FULL-YEAR 2019 RESULTS
Clear improvement in results in 2019
Ambitions of the Carrefour 2022 plan revised upwards

- **Clear improvement in 2019 results, notably driven by France and Latin America:**
  - Acceleration in sales growth to +3.1% on a Like-for-Like (LFL) basis (vs +1.8% in 2018)
  - Recurring operating income (ROI) of €2,088m, an increase of €145m (+7.4%) at constant exchange rates and comparable accounting standards vs 2018
  - ROI in France up by +15.6%[1]
  - Net income, Group share, up significantly to €1,314m vs €(582)m in 2018[1]
  - Increase in net income, Group share, adjusted for exceptional items to €905m, up +€101m (+13%) vs 2018[1]
  - Improvement of 17% in free cash-flow excluding exceptional items to €1,301m vs €1,115 M€ in 2018[1]
  - Net financial debt reduced by c. €1bn at constant exchange rates, to €2.6bn at end-December 2019
- **Building on the first successes of its transformation plan, Carrefour is completing and revising upwards its targets:**
  - Improvement in the Group's Net Promoter Score® (NPS®) of +15 points over the 2020-2022 period, or +23 points since the launch of the plan, reflecting Carrefour's priority on customer satisfaction
  - Three-year cost savings plan raised to €2.8bn (vs €2.6bn) on an annual basis by end-2020. €2.0bn achieved to date (€1,030m in 2019). Cost-saving dynamic will continue beyond 2020
  - New target of €300m in additional disposals of non-strategic real estate assets by 2022
  - All other targets confirmed

Alexandre Bompard, Chairman and Chief Executive Officer, declared: "*The Carrefour 2022 plan is generating solid results and sets the Group on a profitable growth trajectory. These results are visible in our financial performance and in all our strategic priorities: the pace of expansion of our growth formats is accelerating, organic and Carrefour-branded products are gaining ground, we are outperforming the market in food e-commerce and our price competitiveness is improving. This momentum is reflected in improving customer satisfaction, which is more than ever at the heart of our priorities. We assert our leadership in the food transition for all, and raise or confirm all the Carrefour 2022 targets.*"

2019 KEY FIGURES

(in €m)	**2018** IFRS 5 pre-IAS 29 pre-IFRS 16	**2019** IFRS 5 pre-IAS 29 pre-IFRS 16	**Variation**	**2018** (2) IFRS 5 post-IAS 29 pre-IFRS 16	**2019** (2) IFRS 5 post-IAS 29 post-IFRS 16
Sales inc. VAT	81,020	**80,735**	**+3.1% LFL**	80,772	**80,672**
Recurring operating income (ROI)	1,971	**2,080**	**+7.4%, +€145m (constant FX)**	1,937	**2,088**
Recurring operating margin	*2.7%*	***2.9%***	*+16bp*	*2.7%*	***2.9%***
Net income, Group share	(582)	**1,314**	+€1,896m	(561)	**1,129**
Adjusted net income, Group share	804	**905**	+13% / +€101m	826	**861**
Free cash-flow excl. exceptional items and discontinued operations	1,115	**1,301**	+17% / +€186m	1,115	**2,229**
Net financial debt (incl. discontinued operations and excl. IAS 17 impact)	3,510	**2,615**	-€895m / -€965m (constant FX)	3,510	**2,615**

Note (1) IFRS 5 (China reclassified as discontinued operations), pre-IAS 29 (hyperinflation in Argentina) and pre-IFRS 16 (accounting for leases); (2) IFRS consolidated accounts

2019: SUCCESS OF NUMEROUS INITIATIVES SUPPORTING SUSTAINABLE AND PROFITABLE GROWTH

Leader in the food transition for all

Carrefour has established itself as a **leader in the food transition for all**, thanks to the multiplication of concrete actions around food quality and traceability, the development of organic products, the support of agricultural sectors, the reduction of food waste, limiting plastic packaging, animal welfare, etc.

Group sales of organic products grew by more than +25%, i.e. €2.3bn in 2019 (€1.8bn in 2018). **The Group confirms its target of €4.8bn in organic sales in 2022**.

Carrefour exceeded its targets on the "CSR and Food Transition" index, with an overall achievement rate of 114% in 2019. This index makes it possible to monitor the performance of the Carrefour Group's CSR strategy and implementation of the food transition. This result reflects in particular that Carrefour is ahead of plan in the reduction of greenhouse gas emissions, the development of agroecology, the reduction in the use of packaging and the promotion of diversity within its teams.

