FULL-YEAR RESULTS: FURTHER GROWTH IN 2015
Strong improvement in free cash flow
Lower debt
Continued investments in multiformat

Increase in net sales: €76.9bn, +3.0% on an organic basis

- Faster growth in Europe, notably in Spain and Italy; all formats grew in France again this year
- Excellent performance in Latin America in a more difficult environment

Growth in Recurring Operating Income: €2,445m, +7.0% at constant exchange rates, +11.5% proforma[1]

- In Europe, all countries, including France, posted an increase in their operating margin. ROI in Europe was up almost 10%[1]
- Profitability in Emerging Markets continued to improve, illustrated by a sharp increase in ROI in Latin America (+23.5% at constant exchange rates)

Marked rise in adjusted net income, Group share: €1,113m, +7.1%

Improved financial structure; continued investments in multiformat and omnichannel transformation

- Free Cash Flow excluding exceptional items of €951m, strongly up vs 2014
- Net debt reduced by €408m, to €4.5bn
- Sustained investments of €2.4bn in the modernization of our store network and multiformat expansion, with 1,123 store openings, of which 850 convenience stores
- Integration of DIA stores in France and acquisition of Billa supermarkets in Romania
- Digital ramp-up throughout the company and acquisition in France of Rue du Commerce

Proposed dividend: €0.70 per share, in cash or shares

[1] At constant exchange rates and excluding the integration of DIA, the increase of the Tascom tax on selling space and the transfer to Carmila of rental income from shopping malls

Key figures (m€)	2014	2015	Variation at constant exch. rates	Variation at current exch. rates
Net sales	**74,706**	**76,945**	***+4.1%***	***+3.0%***
Organic growth			*+3.0%*	
Recurring Operating Income before D&A (EBITDA)	3,803	3,955	*+6.7%*	*+4.0%*
Recurring Operating Income (ROI)	**2,387**	**2,445**	***+7.0%***	***+2.4%***
ROI including income from associates and joint ventures	**2,423**	**2,489**	***+7.2%***	***+2.7%***
Adjusted net income, Group share	**1,040**	**1,113**		***+7.1%***
Free cash flow (continuing operations, excluding exceptional items)	**664**	**951**		**+€287m**
Net debt at close	**4,954**	**4,546**		**-€408m**
Net debt/EBITDA	1.3x	1.1x		

Further growth in ROI (+7.0% at constant exchange rates, +11.5% proforma) and in adjusted net income, Group share (+7.1%)

Income statement

In 2015, Carrefour recorded a significant increase in sales. **Net sales** were up by +4.1% at constant exchange rates and by +3.0% on an organic basis. All regions reported sales growth at current exchange rates, with Europe up by +2.7% and Emerging Markets up by +3.8%.

Recurring Operating Income (ROI) grew once again to €2,445m, up +7.0% at constant exchange rates (+2.4% at current exchange rates), increasing both in Europe (+9.9% proforma) and in Emerging Markets (+9.2% at constant exchange rates).

In **France**, ROI stood at €1,191m. Operating margin in France was up compared to 2014, after adjusting for the integration of DIA, the increase in the tax on sales space and the transfer to Carmila upon its creation in 2014 of rental income from shopping malls. The transformation plan of DIA stores accelerated as planned during the second half.

In **Other European countries**, ROI rose sharply, to €567m vs €425m in 2014, up +33.4%. In 2015, commercial margin improved, reflecting the positive impact of our various action plans. Operating margin was up by 70 bp to 2.9% of sales. This performance was largely driven by the continuing recovery in Spain and improvement in Italy. Operating margin improved in all countries.

Latin America continued to grow strongly, with an increase in ROI of +23.5% at constant exchange rates, to €705m. This improvement reflected excellent LFL sales growth in Brazil and Argentina, combined with an improvement in commercial margin. SG&A included the increase in energy costs in Brazil. Operating margin stood at 4.9%, up 20 bp.

In **Asia,** ROI stood at €13m. In China, amid an economic slowdown and rapidly-changing consumer needs, we are continuing the repositioning of our model. In Taiwan, sales returned to growth for the first time in over two years, driven by the roll-out of our multiformat model and the modernization of some hypermarkets, and ROI was up.

