Carrefour: 2012 Full-Year Results

Growth in sales and net income, Group share
Strengthened financial structure

2012 key figures

- Growth in sales: +0.9% to €76.8bn, driven by emerging markets
- Resilient Recurring Operating Income of €2,140m, with France up by 3.5% and Latin America up by 14.2%
- Significant rise in Net Income, Group share: €1,233m (vs. €371m in 2011), including capital gains from disposals
- Improved free cash flow
- Strong improvement in financial structure: net debt of €4.3bn, an improvement of €2.6bn
- Proposed dividend of €0.58 per share, payable in cash or shares, in line with the payout policy announced in March 2012

(€ million)	**2011** [1]	**2012** [2]	Var.
Sales ex. VAT	**76,067**	**76,789**	**+0.9%**
Recurring Operating Income before D&A (EBITDA)	3,748	3,688	-1.6%
EBITDA Margin	*4.9%*	*4.8%*	
Recurring Operating Income	**2,197**	**2,140**	**-2.6%**
Recurring Operating Margin	*2.9%*	*2.8%*	
Net income from continuing operations, Group share	-1,865	113	
Net Income, Group share	**371**	**1,233**	**x 3.3**
Free Cash flow	215	279	
Net debt at close	**6,911**	**4,320**	**-€2.6bn**
Net debt/ EBITDA	1.8x	1.2x	

[1] In accordance with IFRS 5, income and expenses from discontinued activities (Greece, Singapore, Colombia, Malaysia and Indonesia) have been reclassified on the line "Net income from discontinued operations" of the consolidated income statement in 2011 and 2012.
[2] The 2012 social and consolidated accounts were approved by the Carrefour Board of Directors, which met on March 6, 2013. The accounts were audited by the Group's auditors.

2012: A refocused and strengthened Group

- **Refocusing of the Group on countries where it holds leading positions and has a multi-format profile**
  - After the sale by Carrefour of its stake in their joint venture to Marinopoulos, its Greek partner becomes the exclusive Carrefour franchisee in Greece, Cyprus and the Balkans
  - Singapore : Closure of the Group's two stores
  - Disposal of Colombian operations to Cencosud for a total consideration of €2bn
  - Disposal of Malaysian activities to Aeon for €250m
  - Disposal of Carrefour's stake in its Indonesian unit to its partner CT Corp for €525m. CT Corp becomes Carrefour's exclusive franchisee in the country

- **Strengthening of operations in France, Brazil and Argentina**
  - Global consolidation of Guyenne & Gascogne as of June 1, 2012 following the success of the tender offer
  - Finalization of the financial services partnership with Itaú Unibanco in Brazil
  - Acquisition of 129 Eki stores in Argentina, consolidating Carrefour's leadership in the country

2012 performance by zone

	Sales ex. VAT				Recurring Operating Income		
€ million	*2011* [3]	*2012*	*Change*	*Change at constant exch. Rates, including petrol*	*2011* [3]	*2012*	*Change*
France	35,179	35,341	+0.5%	+0.5%	898	929	+3.5%
Europe	21,536	20,873	-3.1%	-2.7%	640	509	-20.6%
Latin America	13,551	14,174	+4.6%	+12.1%	532	608	+14.2%
Asia	5,801	6,400	+10.3%	+0.5%	187	168	-10.3%
Global functions					-61	-74	
Total	76,067	76,789	+0.9%	+1.6%	2,197	2 ,140	-2.6%

France

In France, sales were up 0.5%, with food sales holding up well. The price repositioning had only a slight impact on commercial margin thanks to an improved mix between everyday prices, promotions and loyalty. SG&A were lower both in value and as a percentage of sales. Recurring operating income rose 3.5% to €929m.

Europe

In Europe, sales decreased by 2.7% at constant exchange rates (-3.1% at current exchange rates), reflecting the decline in consumption, particularly in southern Europe. Belgium continues to record growing sales. Recurring operating income in the zone amounted to €509m, a decrease of 20.6%, largely explained by the economic context in Spain and Italy. In Spain, investment in prices was not fully compensated by the significant reduction in SG&A.

[3] In accordance with IFRS 5, income and expenses from discontinued activities (Greece, Singapore, Colombia, Malaysia and Indonesia) have been reclassified on the line "Net income from discontinued operations" of the consolidated income statement in 2011 and 2012.

