



## **HALF-YEAR 2016 RESULTS: CARREFOUR CONTINUES ITS PROFITABLE GROWTH MOMENTUM**

**Strong growth in organic sales: +2.9%**

**ROI growth for the eighth consecutive half: +5.3% at constant exchange rates**

**Adjusted net income, Group share up +0.6%**

**Erratum: This version includes changes in the headings in tables on pages 5 and 6.**

### **Sales inc. VAT of €40.6bn in H1 (€20.5bn in Q2): Further growth in organic sales**

- Resilient sales in France and Europe in a more difficult consumption environment, notably marked by unfavorable weather conditions
- Very strong growth in emerging markets, driven by Latin America and Taiwan

### **Recurring Operating Income of €706m in H1: Strong operational performance**

- Operating margin held up well in France, stable at 1.8%
- Strong growth in Other European countries, with a 30bp rise in operating margin
- Growth in profitability in Latin America, with a 12.3% rise in ROI

### **Investments to support the multiformat and omnichannel model**

- Openings of 305 convenience stores, 97 supermarkets, 5 cash & carry stores and 3 integrated hypermarkets in H1
- Digital-channel development in all the Group's countries
- First contribution of Rue du Commerce in France
- Creation of Cargo, a real estate company dedicated to logistics controlled by Carrefour and co-financed with third parties
- Accelerated pace of DIA store conversions in France with 260 stores converted in H1. 412 stores are now under Carrefour banners; the conversion of the 648 stores will be completed as planned at end-2016

### **2016 objectives**

- Investments<sup>1</sup> of between €2.5bn and €2.6bn
- Increased free cash flow<sup>1</sup> and stable year-end net debt vs. end-2015
- Continued strict financial discipline: maintain BBB+ rating

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<sup>1</sup> Ex. Cargo

# H1 2016 sales and results

## Key H1 2016 figures

€m	H1 2016	Variation at constant exchange rates
Sales inc. VAT	40,552	+2.0%
Net sales	36,289	+2.2%
Organic growth		+2.9%
Recurring Operating Income before D&A (EBITDA)	1,448	+3.4%
<b>Recurring Operating Income (ROI)</b>	<b>706</b>	<b>+5.3%</b>
<b>Adjusted net income, Group share</b>	<b>235</b>	

## H1 2016 sales and Recurring Operating Income

(€m)	Sales inc. VAT	Net sales	Organic growth	Recurring Operating Income	Variation at constant exchange rates
Europe	29,714	26,607	-0.3%	467	+5.0%
Emerging markets	10,838	9,682	+10.1%	266	-6.0%
Global functions				-26	
<b>Total</b>	<b>40,552</b>	<b>36,289</b>	<b>+2.9%</b>	<b>706</b>	<b>+5.3%</b>

## H1 2016 sales inc. VAT: Solid first-half sales

Sales inc. VAT stood at €40,552m. In the first half, currencies had an adverse effect (-6.1%), as did petrol prices (-1.0%).

In the first half, Carrefour recorded further sales growth, up +2.9% on an organic basis. Emerging markets posted double-digit growth while sales in Europe were stable, impacted by a sluggish consumption environment.

In H1 2016, **France** posted sales inc. VAT of €19,196m, slightly down on a like-for-like basis, but on the back of three consecutive years of LFL growth in H1.

Sales in **international** markets stood at €21,356m in H1 2016, up +5.3% like-for-like. Sales in Other European countries were up +2.2% on a like-for-like basis. Latin America continued its strong momentum and posted further LFL sales growth of +14.5% in the half. In Asia, LFL sales were down 5.4%.

## First-half 2016 results: Further growth in ROI (+5.3% at constant exchange rates) and adjusted net income (+0.6%)

### Income statement

The Group's **Recurring Operating Income (ROI)** stood at €706m, up +5.3% at constant exchange rates.

In Europe, ROI was up +5.0% to €467m. Operating margin in France was stable at 1.8% of sales. In Other European countries, ROI posted double-digit growth and operating margin increased by 30 basis points, driven notably by strong performances in Spain and Italy.

Latin America turned in another strong performance, with its ROI up +12.3% at constant exchange rates to €273m. Brazil's profitability continued to improve, driven by strong LFL sales growth.

In Asia, ROI was impacted by the transformation of our model in China in a context marked by the rapid evolution of consumer expectations. In Taiwan, sales growth continued and operating margin improved.

In the first half of 2016, non-recurring income was a net expense of €114m, principally attributable to reorganization costs in various countries. This compares to an expense of €16m in H1 2015. **Net income from continuing operations, Group share**, stood at €158m, including the following elements:

- A decrease in **financial expenses** for €16m,
- An **effective tax rate** of 31.3% vs. 34.3% in H1 2015.

