2019 SECOND-QUARTER SALES AND FIRST-HALF RESULTS
Significantly improved performance, intensification of transformation initiatives

- **Increase in sales, recurring operating income (ROI) and free cash-flow:**
  - Acceleration in Group like-for-like sales growth in Q2: +3.9% (+3.2% in Q1)
  - Increase in recurring operating income of +4.5% (+€27m) at constant exchange rates, to €618m[1]
  - Improvement of +€282m in free cash-flow excluding exceptional items and discontinued operations[1]

- **Intensification of transformation plan initiatives in the first half of 2019:**
  - The ambition to be the leader in the food transition for all has been included as the Group's *raison d'être* in its bylaws
  - Carrefour reinforces its attractiveness by increasing investments in price competitiveness, the revamp of its offer, services and digital
  - The Group is accelerating the transformation of its store formats – notably hypermarkets –, the expansion of growth formats and the deployment of innovative commercial concepts
  - With the launch of the "Act for Change" program, Carrefour is mobilizing employees in favor of the transformation dynamic and placing customer satisfaction at the center of everyone's actions and objectives

- **Sale of a controlling stake in Carrefour China to Suning.com and disposal of Cargo to Argan as part of the program to divest of non-strategic real estate assets**

- **Confirmation of the Carrefour 2022 transformation plan targets**

Alexandre Bompard, Chairman and Chief Executive Officer, declared: *"Carrefour is showing a clear improvement in performance, half-year results are growing. This strong momentum is accompanied by an intensification of our transformation plan. We are multiplying concrete initiatives to better serve our customers: We are investing in prices to support their purchasing power, we are offering them a more extensive range of services and more innovative formats. To mark our commitment to ensuring that everyone has access to a healthy diet, we have made the food transition for all our raison d'être."*

H1 2019 KEY FIGURES

(in €m)	**H1 2018**[1] IFRS 5 pre-IAS 29 pre-IFRS 16	**H1 2019**[1] IFRS 5 pre-IAS 29 pre-IFRS 16	**Variation**	**H1 2019** IFRS 5 post-IAS 29 post-IFRS 16
Sales inc. VAT	39,244	**38,793**	**+3.5% LFL**	38,849
Recurring operating income (ROI)	602	**618**	**+4.5%, +€27m (constant FX)**	624
Recurring operating margin	1.7%	**1.8%**	+6bp	1.8%
Adjusted net income, Group share	135	**179**	+€44m	155
Free cash-flow excl. exceptional items and discontinued operations	(2,088)	**(1,806)**	**+€282m**	(1,350)
Net debt (incl. discontinued operations)	(5,970)	**(5,958)**	+€122m (constant FX)	(5,958)

Note: (1) IFRS 5 (China reclassified as discontinued operations), pre-IAS 29 (hyperinflation in Argentina) and pre-IFRS 16 (accounting for leases)

CARREFOUR 2022: LEADER IN THE FOOD TRANSITION FOR ALL

Raison d'être and "Act for Change"

Carrefour's ambition to be the **leader in the food transition for all**, a pillar of the Carrefour 2022 transformation plan, is now included as a *raison d'être* in the Group's bylaws. This ambition takes form through new concrete actions:

- Organic sales continue their strong momentum, with growth above +25% in Q2 2019, driven by new customer gains
- Carrefour supports farmers in their conversion to organic farming. The Group is ahead of schedule, with more than 300 support contracts already signed in France since 2018 (including +96 in H1 2019)
- Carrefour introduced the "CSR and Food Transition Index" (score of 104% in 2018) to monitor the performance of its CSR strategy and the implementation of the food transition
- New packaging for Carrefour-branded products will feature the Nutriscore nutrition labeling system
- Carrefour signed a partnership in May with Loop, offering everyday products in sustainable and returnable packaging

Carrefour is implementing an international **"Act for Change"** program, making employees the main actors of the Group's transformation. The goal is to be simpler, more open and more collaborative. This program places the food transition and customer satisfaction at the center of each employee's actions and objectives.

Construction of a sustainable growth model, introduction of innovative formats

Multiplication of initiatives to improve competitiveness: Carrefour is intensifying its efforts to better meet consumer needs and favor purchasing power.

- Starting in February 2019, Carrefour launched the "Loyalty rewards" and "Large Brand rewards" in all its formats and channels in France, in order to reward customer loyalty
- In April, the Group launched the "Unbeatable Prices" in hypermarkets on 10 everyday fruits and vegetables
- In May, Carrefour proposed "Saturday fuel at cost" in hypermarkets and supermarkets
- From June, Carrefour is offering "Unbeatable Prices" on 500 key FMCG products. This offer is valid all year. The Group undertakes to reimburse twice the difference if the consumer finds a similar product for a lower price in the catchment area
- In Europe, Carrefour invested heavily in prices. It launched the "Prezzo Ribassato" campaign in Italy (5,000 products) and "Unbeatable" campaign in Spain on fresh products. The Group has also invested in prices of organic products in Belgium
- In Brazil, in addition to the repositioning of hypermarkets that began last year, Atacadão invested in prices to strengthen competitiveness
- These initiatives are accompanied by significant investments in non-price competitiveness in order to improve the product offering, especially with the development of high quality Carrefour-branded products, and deploy an omnichannel reference service

Accelerating the overhaul of the hypermarket: Carrefour has systematized and internationalized the adaptation of hypermarkets in favor of more compact formats, specifically adapted to their catchment area.

- The Group reduced under-productive selling space by almost 100,000 sqm at the end of June 2019 (of which around 30,000 sqm in H1 2019 and 65,000 sqm in 2018), excluding China. The selling space is reallocated to dedicated e-commerce preparation areas, outlets and the shopping mall
- In France, the Avignon store reopened in April after its transformation: reduction of sales area and assortments, racking, lower prices, etc. Further tests of new concepts will start soon in other stores

Highlighting food expertise and significant adaptation of the non-food offer: The Group has undertaken the overhaul of its assortments, particularly in favor of Carrefour-branded products, which post positive sales momentum.

- Carrefour continues the reduction of its product range, in particular to improve the readability of the offer. The target is a -15% reduction by 2020 globally, of which -8% has already been achieved at June 30, 2019
- In H1 2019, the Group made new commitments regarding the quality of products under Carrefour brands (removal of additives, roll-out of blockchain technology), expanded its product ranges, in particular organic and veggie, and improved the in-store visibility of these products
- Carrefour continues to roll out new merchant concepts (e.g. Plural Beauty) and has introduced new hubs bringing together all services to improve the quality and fluidity of customer service

Accelerated deployment of the omnichannel ecosystem: Carrefour's strong digital investments resulted in another increase of more than +30% in e-commerce food sales in Q2 (excluding China).