Latin America

Sales growth in Latin America remained strong (+12.1% at constant exchange rates and +4.6% at current exchange rates), supported by solid performances in LFL in Brazil and Argentina. Commercial margin increased. Recurring operating income increased sharply by 14.2% to €608m.

Asia

Overall, sales in China and Taiwan grew by 0.5% at constant exchange rates (+10.3% at current exchange rates). The commercial margin was resilient. Continued productivity gains did not fully offset the increase in distribution costs linked to expansion and wage inflation in China. Recurring operating income was down by 10.3% to €168m.

2012 results: Key points

Income Statement

- **Sales** increased by 1.6% at constant exchange rates vs. 2011 restated for disposals. At current exchange rates, the change was +0.9%.
- **Recurring operating income** was stable at constant exchange rates and down by 2.6% to €2,140 at current exchange rates, due to the following:
    - Stable **gross margin from current operations** at 22.1% of sales.
    - **SG&A costs** under control, up by 1.3%**,** +10 bp as a percentage of sales.
- The **Group's operating income** reached €1,434m vs. a loss of €140m in 2011 after accounting for **non-current expenses** amounting to €707m in 2012. Capital gains on asset disposals of €234m partially offset €285m of restructuring costs, €236m of asset impairments and €419m of other costs, largely due to a revaluation of provisions.
- **Net income, Group share** improved significantly to €1,233m vs. €371m in 2011.
    - **Net income from recurring operations, Group share** stood at €113m, due to the following:
        - An increase in **net financial expenses** of 25.1% to €882m, largely due to an exceptional expense of €216m linked to our management of interest rate position.
        - A decrease in **tax charge** to €388m, down 58.3% vs. 2011. The effective income tax rate (restated for exceptional items) comes out at 35.7%.
    - **Net income from discontinued operations, Group share,** amounted to €1,120m, mainly linked to the asset disposals closed in 2012.

Cash flow statement & debt

- **Free cash flow** was €279m, including:
    - **Cash flow from operations** (excluding discontinued operations) of €2,180, down by 8%, mainly due to cash outflows linked to preexisting tax litigation and restructuring.
    - A slight **increase in working capital** requirements, improving compared to 2011, thanks to better operating working capital after a **significant gain in days of inventories.**
    - **Capital expenditure,** constrained at €1,547m, down by 27% vs. 2011. A third of the investments went towards growth in emerging market, stable compared to 2011 in volume.
- Changes in the Group's scope generated a net cash inflow of €2bn in 2012:
    - The impact of discontinued activities, principally the disposals of our activities in Colombia and Malaysia, is a cash inflow of €1,960m.
    - The disposal of Altis led to a cash inflow of €153m.
    - The acquisition of the shares of Guyenne & Gascogne's parent company generated a cash outflow of €96m.
- The net cash outflow linked to the **dividend** payment amounted to €137m, as around 60% of the 2012 dividend was paid out in Carrefour shares.
- **Net debt** improved by €2.6bn to €4,320m at December 31, 2012, strengthening the Group's financial structure. The net debt over EBITDA ratio significantly improved to 1.2x in 2012 vs. 1.8x in 2011.

Proposed dividend of €0.58 per share

The Board of Directors decided at its meeting on March 6, 2013 to submit for approval to the Annual General Meeting to be held on April 23, 2013 a dividend of €0.58 per share for the year ending December 31 2012, payable in cash or in Carrefour shares.

The proposed dividend amounts to a payout ratio of 45% of net income, Group share, adjusted for exceptional items, in line with the policy set out in March 2012.

2013 Priorities

- **Development of the multi-local, multi-format model**
  - France: Continued action plans in all formats, with priority given to improvement of the offer and of price perception, store refurbishments, Drive roll-out and multi-channel development
  - Europe: Adaptation of the offer and costs to face the tough economic environment
  - Emerging markets: Continued expansion in Latin America and Asia
  - New momentum in the development of real estate assets
- **Decentralization and empowerment**
  - Simplify structures and decision-making process
  - Re-empower stores
  - Place the client at the core of the business

- **Continued strict financial discipline**
  - Stable dividend payout policy
  - Controlled increase of capital expenditure (expected between €2.2bn and €2.3bn in 2013)
  - Control of working capital