Net income, Group share, stood at €129m. **When adjusted mainly for non-recurring income, the Group share of net income is €235m, up +0.6%.**

### Cash flow and debt

In H1 2016, **gross cash flow** stood at €1,088m vs. €1,180m in H1 2015. **Working capital requirements** improved by €179m, from -€2,232m in H1 2015 to -€2,052m in H1 2016.

Total **capex** reached €1,057m, up vs. H1 2015. Excluding Cargo, capex was €968m, reflecting a better distribution over the year between the two halves. These investments included the planned acceleration of the conversion of DIA stores to Carrefour banners.

Free cash flow stood at -€2,259m, reflecting the seasonality of our business. **Excluding Cargo and exceptional items, free cash flow** stood at -€2,106m.

**Dividend payments** in cash amounted to €121m in H1 2016. In 2015, the dividend had been paid in H2. The creation of **Cargo** resulted in an inflow in the "Capital increase" line and accounts for most of it.

In total, **net financial debt** at June 30, 2016 stood at €7.4bn, reflecting once again the seasonality of our activity. Net debt at end-2016 is expected to be globally stable vs. its level at 31 December 2015.

## 2016 roadmap

**Carrefour is continuing its transformation, with strong ambitions for its multiformat and omnichannel model, offering its clients a shopping experience adapted to evolving consumption habits.**

Carrefour, the world's most multiformat retailer, continues to expand. In 2016, the Group will continue opening stores in its different formats. In France, the conversion of the DIA store network is proceeding according to plan.

Carrefour, to grow sustainably, continues to modernize its stores in all countries and to enhance the attractiveness of its sites by capitalizing on Carmila, a company dedicated to the revitalization of Carrefour shopping malls in France, Spain and Italy. Carrefour is making further headway in the revamp of its supply-chain and IT rationalization in several countries.

The transformation of its model in China continues and is well advanced.

Carrefour continues its digital evolution, supported by its physical store network and the development of e-commerce services in all Group countries.

## Agenda

- Q3 2016 sales: October 19, 2016

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## APPENDIX

### First-half 2016 sales inc. VAT

The Group posted sales of €40,552m. In the half, currencies had an unfavorable impact of 6.1%. Petrol prices had an impact of -1.0% overall and -1.5% in France. Calendar impact was estimated at +0.3%.

	Total sales inc. VAT (€m)	Change at current exchange rates inc. petrol	Change at constant exchange rates ex petrol	Organic growth ex petrol ex calendar	LFL ex petrol ex calendar
<b>France</b>	<b>19,196</b>	<b>-2.4%</b>	<b>-0.9%</b>	<b>-1.5%</b>	<b>-0.5%</b>
Hypermarkets	9,857	-3.5%	-1.7%	-2.1%	-1.9%
Supermarkets	6,267	-2.4%	+1.4%	-1.1%	+1.6%
<b>International</b>	<b>21,356</b>	<b>-5.7%</b>	<b>+6.0%</b>	<b>+6.2%</b>	<b>+5.3%</b>
<b>Other European countries</b>	<b>10,518</b>	<b>0.0%</b>	<b>+1.3%</b>	<b>+1.5%</b>	<b>+2.2%</b>
Spain	4,129	+0.3%	+1.8%	+1.6%	+2.0%
Italy	2,666	-0.5%	+0.2%	+2.0%	+2.9%
Belgium	2,132	+0.4%	+0.3%	-0.1%	+0.2%
<b>Latin America</b>	<b>7,234</b>	<b>-11.3%</b>	<b>+17.8%</b>	<b>+17.9%</b>	<b>+14.5%</b>
Brazil	5,619	-6.8%	+15.9%	+15.9%	+11.5%
<b>Asia</b>	<b>3,605</b>	<b>-9.3%</b>	<b>-5.4%</b>	<b>-5.3%</b>	<b>-5.4%</b>
China	2,708	-12.8%	-9.0%	-8.9%	-8.8%
<b>Group total</b>	<b>40,552</b>	<b>-4.2%</b>	<b>+3.0%</b>	<b>+2.9%</b>	<b>+2.9%</b>

Total sales under banners including petrol stood at €49.6bn in the first half of 2016, up +1.7% at constant exchange rates.

## Second-quarter 2016 sales inc. VAT

The Group posted sales of €20,499m. In the second quarter, currencies had an unfavorable impact of 5.4%. Petrol prices had an impact of -1.0% overall and -1.2% in France. Calendar impact was estimated at -0.1%.