- Carrefour inaugurated a new Order Preparation Platform on the outskirts of Paris in early January; another opening is planned in the autumn south of Paris
- Carrefour opened its 100th pedestrian Drive in France in July (compared with 62 at the end of March). In total, the Group operates 1,501 Drives worldwide (+155 in H1), excluding China
- The Group is deploying home delivery throughout France, with the goal of providing the service in all urban areas whose population exceeds 10,000 inhabitants by 2022
- Brazil's e-commerce sales are showing strong growth momentum, notably in food, leveraging the success of the partnership with Rappi
- Carrefour announced in July a partnership with Glovo in 4 countries (France, Spain, Italy and Argentina) to offer a 30-minute delivery service

Investments in innovative and growth formats

- In France, the Group strengthened its position as a market leader in organic products, notably with the opening of 8 new Bio Experience areas in hypermarkets in H1 (13 to date)
- The So.bio banner, whose acquisition has been finalized, opened in July the largest organic store in Paris, on the *rue de Sèvres* (800 sqm, 10,000 SKUs)
- Since June, the first "Carrefour Bon Appétit" restaurant in Paris offers a range of high-quality products, to eat on site or to take away
- In Brazil, the Group continues to capitalize on the success of the Cash & Carry format, with the inauguration of 5 Atacadão in Brazil in Q2 2019, after 4 in Q1 (target of 20 new Atacadão stores over the year is confirmed)
- In Argentina, 11 stores were converted to Maxi in H1, bringing the total to 27
- The Supeco Cash & Carry supermarket format continues to expand in Europe with 3 openings in Spain and Romania in H1, bringing the total to 41 stores
- In all geographies, Carrefour is expanding its convenience store portfolio with the opening of 228 new stores in H1 2019, including 138 openings in Q2

Culture of operational efficiency and financial discipline

Transformation of organizations: Within a profoundly revamped Carrefour ecosystem, the group has embarked on new initiatives to make its organizations more flexible and agile**.**

- In France, the transformation plan includes the reduction of sales areas and the simplification of store organization
- A labor agreement (GPEC) was signed in March to promote internal mobility and the professional evolution of employees
- To support employees whose job is more specifically affected, a Collective Contractual Severance (RCC) agreement was signed in mid-May, with effective implementation as of June 3, 2019. Departures can be programmed until December 2022 for End of Career Leaves
- In Italy, agreements involving a reduction of 590 jobs at headquarters and in hypermarkets were signed with the social partners. These departures will be voluntary and internal redeployment solutions will be studied
- In Belgium, the 1,000 departures under the voluntary departure plan were finalized at the end of June

Operational efficiency and financial discipline: Carrefour is continuing its cost-saving drive across all geographies while strengthening the selectivity and productivity of its investments.

- Excluding China, the Group achieved €470m in cost savings in H1 2019, vs €460m in H1 2018, leading to a total of €1.4bn to date, on track to achieve the 2020 objective
- Carrefour recorded the first benefits of purchasing partnerships in France and internationally:
    - In France, Envergure purchasing gains (Système U) started becoming visible from March, when the annual round of supplier negotiations ended
    - With Tesco, negotiations on the product categories with highest potential for Carrefour are gradually gaining momentum
- Carrefour is pursuing the implementation of an industrialized approach in the redesign of operational processes and purchasing of goods not for resale. The Group has already achieved average savings of 20% in 4 categories: lighting, tiles, cold furniture and trolleys

CHANGES IN SCOPE

Carrefour China: Carrefour announced on June 25, 2019 the signing of an agreement to sell 80% of Carrefour China to the Chinese group Suning.com. This cash transaction values Carrefour China at an enterprise value of €1.4bn. The agreement provides liquidity windows for the residual stake of 20%.

Closing of the transaction is subject to approval by Chinese competition authorities and other customary conditions. It should be effective by the end of 2019.

The China operations have been accounted for as discontinued operations, as of January 1, 2019, in accordance with IFRS 5. The IFRS 5 standard provides that the classification as discontinued operations is also applied to the 2018 historical data for the income statement and cash-flow statement.

Cargo Property Assets: Carrefour announced on July 10, 2019, the signing of agreements to sell the entire capital of Cargo Property Assets to Argan, a listed property company specializing in logistics real estate. This transaction would be carried out under favorable conditions and would allow Carrefour to crystallize the value of the Cargo assets.

The transaction values the real estate assets held by Cargo Property Assets at €900m excluding transfer tax. Carrefour would receive a remuneration equivalent to about €290m for its 32% stake, about 80% of which in cash and 20% in Argan stock. Carrefour would thus hold about 5% of Argan's share capital.

The completion of the transaction is subject to the approval of Argan shareholders and other customary conditions. It should be effective by the end of 2019.

This transaction would contribute to achieving the **objective to sell €500m of non-strategic real estate assets by 2020, as part of the Carrefour 2022 plan**. At the end of July 2019, including Cargo, the Group has already concluded several transactions amounting to more than €490m.

FIRST-HALF 2019 RESULTS

The IAS 29 and IFRS 16 standards have been applied from July 1, 2018 and January 1, 2019 respectively. The H1 2018 accounts are therefore officially pre-IAS 29 and pre-IFRS 16, unlike the H1 2019 accounts which are post-IAS 29 and post-IFRS 16. For the sake of clarity and comparability, the comments on the income statement (IFRS 5) relate to pre-IAS 29 and pre-IFRS 16 data. Details of the income statement (IFRS 5) for H1 2019 post-IAS 29 and post-IFRS 16 are available in appendix of this press release.

On a like-for-like basis (LFL), second-quarter gross sales grew by +3.9%. Group sales inc. VAT amounted to €19,974m, an increase of +3.4% at constant exchange rates. After taking into account a -2.8% unfavorable exchange rate effect, mainly due to the depreciation of the Brazilian Real and the Argentine Peso, the total variation in sales at current exchange rates was +0.5%. A sequential acceleration in LFL growth can be observed in most geographies. In France and Europe, sales in June benefited from exceptional weather conditions in the last days of the month.

On a like-for-like basis (LFL), first-half gross sales grew by +3.5%. Group sales inc. VAT amounted to €38,793m, an increase of +2.1% at constant exchange rates. After taking into account an unfavorable -3.3% exchange rate effect, the total variation in sales at current exchange rates is -1.2%.

Gross margin stood at 22.0% of net sales. Price investments weighed on gross margin, while purchasing gains, lower logistics costs and the better performance of financial services enabled its stabilization.

Distribution costs represented 18.4% of net sales. They benefited from the cost reduction plan and included costs related to new stores and new customer services, notably in digital.

Group **EBITDA** reached €1,311m, i.e. a stable margin of 3.8%.

The Group's **recurring operating income** (ROI) amounted to €618m, up +€27m (+4.5%) at constant exchange rates (the currency effect is a negative -€11m, notably due to the depreciation of the Brazilian real). Operating margin is slightly up by +6bps to 1.8%.

In the first half of 2019, **non-recurring income** amounted to €(593)m. It notably reflects the costs related to the reorganization plans in the various countries for an amount of €342m, as well as €194m of other non-current items mainly related to provisions for tax litigation in Brazil.

Net income, Group share amounted to €(399)m and includes the following items:

- **Net financial expenses** of €(129)m, an improvement of €18m following refinancing operations carried out under more favorable conditions
- Income tax expense of €(193)m versus €(173)m last year. This tax expense reflects a **normalized tax rate** of 33.4% (vs 34.4% in H1 2018), excluding non-recurring income and taxes not assessed on pre-tax income
- **Net income from discontinued operations, Group share** amounted to €(26)m, principally including China

Adjusted net income, Group share improved by €44m, to €179m vs €135m in H1 2018.

OPERATING PERFORMANCE BY GEOGRAPHY

France: Growth in recurring operating income

In a market that remains very competitive, sales in **France** in the first half were up +0.8% on a like-for-like basis vs H1 2018. The trend in the second quarter (+0.7% LFL) was broadly in line with the first quarter (+1.0% LFL). Performance in food (+1.9% LFL in Q2) was satisfactory, while non-food continued to be difficult (-7.1% LFL in Q2).