AGENDA
Q1 2013 sales: April 18, 2013
Annual General Meeting: April 23, 2013

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APPENDICES

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	2011[4]	2012	% change
Sales, net of taxes	**76,067**	**76,789**	**+0.9%**
Loyalty program	-810	-662	-18.3%
Other revenues	2,224	2,333	+4.9%
Total Revenues	**77,481**	**78,460**	**+1.3%**
Cost of sales	-60,673	-61,523	+1.4%
Gross margin of current operations	**16,809**	**16,937**	**+0.8%**
SG&A	-13 060	-13 249	+1.4%
Current operating incomes before D&A (EBITDA)	**3 748**	**3 688**	**-1.6%**
Depreciation & amortization	-1 552	-1 548	-0.3%
Recurring operating income (ROI)	**2 197**	**2 140**	**-2.6%**
Non-current income and expenses	-2 337	-707	-69.8%
Operating income	**-140**	**1 434**	
Financial expenses	-705	-882	+25.1%
Profit before tax	-845	552	
Income tax	-931	-388	-58.3%
Companies accounted for by the equity method	64	72	+13.0%
Net income from continuing operations	**-1,713**	**235**	
Net income from discontinued operations	2,116	1,081	
Net income	**404**	**1,316**	
Of which Net income – Group share	**371**	**1,233**	
Of which net income from continuing operations	-1,865	113	
Of which net income from discontinued operations	2,237	1,120	
Attributable to non-controlling interests	**33**	**83**	
Of which net income from continuing operations	153	122	
Of which net income from discontinued operations	-120	-39	

MAIN RATIOS

	2011[4]	2012
Gross margin from current operations / Net sales	22,1%	22,1%
SG&A / Net sales	17,2%	17,3%
Recurring operating income / Net sales	2,9%	2,8%
Operating income / Net sales	-0,2%	1,9%

[4] In accordance with IFRS 5, income and expenses from discontinued activities (Greece, Singapore, Colombia, Malaysia and Indonesia) have been reclassified on the line "Net income from discontinued operations" of the consolidated income statement in 2011 and 2012.

CONSOLIDATED BALANCE SHEET

(in millions of euros)	2011	2012
ASSETS		
Intangible assets	9,706	9,409
Tangible assets	13,771	11,509
Financial investments	1,713	1,509
Deferred tax assets	745	752
Investment properties	507	513
Consumer credit from financial-services companies – long term	2,236	2,360
Non current assets	**28,676**	**26,052**
Inventories	6,848	5,658
Trade receivables	2,782	2,144
Consumer credit from financial-services companies – short term	3,384	3,286
Tax receivables	468	520
Other receivables	969	795
Current financial assets	911	352
Cash and cash equivalents	3,849	6,573
Current assets	**19,211**	**19,328**
Assets held for sale	**44**	**465**
TOTAL	**47,931**	**45,844**
LIABILITIES		
Shareholders equity, Group share	6,618	7,487
Minority interests in consolidated companies	1,009	874
Shareholders equity	**7,627**	**8,361**
Deferred tax liabilities	586	580
Provisions for contingencies	3,680	4,000
Borrowing – long term	9,513	8,983
Bank loans refinancing – long term	419	1,966
Non current liabilities	**14,198**	**15,529**
Borrowings – short term	2,159	2,263
Trade payables	15,362	12,925
Bank loans refinancing – short term	4,482	3,032
Tax payables & others	1,319	1,040
Other debts	2,785	2,422
Current liabilities	**26,106**	**21,682**
Liabilities related to assets held for sale	**0**	**273**
TOTAL	**47,931**	**45,844**

CONSOLIDATED CASH FLOW STATEMENT

(in millions of euros)	2011 [5]	2012
NET DEBT OPENING	**-7,998**	**-6,911**
Gross cash flow (ex. discontinued activities)	2,381	2,180
Change in working capital	-240	-42
Impact of discontinued activities	207	-171
Cash flow from operations (ex. financial services)	**2,348**	**1,967**
Capital expenditures	-2,119	-1,547
Asset disposals (business related)	131	153
Change in payables to fixed asset suppliers	191	-166
Impact of discontinued activities	-336	-127
Free Cash Flow	**215**	**279**
Financial investments	-71	-209
Proceeds from disposals of subsidiaries and from other tangible & intangible assets	385	240
Others	-61	34
Impact of discontinued activities	1,482	1,960
Cash Flow after investments	**1,950**	**2,304**
Dividends paid by Carrefour	-708	-137
Dividends paid to minorities and others	-87	-115
Acquisition and disposal of investments without change of control	-13	-9
Treasury shares	-126	0
Others	93	420
Impact of discontinued activities	206	122
Consumer credit impact	-229	7
NET DEBT CLOSING	**-6,911**	**-4,320**