Priority to customer satisfaction, supporting a sustainable and profitable growth model

The growth of the ***Net Promoter Score®*** **(NPS®)** in all countries reflects the priority given by Carrefour to customer satisfaction. This progression over time clearly contributes to the improvement in LFL sales in most of the Group's geographies. At the end of December 2019, the Group's NPS® was up +8 points since the start of the plan. **Carrefour aims to increase NPS by another +15 points over the 2020-2022 period, or +23 points since the launch of the plan.**

More competitive and attractive offer

Carrefour has now reached a satisfactory level of **price competitiveness** in several key geographies. The Group also continues to invest:

- In France, Carrefour has improved its price positioning:
  - Repositioning on permanent prices: "Unbeatable" prices on more than 500 key Fast-Moving Consumer Goods (FMCG) since June 2019
  - Strengthening loyalty schemes with the new "Market Loyalty Premium" launched in January 2020 in supermarkets (10% discount every day on fresh products such as fruits and vegetables, butcher, fishmonger, flowers and plants; 15% discount for Pass cardholders)
- In Belgium, Carrefour has invested in prices in all formats, via price cuts on 1,000 products, launched in November 2019, both on national brands and Carrefour-branded products
- In Italy, Carrefour rolled out in September 2019 the "Prezzo ribassato" permanent price reduction campaign (5,000 products) to the whole territory

These initiatives are accompanied by significant investments in **non-price competitiveness**, in order to improve the product offering (broadening the range and improving the quality of Carrefour-branded products) and deploying a benchmark omnichannel service.

Carrefour has thoroughly revised its offer to assert its **food expertise**. After having reduced its assortments by -10.1% at end-December 2019, the Group confirms its target of a -15% reduction by 2020.

The Group is also developing its **range of Carrefour-branded products**, whose penetration rate increased by two points in 2019. Carrefour plans to achieve one-third of its sales via Carrefour-branded products by 2022.

The **hypermarket** format performed well in a number of key geographies. It is being adapted and benefits from new investments in France. Carrefour is continuing to reduce under-productive sales areas, mainly in non-food, which reached nearly 115,000 sq. m at end-December 2019 (including nearly 55,000 sq. m in France), and confirms its ambition with a **global target of a reduction of 350,000 sq. m by 2022**.

Sizeable investments in **digital** are again reflected in an **increase of more than +30%** in food e-commerce sales in 2019. Sales reached €1.3bn in 2019 compared to €1.0bn in 2018 (excluding China). Carrefour is continuing to roll out its omnichannel offering and confirms its **target for food e-commerce sales of €4.2bn in 2022**.

Sustained pace of expansion

With 1,042 new convenience stores and 40 new Atacadão stores since the start of the plan, Carrefour is reinforcing its presence in **growth formats**. The Group is again planning to open **20 Atacadão stores in Brazil in 2020** on top of the **acquisition of 30 Makro stores** and confirms its target of **2,700 convenience store openings worldwide by 2022**.

Operating efficiency and financial discipline

In 2019, Carrefour continued the **profound transformation and simplification of organizations**.

Carrefour achieved €1,030m in savings in 2019, i.e. €1,960m since the start of the plan.

This solid momentum now makes it possible to **raise the cost-reduction target to €2.8bn on an annual basis by end-2020 (vs €2.6bn)**. Carrefour will continue the powerful cost reduction dynamic in all regions beyond 2020.

To achieve this target, **the Group will further industrialize its operational processes** and will continue to develop its **expertise in purchasing of goods not for resale**. In addition, **pooled negotiations within the Group** and **purchasing alliances**, particularly with Système U and Tesco, should continue to bear fruit.