- Price investments continued in all formats and channels. After February's Rewards programs, Carrefour launched the "Unbeatable Prices" campaign on 10 fruits and vegetables in April, an initiative expanded in June to 500 flagship FMCG products
- Growth momentum in organic, e-commerce and convenience formats remained strong
- Reductions and reallocations of under-productive non-food sales areas in hypermarkets continued, in line with the plan

France's recurring operating income in H1 2019 was €116m, up +€6m (+5.3%), after three years of deterioration. This ROI improvement reflects:

- Momentum in cost reduction and organizational transformation
- Investments in price competitiveness and in the attractiveness of Carrefour's offer, services and digital

Europe excluding France: Intensification of the transformation plan

In **Europe excluding France**, sales were down -0.7% on a like-for-like basis in H1 2019, reflecting a sequential improvement in trends in the second quarter (stable LFL in Q2 vs -1.5% in Q1) in most countries.

In Q2 2019, performance remained mixed between Western Europe (Spain, Italy, Belgium) and Eastern Europe (Poland and Romania):

- In **Spain** (stable LFL in Q2), Carrefour rolled out its strategic actions: Strengthening of digital, fresh, organic and Carrefour-branded products). A new country CEO arrived in June to accelerate the transformation
- In **Italy** (-2.2% LFL in Q2), the market remained under pressure with a difficult macroeconomic and competitive context. The Group is implementing the transformation plan presented in February. LFL sales reflected investments in competitiveness
- In **Belgium** (-1.6% LFL in Q2), Carrefour's performance suffered from a market that deteriorated during the quarter, in a context of low inflation and strong competition
- Growth continued in **Poland** (+5.7% LFL in Q2) and **Romania** (+3.8% LFL in Q2)

Recurring operating income of the **Europe excluding France** zone amounted to €119m in H1 2019, compared with €152m in H1 2018. This drop reflected:

- A soft commercial performance in competitive markets
- Significant investments to redynamize business, particularly in Italy in a context of market deterioration, mitigated by cost reductions

Latin America: Acceleration in sales growth and robust profitability

In **Latin America**, sales in the first half were up +15.2% on a like-for-like basis (+15.9% in Q2), reflecting strong commercial momentum.

In **Brazil,** Q2 sales were up +12.9% at constant exchange rates, including sustained +7.7% like-for-like growth, and a +5.3% contribution from openings. Food inflation has been slowing since May.

- Atacadão's LFL growth improved sequentially to +7.6% in Q2 compared to +6.8% in Q1. The Group opened 5 new Atacadão in Q2 (+9 in H1)

- The continued growth of Carrefour Retail (+8.0% LFL in Q2) is supported by the repositioning of hypermarkets initiated in 2018, good performance in convenience, food transition initiatives and strong e-commerce sales. This was the highest quarterly increase of the last five years
- Strong growth in financial services continues with an increase in billings of +28.6% in Q2 and the increase in the number of cardholders (+517,000 cards issued in Q2, including +261,000 Atacadão cards)

In **Argentina**, where LFL growth reached +50.5% in Q2 2019, the transformation plan continues to bear fruit. Beyond high food inflation in the country, Carrefour posted an improvement in traffic and volumes. A new country CEO arrived in July 2019.

At constant exchange rates, **Latin America**’s recurring operating income increased by +€61m (+19.2%) in H1. Recurring operating income reached €368m and was up in both countries.

Asia: Solid growth

The **Asia** zone corresponds to Carrefour Taiwan's activity, given China's classification as discontinued operations under IFRS 5.

Taiwan's H1 2019 sales increased +0.8% LFL, reflecting a return to growth in the second quarter (+3.0% LFL).

At constant exchange rates, **Asia**’s recurring operating income increased +8.7%. ROI reached to €41m, i.e. an improvement of +23bp in operating margin, at 4.2%.

CASH-FLOW AND DEBT

H1 2019 cash-flow statement (IFRS 5) is pre application of IAS 29 and IFRS 16 standards. Details of the cash-flow statement (IFRS 5) for H1 2019 post-IAS 29 and post-IFRS 16 are available in appendix of this press release.

In the first half of 2019, the Group posted an improvement in **free cash-flow adjusted for exceptional items and discontinued operations** of +€282m, from €(2,088)m to €(1,806)m.

- The **change in working capital requirements** improved by +€143m
    - **Inventory** reduction continued (-€41m at constant exchange rates, -€72m at current exchange rates)
    - **Other working capital requirement** items benefitted from the increase in purchasing volumes, linked to more sustained activity than in H1 2018, as well as a positive calendar effect on trade payables
- **Investments** continued to benefit from selectivity and productivity measures and stood at €628m in H1 2019 (excluding China). They increased by +€81m compared to H1 2018, driven by the launch of new strategic projects, including new business concepts, digital and expansion of growth formats

Free cash-flow was slightly down by -€43m at €(2,262)m, notably impacted by €269m exceptional cash-outs in H1 2019 linked to the reorganization plans in various countries.

H1 2019 balance sheet is post application of IFRS 5, IAS 29 and IFRS 16 standards.

Net financial debt (including discontinued operations) was stable at €(5,958)m at June 30, 2019, vs €(5,970)m in June 30, 2018.

IFRS 16

Since January 1, 2019, Carrefour has applied IFRS 16, which concerns the principles of accounting for leases, and replaces IAS 17 - *Leases* and its interpretations. The Group opted for the simplified retrospective approach. Thus, the 2018 Consolidated Financial Statements will not be restated. The consolidated financial statements for the first half of 2019 have been established in accordance with IFRS 16 accounting rules.

The Group recognized an **IFRS 16 lease liability** of €4.3bn (excluding China) and an **IFRS 16 right-of-use asset** of €4.2bn (excluding China), at June 30, 2019.

DIVIDEND

Following the decision of the Shareholders' Meeting of June 14, 2019, shareholders were given the option of receiving the €0.46 per share dividend in cash or in Group shares. At the end of the option period ended July 5, 2019, shareholders having elected to receive the 2018 dividend payment in shares represented 70.44% of Carrefour's shares. Of the €359m in dividends, €106m was paid in cash on July 11, 2019 and €253m was paid in the form of 17,096,567 new shares.

ENHANCED LIQUIDITY AND SOLID BALANCE-SHEET

In May 2019, Carrefour issued bonds in the amount of €500m with an eight-year maturity. The success of this operation, largely over-subscribed, attests to the strong confidence of bond investors in Carrefour’s signature. Following this transaction and the €1,000m bond redemption in May 2019, the maturity of the debt was extended to 3.9 years in June 2019, compared to 3.6 years in December 2018.

In addition, Carrefour successfully amended and extended two credit facilities for a total amount of €3.9bn, incorporating an innovative Corporate Social Responsibility (CSR) component, thus completing the first CSR-based bank credit operation in the European retail sector.

Carrefour benefits from a **solid balance sheet.** This is an important asset in the context of the fast-changing food retail sector.

At June 30, 2019, the Group was rated Baa1 negative outlook by Moody's and BBB stable outlook by Standard & Poor's.

OUTLOOK

Carrefour is confident in the ongoing transformation momentum. It will continue in the second half in an uncertain macroeconomic and market environment.