CHANGES IN SHAREHOLDER EQUITY

(in millions of euros)	Total shareholders' equity	Shareholders' equity, Group share	Minority interests
At December 31, 2011	**7,627**	**6,618**	**1,009**
Net income for the year	1,316	1,233	83
Other comprehensive income after tax	-362	-354	-8
Share-based payments	9	9	0
2011 dividends	-257	-137	-121
Change in capital and additional paid-in capital	194	188	6
Impact of changes in perimeter and other movements	-167	-72	-95
At December 31, 2012	**8,361**	**7,487**	**874**

[5] In accordance with IFRS 5, cash flows from discontinued activities (Greece, Singapore, Colombia, Malaysia and Indonesia) have been reclassified on the line "Impact of discontinued activities" of the consolidated cash flow statement in 2011 and 2012.

NET INCOME, GROUP SHARE, ADJUSTED FOR EXCEPTIONAL ITEMS

(in millions of euros)	2011 [6]	2012	% change
Net income, Group share	**371**	**1,233**	**x 3.3**
Restatement for non-current income and expenses (before tax)	2,337	707	
Restatement for exceptional items in net financial expenses	151	284	
Tax impact of restated elements	(172)	(122)	
Restatement for exceptional items recorded in income tax	(5)	(1)	
Minority interest on restated elements	419	(60)	
Restatement of Net income from discontinued operations	(2,337)	(1,120)	
Net income, Group share, adjusted for exceptional items	**864**	**921**	**+6.6%**

[6] In accordance with IFRS 5, income and expenses from discontinued activities (Greece, Singapore, Colombia, Malaysia and Indonesia) have been reclassified on the line "Net income from discontinued operations" of the consolidated income statement in 2011 and 2012.

PRO FORMA H1 2011 AND H1 2012 INCOME STATEMENT (UNAUDITED)

(in millions of euros)	H1 2011 [7]	H1 2012 [7]
Sales, net of taxes	**37,042**	**37,285**
Loyalty program	-449	-373
Other revenues	1,062	1,169
Total Revenues	**37,654**	**38,081**
Cost of sales	-29,658	-30,051
Gross margin of current operations	**7,996**	**8,030**
SG&A	-6,417	-6,526
Recurring operating income before D&A (EBITDA)	**1,579**	**1,504**
Depreciation & amortization	-778	-764
Recurring operating income (ROI)	**801**	**740**
Non-current income and expenses	-829	-63
Operating income	**-28**	**677**
Financial expenses	-319	-326
Profit before tax	-347	351
Income tax	-469	-122
Companies accounted for by the equity method	24	23
Net income from continuing operations	**-793**	**253**
Net income from discontinued operations	552	-273
Net income	**-241**	**-21**

PRO FORMA H2 2011 AND H2 2012 INCOME STATEMENT (UNAUDITED)

(in millions of euros)	H2 2011 [7]	H2 2012
Sales, net of taxes	**39,025**	**39,504**
Loyalty program	-361	-289
Other revenues	1,162	1,164
Total Revenues	**39,827**	**40,379**
Cost of sales	-31,015	-31,472
Gross margin of current operations	**8,813**	**8,907**
SG&A	-6,643	-6,723
Recurring operating income before D&A (EBITDA)	**2,170**	**2,184**
Depreciation & amortization	-774	-784
Recurring operating income (ROI)	**1,396**	**1,400**
Non-current income and expenses	-1,508	-644
Operating income	**-112**	**757**
Financial expenses	-386	-556
Profit before tax	-498	201
Income tax	-462	-266
Companies accounted for by the equity method	40	49
Net income from continuing operations	**-920**	**-18**
Net income from discontinued operations	1,564	1,354
Net income	**645**	**1,337**

[7] In accordance with IFRS 5, income and expenses from discontinued activities (Greece, Singapore, Colombia, Malaysia and Indonesia) have been reclassified on the line "Net income from discontinued operations" of the consolidated income statement in 2011 and 2012.