In 2015, non-recurring income was a net expense of €257m, principally linked to reorganization costs in various countries. This compares to a gain of €149m in 2014, essentially linked to the capital gain from the contribution of assets to Carmila. **Net income from continuing operations, Group share**, stood at €977m, including the following elements:

- A drop in **financial expenses,** largely attributable to lower interest costs for €52m. This drop resulted from the combination of continued low interest rates in Europe, partly offset by higher interest rates elsewhere;
- A broadly stable **effective tax rate.**

Net income, Group share, stood at €980m. When adjusted mainly for non-recurring income, net income, Group share, stood at €1,113m, up by +7.1%.

Cash flow and debt

In 2015, **free cash flow** improved sharply and stood at €687m vs €306m in 2014. This variation principally stemmed from:

- A sharp improvement in **gross cash flow** which stood at €2,733m vs €2,504m in 2014;
- **Working capital requirements** represented an inflow of €81m in the year, vs €19m last year;
- An improved variation of **fixed-asset supplier payables,** which constituted an inflow of €136m, while **business-related asset disposals** generated an inflow of €104m;
- Continued **capex** of €2.4bn to bring up to standards, modernize and develop our store network.

Adjusted for exceptional items, free cash flow from continuing operations reached €951m, sharply up vs 2014.

Net financial debt at December 31, 2015 stood at €4.5bn, a reduction of €408m compared to December 31, 2014. It benefited from:

- The improvement in free cash flow described above;
- The sale of part of our treasury shares in March 2015, which generated a cash-in of €394m;
- The sale of an additional stake in Carrefour Brazil to Península Participações in April 2015. Peninsula's stake now stands at 12%.

2016 priorities

Carrefour is continuing its transformation, with strong ambitions for its multiformat model, which allows it to offer its clients a shopping experience adapted to their evolving aspirations and to changing consumption habits.

The world's most multi-format retailer, Carrefour continues to invest in expansion. In 2016, the Group will continue opening stores in its different formats, notably in convenience, at a sustained pace. In France, the conversion of the DIA store network is proceeding according to plan, with another 500 stores to be transformed in 2016.

Carrefour is also investing for sustainable growth. The Group continues to modernize its stores in all countries and to enhance the attractiveness of its sites by capitalizing on Carmila. Carrefour is making further headway in its structural projects, including the revamp of its supply-chain and IT rationalization in several countries. The repositioning of its model in China is one of Carrefour's priorities.

Carrefour is accelerating its digital transformation as it pursues its omnichannel ambition. This ambition capitalizes on Carrefour's physical store network and on the development of e-commerce services in all Group countries. In France, the acquisition of Rue du Commerce will allow us to enrich our offer via a marketplace.

In 2016, Carrefour will maintain its financial discipline:

- Total investments of between €2.5bn and €2.6bn
- Constant focus on free cash flow generation
- Maintain BBB+ rating

Agenda

- Q1 2016 sales: April 15, 2016
- Shareholders' Assembly: May 17, 2016

Contacts

Investor Relations
Alessandra Girolami, Mathilde Rodié and Matthew Mellin Tel: +33 (0)1 41 04 28 83
Shreholder Relations Tel: 0 805 902 902 (toll-free in France)
Group Communication Tel: +33 (0)1 41 04 26 17

APPENDIX

Geographic breakdown of sales and Recurring Operating Income

	Net sales				Recurring operating income				
(€m)	2014	**2015**	***Organic growth*** [1]	*Variation at current exch. rates*	2014 restated[2]	**2015**	***Proforma variation*** [3]	*Variation at constant exch. rates*	*Variation at current exch. rates*
France	**35,336**	**36,272**	***+1.1%***	*+2.6%*	**1,271**	**1,191**	***+1.8%***	*-6.4%*	*-6.4%*
Other European countries	**19,191**	**19,724**	***+1.2%***	*+2.8%*	**425**	**567**	***+34.2%***	*+33.4%*	*+33.4%*
Europe	**54,527**	**55,996**	***+1.2%***	***+2.7%***	**1,697**	**1,758**	***+9.9%***	*+3.6%*	***+3.6%***
Latin America	**13,891**	**14,290**	***+15.7%***	*+2.9%*	**660**	**705**	***+23.5%***	*+23.5%*	*+6.9%*
Asia	**6,288**	**6,659**	***-9.5%***	*+5.9%*	**97**	**13**	***-87.6%***	*-87.6%*	*-87.0%*
Emerging Markets	**20,179**	**20,949**	***+7.6%***	***+3.8%***	**757**	**718**	***+9.2%***	*+9.2%*	***-5.2%***
Global functions					**(67)**	**(31)**			
TOTAL	**74,706**	**76,945**	***+3.0%***	*+3.0%*	**2,387**	**2,445**	***+11.5%***	*+7.0%*	*+2.4%*