Carrefour reaffirms its ambitions and confirms the financial targets of the Carrefour 2022 plan:

- A cost-reduction plan of €2.8bn on an annual basis by 2020 (€2.6bn excluding China)
- €5bn in food e-commerce sales in 2022 (€4.2bn excluding China)
- €5bn in sales of organic products in 2022 (€4.8bn excluding China)
- The disposal of non-strategic real estate assets for €500m by 2020

Operational targets are also confirmed:

- Reduction of 400,000 sqm of hypermarket sales area worldwide by 2022 (350,000 sqm excluding China)
- -15% reduction in assortments by 2020 (-15% excluding China)
- Carrefour-branded products accounting for one-third of sales in 2022 (one-third excluding China)
- 3,000 convenience store openings by 2022 (2,700 excluding China)

The Board of Directors of Carrefour met on July 25, 2019 under the chairmanship of Mr. Alexandre Bompard and approved the condensed consolidated financial statements for the first half of 2019. These accounts have been reviewed by the statutory auditors.

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APPENDIX

Application of IFRS 5 standard

On June 23, 2019, the Group signed an agreement to sell 80% of its subsidiary Carrefour China. This agreement will result in the loss of control of the subsidiary if the conditions precedent are lifted.

As of June 30, 2019, all the assets and liabilities of this subsidiary fall within the scope of IFRS 5 and have been reclassified as held for sale.

In addition, Carrefour China is considered as a discontinued operation in accordance with the provisions of IFRS 5. As a result:

- The subsidiary's net income is presented on a separate line of the income statement entitled "net income from discontinued operations." For comparison purposes, first-half 2018 net income has also been reclassified on this line
- In the cash flow statement, all flows relating to this subsidiary are presented on the "impact of discontinued operations" lines. First-half 2018 data has been similarly restated

Carrefour announced on July 10, 2019 the signing of agreements to sell the entire capital of Cargo Property Assets to Argan, a listed property company specializing in logistics real estate. Cargo's property, plant and equipment have been reclassified as assets held for sale from April 1, 2019.

Application of IFRS 16 - Principles of Accounting for Leases

IFRS 16, which replaces IAS 17 – Leases and the related interpretations as from January 1, 2019, sets out the principles for recognizing leases and introduces major changes in the accounting for leases by lessees, since it eliminates the distinction for lessees between operating and finance leases.

Under IFRS 16, all leases are to be brought onto the statement of financial position by recognizing a right-of-use asset and a lease liability corresponding to the present value of the lease payments due over the reasonably certain term of the lease. IFRS 16 therefore affects the presentation of lease transactions in the income statement (with rental expense replaced by a depreciation expense and interest expense) and in the statement of cash flows (lease payments, representing payment of interest and repayment of the outstanding liability, will impact financing cash flows).

The Group has opted for the simplified retrospective approach as of January 1, 2019. Thus, the first half and full year 2018 consolidated financial statements are not restated. The consolidated financial statements for the first half of 2019 have been established in accordance with IFRS 16 accounting rules.

Application of IAS 29 - Accounting treatment of hyperinflation for Argentina

In Argentina, the cumulative inflation rate over the last three years is greater than 100%, according to a combination of indices used to measure the country's inflation (inflation of wholesale prices and consumer prices having exceeded the 100% threshold), and no significant decrease in inflation is expected in 2019 in a context in which, moreover, the Argentine peso has depreciated.

As a result, the criteria of the IAS 29 norm are fulfilled and according to a consensus shared by the AMF and ESMA, Argentina is considered a hyperinflationary economy within the meaning of IFRS as of July 1, 2018.

The impact on H1 2019 revenue is presented in the table below:

Sales incl. VAT (€m)	2018[1]	LFL[2]	Calendar	Openings	Scope and others[3]	Petrol	2019 at constant rates	Forex	2019 at current rates	IAS 29[4]	2019 at current rates post-IAS 29
Q1	19,378	+3.2%	-1.7%	+1.3%	-0.8%	-1.1%	+0.9%	-3.7%	18,819	-29	18,789
Q2	19,866	+3.9%	+1.0%	+1.2%	-0.8%	-1.7%	+3.4%	-2.8%	19,974	87	20,061
H1	39,244	+3.5%	-0.3%	+1.2%	-0.8%	-1.4%	+2.1%	-3.3%	38,793	56	38,849

Notes: (1) restated for IFRS 5; (2) excluding petrol and calendar effects and at constant exchange rates; (3) including transfers; (4) hyperinflation and currencies

Historical sales variation on a like-for-like (LFL) basis, excluding China

By quarter									
Q1 2017	**Q2 2017**	**Q3 2017**	**Q4 2017**	**Q1 2018**	**Q2 2018**	**Q3 2018**	**Q4 2018**	**Q1 2019**	**Q2 2019**
+2.1%	+3.4%	+0.8%	+2.2%	+0.9%	+1.4%	+2.5%	+2.4%	+3.2%	+3.9%

Half-year				
H1 2017	**H2 2017**	**H1 2018**	**H2 2018**	**H1 2019**
+2.8%	+1.5%	+1.1%	+2.4%	+3.5%

Full-year	
2017	**2018**
+2.1%	+1.8%

Second-quarter 2019 sales inc. VAT

The Group's sales amounted to €19,974m pre-IAS 29. Foreign exchange had an unfavorable impact in the second quarter of -2.8%, largely due to the depreciation of the Argentine Peso and the Brazilian Real. Petrol had an unfavorable impact of -1.7%. The calendar effect was a favorable +1.0%. The effect of openings was a favorable +1.2%. The impact of the application of IAS 29 was +€87m.

	Sales inc. VAT (€m)	Variation ex petrol ex calendar		Total variation inc. petrol	
		LFL	Organic	at current exchange rates	at constant exchange rates
France	**9,715**	**+0.7%**	**-0.5%**	**-1.6%**	**-1.6%**
Hypermarkets	4,949	-1.1%	-1.8%	-1.5%	-1.5%
Supermarkets	3,259	+2.5%	+0.1%	-1.0%	-1.0%
Convenience / other formats	1,508	+2.7%	+2.6%	-2.9%	-2.9%
Other countries	**10,259**	**+6.4%**	**+7.6%**	**+2.6%**	**+8.3%**
Other European countries	**5,722**	**+0.0%**	**-0.4%**	**+0.6%**	**+0.9%**
Spain	2,317	-0.0%	-0.1%	+0.4%	+0.4%
Italy	1,293	-2.2%	-4.0%	-2.2%	-2.2%
Belgium	1,029	-1.6%	-3.3%	-2.8%	-2.8%
Poland	534	+5.7%	+5.3%	+8.1%	+8.7%
Romania	549	+3.8%	+8.2%	+8.3%	+10.5%
Latin America (pre-IAS 29)	**4,066**	**+15.9%**	**+19.5%**	**+5.2%**	**+19.6%**
Brazil	3,471	+7.7%	+12.7%	+10.0%	+12.9%
Argentina (pre-IAS 29)	595	+50.5%	+47.6%	-15.9%	+48.8%
Asia	**470**	**+3.0%**	**+4.7%**	**+5.6%**	**+4.1%**
Taïwan	470	+3.0%	+4.7%	+5.6%	+4.1%
Group total (pre-IAS 29)	**19,974**	**+3.9%**	**+3.9%**	**+0.5%**	**+3.4%**
IAS 29[(1)]	87				
Group total (post-IAS 29)	**20,061**				

Variations excluding the calendar and petrol effects and total variations including petrol are presented in relation to 2018 sales restated for IFRS 5.