PRO FORMA RECURRING OPERATING INCOME BY REGION (UNAUDITED)

H1 2011 Recurring operating income (in millions of euros)	Reported August 30, 2012	Restated [8]
France	299	295
Europe ex. France	220	218
Latin America	222	205
Asia	121	106
Global functions	-24	-23
Total	**838**	**801**

H2 2011 Recurring operating income (in millions of euros)	Reported August 30, 2012	Restated [8]
France	606	604
Europe ex. France	425	423
Latin America	360	328
Asia	117	81
Global functions	-40	-38
Total	**1,468**	**1,396**

FY 2011 Recurring operating income (in millions of euros)	Reported August 30, 2012	Restated [8]
France	905	898
Europe ex. France	645	640
Latin America	582	532
Asia	238	187
Global functions	-64	-61
Total	**2,306**	**2,197**

H1 2012 Recurring operating income (in millions of euros)	Reported August 30, 2012	Restated [8]
France	279	275
Europe ex. France	150	148
Latin America	245	232
Asia	116	105
Global functions	-20	-19
Total	**769**	**740**

H2 2012 Recurring operating income (in millions of euros)	Reported March 7, 2013
France	654
Europe ex. France	361
Latin America	376
Asia	62
Global functions	-55
Total	**1,400**

FY 2012 Recurring operating income (in millions of euros)	Reported March 7, 2013
France	929
Europe ex. France	509
Latin America	608
Asia	168
Global functions	-74
Total	**2,140**

[8] In accordance with IFRS 5, income and expenses from discontinued activities (Greece, Singapore, Colombia, Malaysia and Indonesia) have been reclassified on the line “Net income from discontinued operations” of the consolidated income statement in 2011 and 2012.

2012 DIVIDEND PAYMENT PROCEDURE

The ex-dividend date has been set as May 2, 2013. The period during which shareholders may choose the option of the payment of dividend in cash or in shares will begin May 2, 2013 and end May 23, 2013, included. Payment of the cash dividend and settlement of the stock dividend will occur on June 7, 2013.

DEFINITIONS

- **Gross margin from current operations**

Gross margin from current operations is the difference between the sum of net sales, other income, reduced by loyalty program costs and the cost of goods sold. Cost of sales comprises purchase costs, changes in inventory, the cost of products sold by the financial services companies, discounting revenue and exchange gains and losses on goods purchases.

- **Recurring Operating Income Before Depreciation and Amortization (EBITDA)**

Recurring Operating Income Before Depreciation and Amortization (EBITDA) is defined as the difference between the gross margin from current operations and sales, general and administrative expenses. It excludes non-recurring items as defined below.

- **Recurring Operating Income (ROI)**

Recurring Operating Income is defined as the difference between the gross margin from current operations and sales, general and administrative expenses, depreciation and amortization.

- **Operating Income (EBIT)**

Operating Income (EBIT) is defined as the difference between gross margin from current operations and sales, general and administrative expenses, depreciation, amortization and non-recurring items
Non-recurring income and expenses are certain material items that are unusual in terms of their nature and frequency, such as impairment, restructuring costs and expenses related to the revaluation of preexisting risks on the basis of information that the Group became aware of during the accounting period.

- **Free Cash Flow**

Free cash flow is defined as the difference between funds generated by operations, the variation of working capital requirements and capital expenditures.

DISCLAIMER

This press release contains both historical and forward-looking statements. These forward-looking statements are based on Carrefour management's current views and assumptions. Such statements are not guarantees of future performance of the Group. Actual results or performances may differ materially from those in such forward-looking statements as a result of a number of risks and uncertainties, including but not limited to the risks described in the documents filed with the Autorité des marchés financiers as part of the regulated information disclosure requirements and available on Carrefour's website (www.carrefour.com), and in particular the Annual Report (Document de référence). These documents are also available in English language on the company's website. Investors may obtain a copy of these documents from Carrefour free of charge. Carrefour does not assume any obligation to update or revise any of these forward-looking statements in the future.