



Press Release

Levallois, July 2nd 2010

Definitive agreement reached between Carrefour Belgium's management and labour unions Enhanced partnership agreement with Mestdagh group

After 4 months of consultation and negotiation between the management of Carrefour Belgium and trade unions, an agreement allowing Carrefour to relaunch its activity on a redefined and sound footing and find a satisfactory level of profitability has been signed.

The agreement focuses on the following 4 main points:

1 - Closure of unprofitable stores¹: 16 structurally loss-making stores (9 hypermarkets and 7 supermarkets) will be closed at the end of July 2010. These 16 stores, representing total sales incl. VAT of €203 million € in 2009, had posted operating losses for several years. Subsequently, 5 supermarkets will be re-opened² under the Carrefour Market banner as franchisees.

2 - Reduction of structural costs: The necessary measures have been adopted to structurally reduce Carrefour Belgium's labour costs as of 2011. Costs savings will amount to around €25 million per year, through the revision of a number of social measures and a cap on wage increases.

3 – Expanded and strengthened partnership with Mestdagh group: The longstanding partnership with Mestdagh Group has been expanded and strengthened with a Master Franchise agreement. Mestdagh will take over 16 supermarkets by the end of 2010. Furthermore, all of its 69 supermarkets will progressively come under the Carrefour banner. The openings under the Carrefour banner represent a market share contribution of 2 percentage points, corresponding to about €500 million in sales. This transaction should allow Mestdagh group to pursue its growth and Carrefour to regain its leadership on the Belgium market.

4 – Relaunch the commercial dynamic: Carrefour Belgium plans to boost its commercial dynamic in the second half of 2010, in order to win back Belgian customers. Carrefour plans to invest in Belgium €300 million over the next three years within the framework of the Group's "Reinvent the hypermarket" initiative and as well as its program to renovate and expand its supermarket and convenience network.

¹ List of the stores closed by the end of July – Hypermarkets: Middelkerke - Mechelen-Noord – Eupen – Ronse – Jumet – Zwijnaarde - St.-Pieters-Leeuw – Casteau – Kuurne. Supermarkets : Maasmechelen - Genk Centrum - Antwerpen Centrum - Antwerpen Gitschotellei - Gent Groene Vallei - Kortrijk Walle - Maaseik.

² List of the stores to be re-opened under franchise: Casteau - Maaseik - Gent Groene Vallei - Kortrijk Walle – Maasmechelen.

The structural savings achieved by these measures and the implementation of the strengthened commercial dynamic place Carrefour Belgium on a path of sustained and profitable growth. This agreement is a new starting point for Carrefour in Belgium, allowing it to participate fully in the Group's transformation plan, including the optimization of its business model.

Following the signing of this agreement, Lars Olofsson, CEO and Board member of Carrefour, declared:

"Remaining in a situation of status quo was not sustainable for Carrefour Belgium. It took a lot of effort and determination to reach this agreement, which is essential to maintain our business in the country.

Today, our new operating model is based on four key elements: the closure of unprofitable shops, an innovative wage agreement, new commercial investment and the strengthened partnership with Mestdagh. In my view, this partnership is additional evidence of the potential for profitable and sustainable growth of Carrefour in Belgium.

I am confident in the development of Carrefour on this redefined and sound basis. Carrefour Belgium and all its teams can now look ahead constructively and put all their energy behind working for our customers to become their favourite retailer. "

In brief :

Carrefour posted sales of € 4.1 billion in Belgium in 2009 (€ 5.2 billion under banners).

At the end of 2009, Carrefour Belgium's multi-format network included 56 hypermarkets, 375 supermarkets (of which 61 integrated stores) and 196 convenience stores, representing combined market share of about 20%.

Following the implementation of the agreement, Carrefour Belgium will start anew on an redefined and sound footing and with a stronger market share, with a network of 45 integrated hypermarkets, 435 Carrefour Market stores (of which 40 integrated stores) and 189 Carrefour Express stores.

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