Note: (1) hyperinflation and foreign exchange

First-half 2019 sales inc. VAT

The Group's sales amounted to €38,793m pre-IAS 29. Foreign exchange had an unfavorable impact of -3.3% in the first half of the year, largely due to the depreciation of the Argentine Peso and the Brazilian Real. Petrol had an unfavorable -1.4% impact. The calendar effect was virtually neutral at -0.3%. The effect of openings was a favorable +1.2%. The impact of the application of IAS 29 was +€56m.

	Sales inc. VAT (€m)	Variation ex petrol ex calendar		Total variation inc. petrol	
		LFL	Organic	at current exchange rates	at constant exchange rates
France	**18,750**	**+0.8%**	**-0.2%**	**-2.4%**	**-2.4%**
Hypermarkets	9,608	-0.5%	-1.0%	-2.4%	-2.4%
Supermarkets	6,262	+2.0%	-0.3%	-2.0%	-2.0%
Convenience / other formats	2,880	+2.7%	+2.5%	-3.1%	-3.1%
Other countries	**20,043**	**+5.7%**	**+6.9%**	**+0.0%**	**+6.5%**
Other European countries	**11,080**	**-0.7%**	**-1.1%**	**-1.3%**	**-1.0%**
Spain	4,478	-1.4%	-1.2%	-0.7%	-0.7%
Italy	2,508	-3.0%	-4.8%	-4.9%	-4.9%
Belgium	2,015	-1.0%	-2.6%	-3.1%	-3.1%
Poland	1,028	+4.4%	+4.0%	+2.3%	+4.0%
Romania	1,051	+3.6%	+7.6%	+5.8%	+7.8%
Latin America (pre-IAS 29)	**7,946**	**+15.2%**	**+18.8%**	**+1.3%**	**+17.6%**
Brazil	6,777	+7.2%	+12.0%	+5.6%	+10.9%
Argentina (pre-IAS 29)	1,169	+49.9%	+47.4%	-17.9%	+47.7%
Asia	**1,017**	**+0.8%**	**+2.4%**	**+5.0%**	**+2.8%**
Taïwan	1,017	+0.8%	+2.4%	+5.0%	+2.8%
Group total (pre-IAS 29)	**38,793**	**+3.5%**	**+3.7%**	**-1.2%**	**+2.1%**
IAS 29(1)	56				
Group total (post-IAS 29)	**38,849**				

Variations excluding the calendar and petrol effects and total variations including petrol are presented in relation to 2018 sales restated for IFRS 5.

Note: (1) hyperinflation and foreign exchange

Consolidated income statement – H1 2018 bridge

(in €m)	**H1 2018 reported pre-IAS 29 pre-IFRS 16**	IFRS 5 China impact	**H1 2018[1] IFRS 5 pre-IAS 29 pre-IFRS 16**	IAS 29 impact	**H1 2018 IFRS 5 post-IAS 29 pre-IFRS 16**
Gross sales inc. VAT	**41,439**	**(2,195)**	**39,244**	**(250)**	**38,994**
Net sales	**37,071**	**(1,924)**	**35,147**	**(200)**	**34,947**
Net sales, net of loyalty program costs	**36,728**	**(1,867)**	**34,861**	**(200)**	**34,662**
Other revenue	1,309	(110)	1,199	(4)	1,195
Total revenue	**38,037**	**(1,977)**	**36,060**	**(204)**	**35,856**
Cost of goods sold	(29,816)	1,492	(28,324)	143	(28,181)
Gross margin	**8,221**	**(485)**	**7,736**	**(61)**	**7,675**
As a % of net sales	*22.2%*		*22.0%*		*22.0%*
SG&A	(6,884)	440	(6,444)	62	(6,382)
As a % of net sales	*18.6%*		*18.3%*		*18.3%*
Recurring operating income before D&A (EBITDA)[2]	**1,373**	**(45)**	**1,328**	**1**	**1,329**
EBITDA margin	*3.7%*		*3.8%*		*3.8%*
Depreciation and amortization	(740)	50	(690)	(2)	(692)
Recurring operating income (ROI)	**597**	**5**	**602**	**(1)**	**601**
Recurring operating margin	*1.6%*		*1.7%*		*1.7%*
Income from associates and joint ventures	(6)	-	(6)	-	(6)
Recurring operating income including income from associates and joint ventures	**591**	**5**	**596**	**(1)**	**595**
Non-recurring income and expenses	(785)	20	(765)	13	(752)
Operating income	(194)	25	(169)	12	(157)
Financial expense	(149)	2	(147)	18	(129)
Finance costs, net	(121)	2	(119)	5	(113)
Net interests related to leases commitment	-	-	-	-	-
Other financial income and expenses	(28)	(0)	(28)	13	(16)
Income before taxes	(342)	27	(316)	30	(286)
Income tax expense	(179)	5	(173)	(2)	(176)
Net income from continuing operations	**(521)**	**32**	**(489)**	**28**	**(462)**
Net income from discontinued operations	(229)	(32)	(261)	-	(261)
Net income	**(750)**	**-**	**(750)**	**28**	**(722)**
of which Net income, Group share	**(861)**	**-**	**(861)**	**29**	**(833)**
of which Net income from continuing operations, Group share	(633)	30	(603)	29	(574)
of which Net income from discontinued operations, Group share	(229)	(30)	(259)	-	(259)
of which Net income, Non-controlling interests	**112**	**-**	**112**	**(1)**	**111**
of which Net income from continuing operations, Non-controlling interests	112	2	113	(1)	112
of which Net income from discontinued operations, Non-controlling interests	-	(2)	(2)	0	(2)
Net Income, Group share, adjusted for exceptional items	**131**	**4**	**135**	**15**	**150**
Depreciation from supply chain (in COGS)	(36)	-	(36)	-	(36)

Note: (1) H1 2018 IFRS consolidated accounts; (2) Recurring EBITDA excludes depreciation from supply chain activities which is booked in cost of goods sold and excludes non-recurring items

Consolidated income statement – H1 2019 bridge

(in €m)	**H1 2019 IFRS 5 pre-IAS 29 pre-IFRS 16**	IFRS 16 impact	IAS 29 impact	**H1 2019[1] IFRS 5 post-IAS 29 post-IFRS 16**
Gross sales inc. tax	**38,793**	**-**	**56**	**38,849**
Net sales	**34,841**	**-**	**44**	**34,885**
Net sales, net of loyalty program costs	**34,505**	-	**44**	**34,549**
Other revenue	1,227	(24)	1	1,204
Total revenue	**35,732**	**(24)**	**45**	**35,752**
Cost of goods sold	(28,054)	4	(37)	(28,086)
Gross margin	**7,678**	**(20)**	**8**	**7,667**
As a % of net sales	*22.0%*			*22.0%*
SG&A	(6,397)	395	(13)	(6,015)
As a % of net sales	*18.4%*			*17.2%*
Recurring operating income before D&A (EBITDA)[2]	**1,311**	**464**	**(4)**	**1,770**
EBITDA margin	*3.8%*			*5.1%*
Depreciation and amortization	(664)	(353)	(12)	(1,029)
Recurring operating income (ROI)	**618**	**23**	**(17)**	**624**
Recurring operating margin	*1.8%*			*1.8%*
Income from associates and joint ventures	(1)	-	-	(1)
Recurring operating income including income from associates and joint ventures	**616**	**23**	**(17)**	**622**
Non-recurring income and expenses	(593)	(2)	(16)	(610)
Operating income	23	21	(33)	12
Financial expense	(129)	(64)	28	(165)
Finance costs, net	(108)	-	(4)	(112)
Net interests related to leases commitment	(8)	(60)	8	(60)
Other financial income and expenses	(13)	(4)	24	7
Income before taxes	(106)	(43)	(5)	(153)
Income tax expense	(193)	-	2	(192)
Net income from continuing operations	**(299)**	**(43)**	**(4)**	**(345)**
Net income from discontinued operations	(23)	(22)	-	(45)
Net income	**(322)**	**(64)**	**(4)**	**(390)**
of which Net income, Group share	**(399)**	**(57)**	**(2)**	**(458)**
of which Net income from continuing operations, Group share	(373)	(40)	(2)	(415)
of which Net income from discontinued operations, Group share	(26)	(18)	-	(43)
of which Net income, Non-controlling interests	**77**	**(7)**	**(2)**	**68**
of which Net income from continuing operations, Non-controlling interests	74	(3)	(2)	70
of which Net income from discontinued operations, Non-controlling interests	3	(4)	-	(2)
Net Income, Group share, adjusted for exceptional items	**179**	**(30)**	**6**	**155**
Depreciation from supply chain (in COGS)	(30)	(88)	0	(118)