[1] Ex petrol and ex VAT

[2] Cf appendix page 6

[3] At constant exchange rates and excluding the integration of DIA, the increase of the Tascom tax on sales space the transfer to Carmila of rental income from shopping malls

Adjustments to Recurring Operating Income

Comparative information for 2014 has been restated to reflect the application of IFRIC 21 – Levies. There is no impact on 2014 full-year recurring Operating Income. Comparative information for 2014 and the first half of 2015 has also been adjusted for head office cost allocations.

Recurring operating income (€m)

First half 2014	Reported	Restated for IFRIC 21	Adjusted for cost allocation
France	515	406	406
Europe excluding France	43	36	36
Latin America	247	247	229
Asia	83	83	83
Global functions	-55	-55	-37
Total	**833**	**717**	**717**

Second half 2014	Reported	Restated for IFRIC 21	Adjusted for cost allocation
France	756	865	865
Europe excluding France	382	389	389
Latin America	438	438	430
Asia	14	14	14
Global functions	-37	-37	-29
Total	**1,554**	**1,670**	**1,670**

Full-year 2014	Reported	Restated for IFRIC 21	Adjusted for cost allocation
France	1,271	1,271	1,271
Europe excluding France	425	425	425
Latin America	685	685	660
Asia	97	97	97
Gobal functions	-92	-92	-67
Total	**2,387**	**2,387**	**2,387**

First-half 2015	Reported	Adjusted for cost allocation
France	321	321
Europe excluding France	122	122
Latin America	296	291
Asia	50	50
Global functions	-63	-58
Total	**726**	**726**

Consolidated income statement

(€m)	2014	2015
Net sales	**74,706**	**76,945**
Net sales net of loyalty program costs	**74,097**	**76,393**
Other revenue	2,221	2,464
Total revenue	**76,318**	**78,857**
Cost of goods sold	(59,270)	(60,838)
Gross margin	17,049	18,019
SG&A	(13,281)	(14,105)
Recurring operating income before D&A (EBITDA)	**3,803**	**3,955**
Depreciation and amortization	(1,381)	(1,470)
Recurring operating income (ROI)	**2,387**	**2,445**
Recurring operating income including income from associates and joint ventures	**2,423**	**2,489**
Non-recurring income and expenses	149	(257)
Operating income	2,572	2,232
Financial expense	(563)	(515)
Income before taxes	2,010	1,717
Income tax expense	(709)	(597)
Net income from continuing operations	**1,300**	**1,120**
Net income from discontinued operations	67	4
Net income	**1,367**	**1,123**
Of which Net income – Group share	**1,249**	**980**
Of which net income from continuing operations, Group share	1,182	977
Of which net income from discontinued operations, Group share	67	4
Of which Net income – Non-controlling interests (NCI)	**118**	**143**
Of which net income from continuing operations NCI	118	143
Of which net income from discontinued operations NCI	0	0
Net income, Group share, adjusted for exceptional items	**1,040**	**1,113**