	Total sales inc. VAT (m€)	Change at current exchange rates inc. petrol	Change at constant exchange rates ex petrol	Organic growth ex petrol ex calendar	LFL ex petrol ex calendar
<b>France</b>	<b>9,861</b>	<b>-3.0%</b>	<b>-1.8%</b>	<b>-2.1%</b>	<b>-0.9%</b>
Hypermarkets	4,970	-4.8%	-3.2%	-3.5%	-3.1%
Supermarkets	3,275	-2.0%	+1.9%	-0.5%	+2.5%
<b>International</b>	<b>10,638</b>	<b>-5.0%</b>	<b>+5.6%</b>	<b>+6.3%</b>	<b>+5.3%</b>
<b>Other European countries</b>	<b>5,322</b>	<b>-0.8%</b>	<b>+0.4%</b>	<b>+0.7%</b>	<b>+1.2%</b>
Spain	2,105	0.0%	+1.1%	+0.9%	+0.7%
Italy	1,334	-2.3%	-1.6%	-0.1%	+1.4%
Belgium	1,077	-0.5%	-0.5%	-0.7%	-0.5%
<b>Latin America</b>	<b>3,783</b>	<b>-7.5%</b>	<b>+17.3%</b>	<b>+18.7%</b>	<b>+15.5%</b>
Brazil	2,954	-1.0%	+15.7%	+17.3%	+13.1%
<b>Asia</b>	<b>1,533</b>	<b>-12.2%</b>	<b>-5.6%</b>	<b>-5.3%</b>	<b>-6.0%</b>
China	1,127	-15.5%	-9.2%	-8.7%	-9.3%
<b>Group total</b>	<b>20,499</b>	<b>-4.1%</b>	<b>+2.3%</b>	<b>+2.6%</b>	<b>+2.7%</b>

Total sales under banners including petrol stood at €25.0bn in the second quarter of 2016, up +0.8% at constant exchange rates.

## First-half 2016 net sales and Recurring Operating Income by region

(€m)	Net sales				Recurring Operating Income			
	H1 2015	H1 2016	Organic growth <sup>1</sup>	Variation at current exchange rates	H1 2015	H1 2016	Variation at constant exchange rates	Variation at current exchange rates
France	17,587	17,179	-1.5%	-2.3%	321	312	-3.0%	-3.0%
Other Europe	9,356	9,428	+1.5%	+0.8%	122	155	+26.0%	+26.6%
<b>Europe</b>	<b>26,944</b>	<b>26,607</b>	<b>-0.3%</b>	<b>-1.2%</b>	<b>444</b>	<b>467</b>	<b>+5.0%</b>	<b>+5.2%</b>
Latin America	7,257	6,453	+17.9%	-11.1%	296	273	+12.3%	-7.8%
Asia	3,538	3,229	-5.3%	-8.7%	50	-7	n/a	n/a
<b>Emerging markets</b>	<b>10,796</b>	<b>9,682</b>	<b>+10.1%</b>	<b>-10.3%</b>	<b>346</b>	<b>266</b>	<b>-6.0%</b>	<b>-23.2%</b>
Global functions					-63	-26		
<b>TOTAL</b>	<b>37,739</b>	<b>36,289</b>	<b>+2.9%</b>	<b>-3.8%</b>	<b>726</b>	<b>706</b>	<b>+5.3%</b>	<b>-2.8%</b>

<sup>1</sup> Ex petrol, ex calendar.

## First-half 2016 consolidated P&L

(€m)	H1 2015	H1 2016
<b>Net sales</b>	<b>37,739</b>	<b>36,289</b>
<b>Net sales, net of loyalty program costs</b>	<b>37,470</b>	<b>36,017</b>
Other revenue	1,247	1,275
<b>Total revenue</b>	<b>38,718</b>	<b>37,292</b>
Cost of goods sold	-30,024	-28,860
<b>Gross margin</b>	<b>8,694</b>	<b>8,432</b>
SG&A	-7,227	-7,006
<b>Recurring operating income before D&amp;A (EBITDA)</b>	<b>1,488</b>	<b>1,448</b>
Depreciation and amortization	-740	-720
<b>Recurring operating income (ROI)</b>	<b>726</b>	<b>706</b>
<b>Recurring operating income including income from associates and joint ventures</b>	<b>761</b>	<b>686</b>
Non-recurring income and expenses	-16	-114
<b>Operating income</b>	<b>745</b>	<b>572</b>
Financial expense	-264	-248
<b>Income before taxes</b>	<b>481</b>	<b>324</b>
Income tax expense	-165	-101
<b>Net income from continuing operations</b>	<b>316</b>	<b>222</b>
Net income from discontinued operations	-12	-28
<b>Net income</b>	<b>304</b>	<b>194</b>
<b>Of which Net income – Group share</b>	<b>218</b>	<b>129</b>
Of which Net income from continuing operations, Group share	230	158
Of which Net income from discontinued operations, Group share	-12	-28
<b>Of which Net income – Non-Controlling Interests (NCI)</b>	<b>85</b>	<b>65</b>
Of which Net income from continuing operations, NCI	85	65
Of which Net income from discontinued operations, NCI	-	-
<b>Adjusted net income, Group share</b>	<b>233</b>	<b>235</b>