Notes: (1) H1 2019 IFRS consolidated accounts; (2) Recurring EBITDA excludes depreciation from supply chain activities which is booked in cost of goods sold and excludes non-recurring items

Consolidated income statement – FY 2018 bridge

(in €m)	**2018 reported pre-IAS 29 pre-IFRS 16**	IAS 29 impact	**2018 reported post-IAS 29 pre-IFRS 16**	IFRS 5 China impact	**2018[1] IFRS 5 post-IAS 29 pre-IFRS 16**
Gross sales inc. VAT	**85,164**	**(248)**	**84,916**	**(4,144)**	**80,772**
Net sales	**76,199**	**(198)**	**76,000**	**(3,646)**	**72,355**
Net sales, net of loyalty program costs	**75,459**	**(198)**	**75,261**	**(3,532)**	**71,728**
Other revenue	2,658	(2)	2,656	(219)	2,438
Total revenue	**78,117**	**(200)**	**77,917**	**(3,751)**	**74,166**
Cost of goods sold	(60,985)	136	(60,850)	2,838	(58,012)
Gross margin	**17,131**	**(64)**	**17,067**	**(913)**	**16,154**
As a % of net sales	*22.5%*		*22.5%*		*22.3%*
SG&A	(13,719)	51	(13,668)	847	(12,821)
As a % of net sales	*18.0%*		*18.0%*		*17.7%*
Recurring operating income before D&A (EBITDA) [2]	**3,481**	**(14)**	**3,469**	**(66)**	**3,403**
EBITDA margin	*4.6%*		*4.6%*		*4.7%*
Depreciation and amortization	(1,474)	(20)	(1,494)	99	(1,395)
Recurring operating income (ROI)	**1,938**	**(33)**	**1,905**	**32**	**1,937**
Recurring operating margin	*2.5%*		*2.5%*		*2.7%*
Income from associates and joint ventures	14	-	14	-	14
Recurring operating income including income from associates and joint ventures	**1,952**	**(33)**	**1,919**	**32**	**1,952**
Non-recurring income and expenses	(1,159)	(2)	(1,161)	32	(1,129)
Operating income	793	(35)	758	64	823
Financial expense	(318)	56	(262)	4	(258)
Finance costs, net	(233)	0	(233)	5	(228)
Net interests related to leases commitment	-	-	-	-	-
Other financial income and expenses	(85)	56	(29)	(0)	(30)
Income before taxes	475	21	496	69	565
Income tax expense	(537)	(2)	(539)	10	(529)
Net income from continuing operations	**(62)**	**19**	**(43)**	**79**	**36**
Net income from discontinued operations	(301)	-	(301)	(79)	(380)
Net income	**(363)**	**19**	**(344)**	**0**	**(344)**
of which Net income, Group share	**(582)**	**21**	**(561)**	**(0)**	**(561)**
of which Net income from continuing operations, Group share	(280)	21	(259)	72	(187)
of which Net income from discontinued operations, Group share	(301)	-	(301)	(72)	(373)
of which Net income, Non-controlling interests	**219**	**(2)**	**216**	**-**	**216**
of which Net income from continuing operations, Non-controlling interests	219	(2)	216	7	223
of which Net income from discontinued operations, Non-controlling interests	-	-	-	(7)	(7)
Net Income, Group share, adjusted for exceptional items	**779**	**23**	**802**	**31**	**833**
Depreciation from supply chain (in COGS)	(69)	(1)	(70)	-	(70)

Notes: (1) FY 2018 IFRS consolidated accounts; (2) Recurring EBITDA excludes depreciation from supply chain activities which is booked in cost of goods sold and excludes non-recurring items

Geographic breakdown of first-half 2019 net sales and recurring operating income

H1 2019 (pre-IAS 29 and pre-IFRS 16) vs H1 2018 (pre-IAS 29 and pre-IFRS 16)

(in €m)	Net sales				Recurring operating income			
	H1 2018 IFRS 5 pre-IAS 29 pre-IFRS 16	**H1 2019 IFRS 5 pre-IAS 29 pre-IFRS 16**	*Variation at constant exchange rates*	*Variation at current exchange rates*	H1 2018 IFRS 5 pre-IAS 29 pre-IFRS 16	**H1 2019 IFRS 5 pre-IAS 29 pre-IFRS 16**	*Variation at constant exchange rates*	*Variation at current exchange rates*
France	**17,150**	**16,789**	***(2.1%)***	***(2.1%)***	**110**	**116**	***5.3%***	***5.3%***
Europe (ex-France)	10,093	9,988	*(0.7%)*	*(1.0%)*	152	119	*(21.6%)*	*(21.5%)*
Latin America	6,976	7,090	*16.8%*	*1.6%*	319	368	*19.2%*	*15.3%*
Asia	927	974	*2.8%*	*5.0%*	37	41	*8.7%*	*11.0%*
International	**17,996**	**18,052**	***6.2%***	***0.3%***	**508**	**528**	***6.3%***	***4.0%***
Global functions					(16)	(26)	*67.8%*	*66.5%*
TOTAL	**35,147**	**34,841**	***2.2%***	***(0.9%)***	**602**	**618**	***4.5%***	***2.6%***

H1 2019 (post-IAS 29 and post-IFRS16) vs H1 2018 (pre-IAS 29 and pre-IFRS 16)[1]

(in €m)	Net sales				Recurring operating income			
	H1 2018 IFRS 5 pre-IAS 29 pre-IFRS 16	**H1 2019 IFRS 5 post-IAS 29 post-IFRS 16**	*Variation at constant exchange rates*	*Variation at current exchange rates*	H1 2018 IFRS 5 pre-IAS 29 pre-IFRS 16	**H1 2019 IFRS 5 post-IAS 29 post-IFRS 16**	*Variation at constant exchange rates*	*Variation at current exchange rates*
France	**17,150**	**16,789**	***(2.1%)***	***(2.1%)***	**110**	**120**	***9.2%***	***9.2%***
Europe (ex-France)	10,093	9,988	*(0.7%)*	*(1.0%)*	152	126	*(17.3%)*	*(17.3%)*
Latin America	6,976	7,134	*18.7%*	*2.3%*	319	362	*14.1%*	*13.5%*
Asia	927	974	*2.8%*	*5.0%*	37	40	*6.4%*	*8.7%*
International	**17,996**	**18,096**	***7.0%***	***0.6%***	**508**	**528**	***4.1%***	***3.9%***
Global functions					(16)	(25)	*58.4%*	*57.1%*
TOTAL	**35,147**	**34,885**	***2.5%***	***(0.7%)***	**602**	**624**	***3.6%***	***3.6%***