Consolidated balance sheet

(€m)	December 31, 2014	**December 31, 2015**
ASSETS		
Intangible assets	9,543	9,510
Tangible assets	12,272	12,071
Financial investments	2,810	2,725
Deferred tax assets	759	744
Investment properties	296	383
Consumer credit from financial-services companies – long-term	2,560	2,351
Non-current assets	**28,240**	**27,784**
Inventories	6,213	6,362
Trade receivables	2,260	2,269
Consumer credit from financial-services companies – short-term	3,420	3,658
Tax receivables	1,136	1,168
Other receivables	853	705
Current financial assets	504	358
Cash and cash equivalents	3,113	2,724
Current assets	**17,500**	**17,245**
Assets held for sale	**49**	**66**
TOTAL	**45,789**	**45,095**
LIABILITIES		
Shareholders’ equity, Group share	9,191	9,633
Minority interests in consolidated companies	1,037	1,039
Shareholders’ equity	**10,228**	**10,672**
Deferred tax liabilities	523	508
Provisions for contingencies	3,581	3,014
Borrowing – Long-term	6,815	6,662
Bank loans refinancing – long-term	1,589	1,921
Non-current liabilities	**12,508**	**12,106**
Borrowings – short-term	1,757	966
Trade payables	13,384	13,648
Bank loan refinancing – short-term	3,718	3,328
Tax payables & others	1,172	1,097
Other debts	3,022	3,244
Current liabilities	**23,052**	**22,282**
Liabilities related to assets held for sale	**1**	**34**
TOTAL	**45,789**	**45,095**

Consolidated Cash Flow Statement

(€m)	2014	**2015**
NET DEBT OPENING	**(4,117)**	**(4,954)**
Gross cash flow (ex. discontinued activities)	2,504	2,733
Change in working capital	19	81
Impact of discontinued activities	86	3
Cash flow from operations	**2,609**	**2,818**
Capital expenditure	(2,411)	(2,378)
Changed in net payables to fixed asset suppliers (inc. receivables)	(17)	136
Asset disposals (business related)	124	104
Impact of discontinued activities	2	7
Free Cash Flow	**306**	**687**
Financial investments	(1,336)	(85)
Proceeds from disposals of subsidiaries and from other tangible & intangible assets	236	109
Others	(5)	(28)
Impact of discontinued activities	11	0
Cash Flow after investments	**(789)**	**682**
Dividends/Capital increase	(214)	(474)
Acquisition and disposal of investments without change of control	311	208
Treasury shares	(18)	384
Cost of net financial debt	(399)	(347)
Others	287	(44)
Impact of discontinued activities	(16)	0
NET DEBT CLOSING	**(4,954)**	**(4,546)**

Changes in Shareholders' Equity

(€m)	**Total shareholders' equity**	**Shareholders' equity, Group share**	**Minority interests**
At December 31, 2014	**10,228**	**9,191**	**1,037**
Total comprehensive income for 2015	1,123	980	143
2014 dividend	(488)	(390)	(98)
Impact of scope changes and others	(191)	(148)	(43)
At December 31, 2015	**10,672**	**9,633**	**1,039**

Net income, Group share, adjusted for exceptional items

(€m)	2014	**2015**
Net income from continuing operations, Group share	**1,182**	**977**
Restatement for non-recurring income and expenses (before tax)	(149)	257
Restatement for exceptional items in net net financial expenses	3	65
Tax impact [1]	(10)	(159)
Restatement on share of income from minorities and companies consolidated by the equity method	14	(27)
Net income, Group share, adjusted for exceptional items	**1,040**	**1,113**

2015 dividend payment procedure

The ex-dividend payment date has been set at May 23, 2016. The period during which shareholders may opt for the dividend payment in cash or shares will begin on May 23, 2016 and end on June 10, 2016, included. Payment of the cash dividend and settlement of the stock dividend will occur on June 21, 2016.

[1] Tax impact of restated items (non-recurring income and expenses and financial expenses) and non-recurring tax items.

Definitions

Organic sales growth

Like for like sales growth plus net openings over the past twelve months, including temporary store closures.

Gross margin

Gross margin 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 rate gains and losses on goods purchased.

Recurring Operating Income (ROI)

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

Recurring Operating Income Before Depreciation and Amortization (EBITDA)

Recurring Operating Income Before Depreciation and Amortization (EBITDA) excludes depreciation from supply chain activities which is booked in cost of goods sold and excludes non-recurring items as defined below.

Operating Income (EBIT)

Operating Income (EBIT) is defined as the difference between gross margin 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 (before net interest costs), the variation of working capital requirements and capital expenditures.

Disclaimer