Carrefour

DIA: a new global leader in Hard Discount
Availability of the « *documento de registro* » registered by the Spanish market authority (CNMV)

Carrefour announces today the availability of the « *Documento de Registro* » (registration document) of DIA, registered on 13 May 2011 by the CNMV (*Comisión Nacional del Mercado de Valores*), the Spanish market authority, under number 9935, first step to the admission to trading of the DIA shares on the Spanish Stock Exchanges.

Within the framework of the Investor Day organized by Carrefour on Tuesday 17 May 2011, information on DIA's strategy and activities will be made available to the public by Carrefour.

The shares should be admitted to trading on the Spanish Stock Exchanges on 5 July, subject to the approval of the project by Carrefour's shareholders at the Ordinary and Extraordinary Shareholders Meeting on 21 June 2011 and subject to the approval of the DIA prospectus by the CNMV.

The Spanish version of the « *documento de registro* » is available on the website of the CNMV (www.cnmv.es) and on the Informations réglementées/General meeting section of the website of Carrefour (www.carrefour.com). English and French translations will also be made available soon. DIA draws the attention of the public to the risk factors described in section 4 (« *Factores de Riesgo* ») of the « *documento de registro* » registered by the CNMV.

DIA: a global leader in the Hard Discount industry

With sales of nearly €10bn in 2010, DIA is a leading player in the hard discount industry, the 3rd largest worldwide and the 1st in emerging markets.

Since its creation in Spain in 1979, DIA rapidly established itself as an industry player in Iberia, France and various emerging markets. The group currently operates in seven countries, including Brazil and China. DIA has a unique expertise in the industry, anchored around:

- 6,373 stores under DIA banner, of which 2,070 are under franchise, equivalent to selling space of 2.6 million sq. m^2

- 7 countries: Spain, Portugal, France, Brazil, Argentina, Turkey and China
- A logistics platform comprising 42 warehouses
- Staff of over 45,000 at the end of 2010, headed by an experienced top management team composed of executives with an average of over 20 years at DIA and in the industry

A hard discount specialist

As a hard discounter by nature, DIA has all the qualities required to operate in the industry:

- Product strategy: DIA constantly aims to offer the best quality at the best prices by capitalizing on its private label brand (DIA has the best price image in 4 of 7 countries)
- Supply-chain: integrated management structure and optimized merchandise flows
- I.T. system: an internally-developed system allowing DIA to improve it on an ongoing basis
- In-house productivity at store level based on various efficiency levers (staff, displaying, packaging, check-out)

A proven and distinctive economic model

In addition to these four pillars, DIA has developed three specificities:

- An industrialized offering of fresh products and perishables, as well as a loyalty program supporting DIA's price image and sales dynamics
- Two store formats with strong adaptability to local specifics: proximity (DIA Market) and attraction (DIA Maxi)
- A dynamic operating model built on a large network of owned stores and strong know-how in developing franchising

A unique geographical footprint

DIA is the only hard discounter with a footprint in both mature and emerging countries. The group's geographical footprint can be divided into three segments:

- Iberia: undisputed leadership and a model for the group
- France: ongoing replication of the Iberian success through the conversion of Ed-stores to-the DIA banner and the development of franchising
- Emerging markets: a strong growth driver

A very solid financial profile combining growth and resilient profitability

As a consequence, DIA boasts a solid and attractive financial profile, with structural growth potential and high resilience in a cyclical environment:

- Sales of €9.6bn in 2010, i.e. a 3.9% rise vs. 2009
- Adjusted EBITDA cash[(1)] of €507m, i.e. a 16.5% rise compared to 2009

Strategy and objectives

The hard discount industry benefits from powerful growth dynamics, backed by both supportive demographics (population increase, notably urban population particularly in

(1)The "adjusted EBITDA cash," is defined as "operating profit" before "gains (losses) on disposals of non-current assets," "depreciation amortization and impairment" of logistics assets included in "cost of sales" in the income statement and "other restructuring costs and income" (included in "operating expenses") emerging markets) and favorable socio-economic trends (increasing consumer price awareness).

DIA benefits from the necessary assets to seize all profitable growth opportunities offered by the sector. The group has defined 3 strategic priorities:

- 1/ Continue to improve its Hard Discount backbone
  - Capitalize on its private label strategy
  - Focus on lowest prices
  - Pursue cost-efficiency across the HD value chain
- 2/ Capitalize on its distinctive competitive advantages
  - Distinctive product offering including a large number of fresh food and perishable products
  - Deployment of its loyalty program: ClubDIA
  - Permanently adapt dual store format combining proximity (« DIA Market ») and attraction (« DIA Maxi »)
  - Capitalize on its flexible operating models combining a strong network of owned stores and a rapid development of franchising in both advanced and emerging economies
- 3/ Expand geographic footprint
  - Accelerate organic growth in emerging countries, capitalizing on existing leadership positions
  - Seize opportunities in high-potential areas/countries

To support this ambition, DIA has defined a set of 2013 operating objectives:

- Accelerate store openings to over 8,000 stores by end of 2013
- Complete transformation into DIA Market and DIA Maxi, in particular in France with the ongoing conversion of Ed stores into DIA stores
- Increase focus on franchising with an objective of 3,000 stores by end of 2013, i.e. 40% of all stores by this date (against 32% as of end-2010)
- Pursue streamlining of its cost structure with an objective of €230m of cumulated cost cutting measures over 2009/2012, including €130m additional cost cutting measures based on the €100m achieved so far

In financial terms, DIA has set the following objectives over 2010/2013 :

- Grow annual sales by an average growth rate of 7% per annum
- Grow EBITDA cash adjusted[(2)] by an average of 10% per annum
- While maintaining capital expenditure at a level expected to reach approximately €300-350m per annum over 2010-2013

Emerging countries will be a key contributor and are expected to account for 30% of sales by 2013, and 20% of EBITDA cash adjusted (versus 22% and 7% respectively in 2010).

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Conclusion

Already positioned as a global leader of the hard discount industry, DIA combines all key features to make it the new listed reference in its universe.

- An HD pure player with leadership positions
- An experienced management team
- Distinctive competitive advantages
- A unique geographic footprint based on 3 solid pillars: Iberia, France and emerging countries
- Solid financial profile combining growth and resilient profitability

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