[1] H1 2019 IFRS consolidated accounts

Consolidated income statement - H1 2019 vs H1 2018

(in €m)	**H1 2018**[1] IFRS 5 pre-IAS 29 pre-IFRS 16	**H1 2019** IFRS 5 pre-IAS 29 pre-IFRS 16	*Variation at constant exchange rates*	*Variation at current exchange rates*	**H1 2019**[1] IFRS 5 post-IAS 29 post-IFRS 16
Net Sales	**35,147**	**34,841**	**+2.2%**	**(0.9%)**	**34,885**
Net sales, net of loyalty program costs	**34,861**	**34,505**	**+2.0%**	**(1.0%)**	**34,549**
Other revenue	1,199	1,227	+5.7%	+2.3%	1,204
Total revenue	**36,060**	**35,732**	**+2.2%**	**(0.9%)**	**35,752**
Cost of goods sold	(28,324)	(28,054)	+2.0%	(1.0%)	(28,086)
Gross margin	**7,736**	**7,678**	**+2.9%**	**(0.8%)**	**7,667**
As a % of net sales	*22.0%*	*22.0%*	*+16bp*	*+3bp*	*22.0%*
SG&A	(6,444)	(6,397)	+3.4%	(0.7%)	(6,015)
As a % of net sales	*18.3%*	*18.4%*	*+22bp*	*+3bp*	*17.2%*
Recurring operating income before D&A (EBITDA)[2]	**1,328**	**1,311**	**+0.3%**	**(1.3%)**	**1,770**
EBITDA margin	*3.8%*	*3.8%*	*(7bp)*	*(2bp)*	*5.1%*
Depreciation and amortization	(690)	(664)	(2.5%)	(3.8%)	(1,029)
Recurring operating income (ROI)	**602**	**618**	**+4.5%**	**+2.6%**	**624**
Recurring operating margin	*1.7%*	*1.8%*	*+4bp*	*+6bp*	*1.8%*
Income from associates and joint ventures	(6)	(1)	(10.4%)	(75.6%)	(1)
Recurring operating income including income from associates and joint ventures	**596**	**616**	**+4.6%**	**+3.4%**	**622**
Non-recurring income and expenses	(765)	(593)			(610)
Operating income	(169)	23			12
Financial expense	(147)	(129)			(165)
Finance costs, net	(119)	(108)			(112)
Net interests related to leases commitment	-	(8)			(60)
Other financial income and expenses	(28)	(13)			7
Income before taxes	(316)	(106)			(153)
Income tax expense	(173)	(193)			(192)
Net income from continuing operations	**(489)**	**(299)**			**(345)**
Net income from discontinued operations	(261)	(23)			(45)
Net income	**(750)**	**(322)**			**(390)**
of which Net income, Group share	**(861)**	**(399)**			**(458)**
of which continuing operations	(603)	(373)			(415)
of which discontinued operations	(259)	(26)			(43)
of which Net income, Non-controlling interests	**112**	**77**			**68**
of which continuing operations	113	74			70
of which discontinued operations	(2)	3			(2)
Net Income, Group share, adjusted for exceptional items	**135**	**179**			**155**
Depreciation from supply chain (in COGS)	(36)	(30)			(118)

Notes: (1) IFRS consolidated accounts; (2) Recurring EBITDA excludes depreciation from supply chain activities which is booked in cost of goods sold and excludes non-recurring items

Consolidated balance sheet

(in €m)	June 30, 2018 pre-IAS 29 pre-IFRS 16	**June 30, 2019** IFRS 5 post-IAS 29 post-IFRS 16
ASSETS		
Intangible assets	9,365	9,410
Tangible assets	12,376	11,311
Financial investments	1,283	1,443
Deferred tax assets	737	770
Investment properties	383	312
Right-of-use asset	-	4,226
Consumer credit from financial-service companies - Long-term	2,468	2,406
Other non-current assets	1,714	1,755
Non-current assets	**28,327**	**31,633**
Inventories	6,301	5,848
Trade receivables	2,756	2,752
Consumer credit from financial-service companies - Short-term	3,434	4,163
Tax receivables	859	895
Other assets	939	884
Current financial assets	202	316
Cash and cash equivalents	1,993	1,522
Current assets	**16,484**	**16,380**
Assets held for sale	**61**	**2,452**
TOTAL	**44,872**	**50,465**
LIABILITIES		
Shareholders' equity, Group share	8,439	8,277
Minority interests in consolidated companies	1,954	2,157
Shareholders' equity	**10,393**	**10,434**
Deferred tax liabilities	474	598
Provision for contingencies	3,747	3,991
Borrowings - Long-term	6,350	6,215
Lease liabilities - Long-term	-	3,495
Bank loans refinancing - Long-term	2,347	1,878
Non-current liabilities	**12,918**	**16,178**
Borrowings - Short-term	2,100	1,624
Lease liabilities - Short-term	-	822
Trade payables	12,373	11,619
Bank loans refinancing - Short-term	3,046	3,975
Tax payables and others	1,161	996
Other debts	2,872	2,773
Current liabilities	**21,552**	**21,808**
Liabilities related to assets held for sale	**9**	**2,046**
TOTAL	**44,872**	**50,465**

Consolidated cash flow statement

(in €m)	H1 2018 IFRS 5 pre-IAS 29 pre-IFRS 16	**H1 2019** IFRS 5 post-IAS 29 post-IFRS 16
NET DEBT AT OPENING	**(3,425)**[1]	**(3,510)**
Gross cash flow (continuing operations)	925	1,263
Change in working capital	(2,289)	(2,159)
Impact of discontinued operations	(60)	(9)
Cash flow from operations	**(1,423)**	**(904)**
Capital expenditure	(547)	(628)
Change in net payables to fixed assets suppliers	(249)	(196)
Net asset disposals	38	62
Impact of discontinued operations	(38)	(23)
Free cash flow	**(2,219)**	**(1,689)**
Free cash flow excluding exceptional items and discontinued operations	(2,088)	(1,350)
Financial investments	(158)	(73)
Proceeds from disposals of subsidiaries	14	74
Others	(22)	(59)
Impact of discontinued operations	5	1
Cash flow after investments	**(2,380)**	**(1,746)**
Capital increase	36	45
Dividends paid	(31)	(60)
Acquisition/disposal of investments without change in control	-	-
Treasury shares	42	-
Cost of net financial debt	(109)	(112)
Operating leases payment incl. interests	(24)	(496)
Others	(79)	(79)
NET DEBT AT CLOSE	**(5,970)**	**(5,958)**

Note: (1) Adjustments linked to the first application of the IFRS9 standard – Financial instruments as of January 1, 2018

