	(4.7)	(6.0)

CONSOLIDATED BALANCE SHEET

In million of euros	June 09	June 08
ASSETS		
Intangible assets	12 627	13 060
Tangible assets	14 970	14 945
Financial Investments	1 642	1 509
Deferred tax assets	685	961
Investment properties	383	375
Non current assets	**30 308**	**30 850**
Inventories	6 516	6 810
Trade receivables	2 499	3 504
Bank loans	4 945	4 722
Other receivables	1 825	1 566
Current financial assets	335	1 022
Cash and cash equivalents	1 923	1 157
Current assets	**18 044**	**18 780**
Non current assets of discontinued activities	161	174
TOTAL	**48 513**	**49 805**
LIABILITIES		
Shareholders equity, Group share	9 564	10 289
Minority interests in consolidated companies	757	1 045
Shareholders equity	**10 321**	**11 334**
Deferred tax liabilities	405	523
Provisions for contingencies	2 390	2 224
Non current liabilities	**2 795**	**2 746**
Borrowings	13 581	13 187
Trade payables	13 362	14 481
Loyalty program debt	288	250
Bank loans refinancing	4 410	3 974
Other debts	3 747	3 832
Current liabilities	**35 388**	**35 724**
Non current liabilities of discontinued activities	9	1
TOTAL	**48 513**	**49 805**

MAIN RATIOS

	June 09	June 08
Net debt	11 322	11 008
Net debt / Shareholders equity	110%	97%
Operating working capital (in days of COGS)	26	24

CONSOLIDATED STATEMENT OF CASH FLOW

In million of euros	**Trailing 12** months June 09	**Trailing 12** months June 08
NET DEBT OPENING	**(11,008)**	**(10,195)**
Cash Flow	3,599	4,109
Change in working capital	97	(486)
Others	2	87
Cash flow from operations (ex. financial services)	**3,698**	**3,710**
Capital expenditures	(2,716)	(3,115)
Change in payables to fixed assets suppliers	12	(190)
Others	(18)	(105)
Free Cash Flow	**975**	**299**
Financial investments	(418)	(674)
Disposals	20	799
Others	379	793
Cash flow after investments	**956**	**1,217**
Dividends	(894)	(931)
Treasury shares	(20)	(797)
Others	(356)	(302)
NET DEBT CLOSING	**(11,322)**	**(11,008)**

CHANGES IN SHAREHOLDERS EQUITY

In million Euros	**Retained Earnings**	**SH equity Group share**	**Minority Interests**
At December 31, 2008	**10 923**	**10 133**	**790**
Fy 2009 result	-11	-58	47
2008 dividends	-835	-741	-94
Capital increase and premiums	4	0	4
Foreign currency translation adjustments	243	237	6
Change in consolidation perimeter	-13	-17	5
Other movements	10	10	0
At June 30, 2009	**10 321**	**9 564**	**757**

DEFINITIONS

Commercial income

Commercial income corresponds to the sum of net sales (net of loyalty programs) and other income less the cost of sales. The cost of sales includes goods and changes in inventories and 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.