## First-half 2016 consolidated balance sheet

(€m)	June 30, 2015	June 30, 2016
<b>ASSETS</b>		
Intangible assets	9,607	9,719
Tangible assets	12,162	12,676
Financial investments	2,793	3,018
Deferred tax assets	816	880
Investment properties	307	357
Consumer credit from financial-services companies – long term	2,579	2,261
<b>Non-current assets</b>	<b>28,263</b>	<b>28,911</b>
Inventories	6,503	6,553
Trade receivables	2,379	2,159
Consumer credit from financial-services companies – short term	3,396	3,789
Tax receivables	1,108	1,287
Other receivables	929	1,052
Current financial assets	410	218
Cash and cash equivalents	1,800	1,688
<b>Current assets</b>	<b>16,524</b>	<b>16,745</b>
<b>Assets held for sale</b>	<b>78</b>	<b>43</b>
<b>TOTAL</b>	<b>44,865</b>	<b>45,700</b>
<b>LIABILITIES</b>		
Shareholders equity, Group share	9,249	9,745
Minority interests in consolidated companies	1,095	1,549
<b>Shareholders' equity</b>	<b>10,344</b>	<b>11,294</b>
Deferred tax liabilities	509	533
Provisions for contingencies	3,435	3,188
Borrowing – long term	7,288	7,161
Bank loans refinancing – long term	1,569	2,091
<b>Non-current liabilities</b>	<b>12,802</b>	<b>12,974</b>
Borrowings – short term	1,575	2,112
Trade payables	12,096	12,198
Bank loans refinancing – short term	3,630	3,179
Tax payables & others	1,138	1,188
Other debts	3,229	2,732
<b>Current liabilities</b>	<b>21,668</b>	<b>21,408</b>
<b>Liabilities related to assets held for sale</b>	<b>51</b>	<b>23</b>
<b>TOTAL</b>	<b>44,865</b>	<b>45,700</b>

## First-half 2016 consolidated cash-flow statement

(€m)	H1 2015	H1 2016
<b>NET DEBT OPENING</b>	<b>-4,954</b>	<b>-4,546</b>
Gross cash flow	1,180	1,088
Change in working capital	-2,232	-2,052
Impact of discontinued activities	21	-11
<b>Cash Flow from operations (ex. financial services)</b>	<b>-1,031</b>	<b>-975</b>
Capital expenditures ( <i>ex Cargo</i> )	-804	-968
Capital expenditures ( <i>Cargo</i> )	-	-89
Change in net payables to fixed asset suppliers	-261	-295
Asset disposals (business related)	53	69
Impact of discontinued activities	0	0
<b>Free Cash Flow</b>	<b>-2,044</b>	<b>-2,259</b>
<b><i>Free Cash Flow from continuing operations, excluding Cargo and exceptional items</i></b>	<b><i>-1,930</i></b>	<b><i>-2,106</i></b>
Financial investments	-57	-136
Proceeds from disposals of subsidiaries	1	7
Others	1	19
Impact of discontinued activities	0	5
<b>Cash Flow after investments</b>	<b>-2,098</b>	<b>-2,363</b>
Capital increase	8	140
Dividends paid by parents company	0	-121
Dividends paid to non-controlling interests	-70	-60
Acquisition/ disposal of investments without change of control	208	0
Treasury shares	369	-4
Cost of net financial debt	-185	-181
Others	68	-233
Impact of discontinued activities	0	0
<b>NET DEBT AT CLOSE</b>	<b>-6,654</b>	<b>-7,367</b>

## Changes in shareholders' equity

(€m)	Total shareholders' equity	Shareholders' equity Group share	Minority interests
<b>At December 31, 2015</b>	<b>10,672</b>	<b>9,633</b>	<b>1,039</b>
Total comprehensive income for H1 2016	194	129	65
2015 dividend	-181	-121	-60
Impact of scope changes and others	609	104	505
<b>At June 30, 2016</b>	<b>11,294</b>	<b>9,745</b>	<b>1,549</b>

