



Press release
Massy, June 23rd, 2019

Carrefour announces the sale of a controlling stake in its activities in China to Chinese group Suning.com

Carrefour Group announces today the signing of an agreement to sell an 80% equity interest in Carrefour China to Chinese Group Suning.com. The transaction, which will be paid in cash, values Carrefour China at an enterprise value of €1.4 billion.

With a presence in China dating back to 1995, Carrefour China operates a network of 210 hypermarkets and 24 convenience stores. In 2018, it generated net sales of €3.6 billion (RMB 28.5 billion) and EBITDA of €66 million (RMB 516 million).

Suning.com is a leading retailer in China. It operates a network of over 8,881 stores in more than 700 cities and runs the country's 3rd largest B2C e-commerce platform. The strong complementarity between Carrefour China and Suning.com's activities will accelerate the development of Carrefour China.

Carrefour Group will retain a 20% stake in the business and two seats out of seven on Carrefour China's Supervisory Board.

Closing of the transaction is subject to approval by Chinese competition authorities and other customary conditions, and is expected by the end of 2019.

About Carrefour

With a multiformat network of more than 12,000 stores in over 30 countries, Carrefour Group is one of the world's leading food retailers. Carrefour serves 105 million customers worldwide and posted sales of 84.9 billion euros in 2018. The Group has more than 360,000 employees who contribute to making Carrefour the world leader in the food transition for all, offering quality food every day, accessible everywhere and at a reasonable price.

For more information, visit www.carrefour.com, Twitter (@CarrefourGroup) and LinkedIn (Carrefour).

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About Suning.com

Suning.com is a leading online-to-offline (O2O) smart retail company in China. In the era of Internet, Internet of Things and Big Data, Suning continues to promote smart retail and O2O strategies, whole-category and omni-channel operations, and global expansion. By launching logistics services, data services and financial services via the cloud, and through the use of different consumer-facing channels (POS, PCs, mobile devices and household terminals), Suning has proudly delivered a ubiquitous one-stop service experience to its consumers. In 2018, Suning.com was listed on Fortune 500 again and was ranked 13th on China's most valuable brands.

Additional information

A. Key provisions of the agreement

Purchase price

The transaction values 100% of Carrefour China at an equity value of RMB 6.0 billion, or €774 million.

The purchase price for the acquisition of 80% of Carrefour China shares is RMB 4.8 billion, or €620 million. This price is subject to a closing adjustment mechanism, based on the evolution of Carrefour China's net financial debt and working capital.

The implied enterprise value of the transaction amounts to €1.4 billion. This amount includes the value of 100% of the equity of Carrefour China, the net financial debt, the operating debt related to the shopping cards (about €400 million) and the value of minority interests.

Liquidity mechanism

The agreement signed with Suning.com provides Carrefour Group with several liquidity windows to sell its remaining 20% stake in Carrefour China:

- At any time during the 90-day period after the second anniversary following closing of the transaction, Carrefour shall have the right to sell its remaining 20% stake to Suning.com, at a price equal to 20% of the equity value determined at closing for the sale of the 80% stake
- After this window, and for a 90-day period, Suning.com will have the right to buy Carrefour's residual 20% stake, at a price equal to 20% of the equity value determined at closing for the sale of the 80% stake
- After the third anniversary following closing, and for a period of 3 years, Carrefour shall have the right to sell its remaining 20% stake to Suning.com, at fair market value
- After the fourth anniversary following closing, and for a period of 3 years, Suning.com shall have the right to buy Carrefour's residual 20% stake, at fair market value

B. Key financials for Carrefour China

	2017		2018	
	in million RMB	in million EUR	in million RMB	in million EUR
Net sales	30,795	4,050	28,468	3,646
Like-for-like growth (%)	(5.5%)	(5.5%)	(5.9%)	(5.9%)
Recurring Operating Income	(546)	(82)	(253)	(32)
Capital expenditure	(741)	(97)	(394)	(50)
Free cash flow	(636)	(84)	(217)	(28)

Note: EUR / RMB exchange rate of 7.60 for 2017 and 7.81 for 2018. All figures under IFRS

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 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.