EBITDA to free cash-flow bridge

(in €m)	H1 2018[1] IFRS 5 pre-IAS 29 pre-IFRS 16	**H1 2019 IFRS 5 pre-IAS 29 pre-IFRS 16**	Variation	IFRS 16 impact	IAS 29 impact	**H1 2019[1] IFRS 5 post-IAS 29 post-IFRS 16**
EBITDA	**1,328**	**1,311**	**(17)**	**463**	**(4)**	**1,770**
Income tax paid	(236)	(231)	5			(231)
Financial result (excl. cost of debt and interest related to leases obligations)	(28)	(13)	15		20	7
Cash impact of restructuring items	(92)	(269)	(177)		(5)	(274)
Others	(48)	(9)	38			(9)
Gross cash-flow (excl. discontinued)	**925**	**789**	**(135)**	**463**	**11**	**1,263**
Change in working capital	(2,289)	(2,146)	143	(2)	(10)	(2,158)
Discontinued operations	(60)	(126)	(66)	117		(9)
Operating cash-flow (incl. exceptional items and discontinued)	**(1,423)**	**(1,482)**	**(59)**	**577**	**1**	**(904)**
Capital expenditure	(547)	(628)	(81)			(628)
Change in net payables to fixed asset suppliers	(283)	(183)	100			(183)
Net asset disposals (business-related)	73	54	(18)	(5)		50
Discontinued operations	(38)	(23)	14			(23)
Free cash-flow	**(2,219)**	**(2,262)**	**(43)**	**573**	**1**	**(1,689)**
Free cash-flow from continuing operations, excl. exceptional items	**(2,088)**	**(1,806)**	**282**	**456**	**1**	**(1,350)**
Operating leases payment (incl. interests) (financial lease IAS 17)	(21)	(24)	(3)			(24)
Operating leases payment (incl. interests) net of financial sub-lease payment received	n.a.	n.a.	n.a.	(456)	8	(448)
Cost of debt	(109)	(108)	1		(4)	(112)
Net free cash-flow	**(2,349)**	**(2,394)**	**(45)**	**116**	**5**	**(2,273)**
Net free cash-flow from continuing operations, excl. exceptional items	**(2,218)**	**(1,938)**	**280**	**(1)**	**5**	**(1,934)**
Exceptional items and discontinued operations[2]	131	456	325	(117)		339

Notes: (1) IFRS consolidated accounts; (2) Discontinued operations, restructuring, Cargo capex cashed out (€38m in H1 2018 and €29m in H1 2019) and others

Change in shareholders' equity

(in €m)	Total shareholders' equity	Shareholders' equity, Group share	Minority interests
At December 31, 2018	**11,286**	**9,169**	**2,117**
Adjustments linked to the first-time application of IFRS 16	(9)	(9)	-
At January 1, 2019	**11,278**	**9,161**	**2,117**
Total net income over the period	(424)	(508)	84
Dividends	(405)	(359)	(46)
Impact of scope and others	(15)	(17)	3
At June 30, 2019	**10,434**	**8,277**	**2,157**

H1 2019 net income, Group share, adjusted for exceptional items

	H1 2018			**H1 2019**	
(in €m)	reported pre-IAS 29 pre-IFRS 16	IFRS 5 pre-IAS 29 pre-IFRS 16	IFRS 5 post-IAS 29 pre-IFRS 16	IFRS 5 pre-IAS 29 pre-IFRS 16	IFRS 5 post-IAS 29 post-IFRS 16
Net income, Group share	**(861)**	**(861)**	**(833)**	**(399)**	**(458)**
Restatement for non-recurring income and expenses (before tax)	785	765	752	593	610
Restatement for exceptional items in net financial expenses	6	6	6	10	10
Tax impact[1]	(19)	(26)	(26)	16	16
Restatement on share of income from companies consolidated by the equity method	6	6	6	-	-
Restatement on share of income from minorities	(14)	(14)	(14)	(67)	(67)
Restatement for net income of discontinued operations, Group share	229	259	259	26	43
Adjusted net income, Group share	**131**	**135**	**150**	**179**	**155**

	2018	
(in €m)	reported pre-IAS 29 pre-IFRS 16	IFRS 5 post-IAS 29 pre-IFRS 16
Net income, Group share	**(561)**	**(561)**
Restatement for non-recurring income and expenses (before tax)	1,161	1,129
Restatement for exceptional items in net financial expenses	48	48
Tax impact[1]	(43)	(68)
Restatement on share of income from companies consolidated by the equity method	(46)	(46)
Restatement on share of income from minorities	(58)	(49)
Restatement for net income of discontinued operations, Group share	301	380
Adjusted net income, Group share	**802**	**833**

Note: (1) Tax impact of restated items (non-recurring income and expenses and financial expenses) and non-recurring tax items

Expansion under banners (excluding China) – First-half 2019

Thousands of sqm	Dec. 31, 2018	March 31, 2019	Openings/ Store enlargements	Acquisitions	Closures/ Store reductions	Total Q2 2019 change	June 30, 2019
France	5,546	5,548	10	5	-15	0	5,549
Europe (ex France)	5,598	5,593	66	-	-104	-38	5,555
Latin America	2,510	2,534	27	-	-12	16	2,549
Asia	980	979	1	-	-0	1	980
Others(1)	1,223	1,246	44	-	-	44	1,291
Group	**15,858**	**15,900**	**148**	**5**	**-131**	**23**	**15,924**

Store network under banners (excluding China) – First-half 2019

# stores	Dec. 31, 2018	March 31, 2019	Openings	Acquisitions	Closures/ Disposals	Transfers	Total Q2 2019 change	June 30, 2019
Hypermarkets	1,172	1,176	5	0	-3	-	+2	1,178
France	247	248	0	0	-	-	-	248
Europe (ex France)	452	453	0	0	-2	-	-2	451
Latin America	189	189	0	0	-1	-	-1	188
Asia	160	160	0	0	-	-	-	160
Others(1)	124	126	5	0	-	-	+5	131
Supermarkets	3,319	3,322	39	10	-23	-	+26	3,348
France	1,056	1,055	1	10	-2	+1	+10	1,065
Europe (ex France)	1,776	1,770	25	0	-19	-1	+5	1,775
Latin America	147	148	2	0	-1	-	+1	149
Asia	73	72	2	0	-1	-	+1	73
Others(1)	267	277	9	0	-	-	+9	286
Convenience stores	7,002	6,984	138	0	-71	-1	+66	7,050
France	3,918	3,914	44	0	-34	-1	+9	3,923
Europe (ex France)	2,511	2,496	93	0	-37	-	+56	2,552
Latin America	516	517	0	0	-	-	-	517
Asia	2	2	0	0	-	-	-	2
Others(1)	55	55	1	0	-	-	+1	56
Cash & Carry	379	385	7	0	-	+1	+8	393
France	144	145	0	0	-	-	-	145
Europe (ex France)	49	50	1	0	-	+1	+2	52
Latin America	173	177	5	0	-	-	+5	182
Asia	-	-	0	0	-	-	-	-
Others(1)	13	13	1	0	-	-	+1	14
Group	11,872	11,867	189	10	-97	-	+102	11,969
France	5,365	5,362	45	10	-36	-	+19	5,381
Europe (ex France)	4,788	4,769	119	0	-58	-	+61	4,830
Latin America	1,025	1,031	7	0	-2	-	+5	1,036
Asia	235	234	2	0	-1	-	+1	235
Others(1)	459	471	16	0	-	-	+16	487

Note: (1) Africa, Middle East and Dominican Republic

DEFINITIONS

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.

Net free cash-flow

Net free cash flow is defined as the difference between funds generated by operations (after net interest costs), the variation of working capital requirements, capital expenditures and operating leases payment (incl. interests).

Like for like sales growth

Sales generated by stores opened for at least twelve months, excluding temporary store closures, at constant exchange rates, excluding petrol and calendar effects and excluding IAS 29 impact.

Organic sales growth

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

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 comprise 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 and provisions.

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 pre-existing risks on the basis of information that the Group became aware of during the accounting period.

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