## First-half 2016 net income, Group share, adjusted for exceptional items

(€m)	H1 2015	H1 2016
<b>Net income from continuing operations, Group share</b>	<b>230</b>	<b>158</b>
Restatement for non recurring income and expenses (before tax)	16	114
Restatement for exceptional items in net financial expenses	31	7
Tax impact <sup>1</sup>	-28	-48
Restatement on share of income from minorities and companies consolidated by the equity method	-16	4
<b>Adjusted net income, Group share</b>	<b>233</b>	<b>235</b>

<sup>1</sup> Tax impact of restated items (non-recurring income and expenses and financial expenses) and non recurring tax items.

## EXPANSION UNDER BANNERS – Second-quarter 2016

In Q2 2016, Carrefour opened or acquired 145,000 gross sq. m.

Thousands of sq. m.	Dec 31, 2015	March 31, 2016	Openings/ Store enlargements	Acquisitions	Closures/ Store reductions	Total Q2 2016 change	June 30, 2016
France	5,668	5,676	23	6	-5	24	5,700
Europe (ex France)	6,039	5,959	37		-651	-615	5,344
Latin America	2,258	2,262	19		-4	16	2,278
Asia	2,734	2,708	28		-9	19	2,728
Others <sup>2</sup>	828	862	32		-7	25	887
<b>Group</b>	<b>17,526</b>	<b>17,466</b>	<b>139</b>	<b>6</b>	<b>-675<sup>1</sup></b>	<b>-530</b>	<b>16,936</b>

## NETWORK UNDER BANNERS – Second-quarter 2016

In Q2 2016, Carrefour opened or acquired 227 stores, mainly convenience stores (183).

No. of stores	Dec 31, 2015	March 31, 2016	Openings	Acquisitions	Closures/ Disposals	Transfers	Total Q2 2016 change	June 30, 2016
<b>Hypermarkets</b>	<b>1,481</b>	<b>1,480</b>	<b>12</b>		<b>-50</b>		<b>-38</b>	<b>1,442</b>
France	242	242						242
Europe (ex France)	489	484			-49		-49	435
Latin America	304	304	3				3	307
Asia	369	369	4		-1		3	372
Others <sup>2</sup>	77	81	5				5	86
<b>Supermarkets</b>	<b>3,462</b>	<b>3,455</b>	<b>29</b>	<b>3</b>	<b>-347</b>	<b>16</b>	<b>-299</b>	<b>3,156</b>
France	1,003	1,016	1	3		16	20	1,036
Europe (ex France)	2,096	2,067	24		-346		-322	1,745
Latin America	168	168					0	168
Asia	29	31	2		-1		1	32
Others <sup>2</sup>	166	173	2				2	175
<b>Convenience</b>	<b>7,181</b>	<b>7,042</b>	<b>183</b>		<b>-288</b>	<b>-16</b>	<b>-121</b>	<b>6,921</b>
France	4,263	4,241	58		-36	-16	6	4,247
Europe (ex France)	2,464	2,336	109		-249		-140	2,196
Latin America	404	414	11		-3		8	422
Asia	8	8	5				5	13
Others <sup>2</sup>	42	43					0	43
<b>Cash &amp; carry</b>	<b>172</b>	<b>174</b>			<b>-6</b>		<b>-6</b>	<b>168</b>
France	142	143					0	143
Europe (ex France)	18	19			-6		-6	13
Others <sup>2</sup>	12	12					0	12
<b>Group</b>	<b>12,296</b>	<b>12,151</b>	<b>224</b>	<b>3</b>	<b>-691<sup>1</sup></b>		<b>-464</b>	<b>11,687</b>
France	5,650	5,642	59	3	-36		26	5,668
Europe (ex France)	5,067	4,906	133		-650		-517	4,389
Latin America	876	886	14		-3		11	897
Asia	406	408	11		-2		9	417
Others <sup>2</sup>	297	309	7				7	316

<sup>1</sup> The termination of the franchise contract in Greece has led to the removal of 538 stores and 568,000 sq.m. from the perimeter.

<sup>2</sup> Maghreb, Middle East and Dominican Republic

## Definitions

### Like for like sales growth

Sales generated by stores opened for at least twelve months, excluding temporary store closures, at constant exchange rates.

### Organic sales growth

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

### Sales under banners

Total sales under banners including sales by franchisees and international partnerships.

### 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

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](http://www.carrefour.com)), and in particular the Annual Report (Document de Référence). These documents are also available in English 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.