Finally, having achieved its target of disposing of €500m of non-strategic real estate assets one year ahead of plan, the Group announces **a new target of disposing of an additional €300m of non-strategic real estate assets by 2022.**

RATIONALIZATION AND STRENGTHENING OF THE BUSINESS PORTFOLIO

Following the divestments of Dia France and Carrefour China, the sale of Rue du Commerce marks a significant step forward in the rationalization of the portfolio and the exit from loss-making activities

- Finalization on September 26, 2019 of the sale in cash of 80% of **Carrefour China** to Chinese group Suning.com, in an agreement that provides liquidity windows for the sale of the remaining 20% stake
- Finalization on October 15, 2019 of the sale of Carrefour's stake in **Cargo Property Assets** to Argan, in exchange for €231m in cash and a stake of around 5% in Argan. Sale by Carrefour in December of Argan ordinary shares for a total amount of approximately €80m
- Announced sale of **Rue du Commerce** to Shopinvest on November 8, 2019, as part of Carrefour's refocusing on food. Operation subject to the usual conditions precedent; closing expected at the end of the first half of 2020

Grupo Carrefour Brasil has signed an agreement with Makro Atacadista SA to acquire 30 Cash & Carry stores in Brazil, accelerating the expansion of its growing Atacadão format. The acquisition involves 30 stores (including the real estate of 22 of those, which are fully-owned, and another 8 rented stores) and 14 gas stations, located in 17 states across Brazil. The transaction is valued at BRL 1.95bn, to be paid in cash. Closing of the transaction remains subject to certain customary conditions, notably including agreement by the owners of the rented properties and approval by CADE, Brazil's anti-trust authority.

INCOME STATEMENT

The IAS 29 and IFRS 16 standards were applied respectively from July 1, 2018 and January 1, 2019. The 2018 accounts are therefore post-IAS 29 and pre-IFRS 16, unlike the 2019 accounts, which are post-IAS 29 and post-IFRS 16. For the sake of readability and comparability, the comments on the (IFRS 5) income statement relate to pre-IAS 29 and pre-IFRS 16 numbers. The detailed (IFRS 5) 2019 income statement post-IAS 29 and post-IFRS 16 is available in the appendix to this press release.

Group sales inc. VAT were up 3.1% on a like-for-like basis (LFL). The Group's sales inc. VAT stood at €80,735m pre-IAS 29, an increase of +2.1% at constant exchange rates. After taking into account an unfavorable exchange rate effect of -2.4%, the total variation in sales at current exchange rates amounted to -0.4%. The impact of the application of the IAS 29 standard was -€63m.

Gross margin stood at 22.3% of net sales, down -9bp, due to price investments, offset by purchasing gains, lower logistics costs and improved performance in financial services.

Distribution costs were down at 17.5% of net sales vs 17.7% in 2018. They benefited from the cost savings plans and include the costs associated with new stores and new services offered to customers, notably in digital.

Group **EBITDA** reached €3,485m, or a margin of 4.8%, up +10bp.

The Group's **recurring operating Income** (ROI) reached €2,080m (or €2,088m post-IAS 29 and post-IFRS 16), an increase of +€145m (+7.4%) at constant exchange rates (the currency effect was an unfavorable -€36m, notably due to the depreciation of the Brazilian Real). Operating margin increased by + 16bp, to 2.9%.

- In **France**, recurring operating income stood at €539m, up +15.6% vs 2018. All formats contributed to this improvement. Operating margin increased to 1.6% compared to 1.3% in 2018. This increase reflects:
    - On the one hand, the dynamics of lower costs, transformation of organizations and improvement of purchasing conditions, both for goods for resale and not for resale
    - On the other hand, investments in price competitiveness and in the attractiveness of the offer, services and digital
- In **Europe** (ex-France), recurring operating income stood at €647m vs €664m in 2018. This evolution reflects:
    - A solid performance in Spain and in Eastern Europe, where the commercial model confirms its attractiveness
    - Sluggish growth in Italy and Belgium where substantial investments in competitiveness have been made, partly offset by more significant cost reductions in the second half with the completion of the departure plans
- In **Latin America**, recurring operating income grew by +10.0% at constant exchange rates to €844m. Operating margin of 5.7% was stable, reflecting a commercial strategy favoring volume growth. The impact of the application of the IAS 29 standard was -€31m
    - In Argentina, recurring operating income is growing and is now in positive territory, confirming the turnaround initiated in 2018
    - In Brazil, with strong sales growth, ROI is up by +6.5% at constant exchange rates. This reflects the success of commercial initiatives at Carrefour Retail and Atacadão, as well as fast growth in financial services
- In Taiwan (**Asia**), profitability improved again with recurring operating income growing to €85m vs €77m in 2018, representing an increase in operating margin to 4.3% vs 4.2% in 2018. This increase reflects good growth momentum, expansion and tight cost control

Non-recurring income and expenses stood at €(920)m. It notably reflects the costs related to reorganization plans in the various countries in the amount of €550m, as well as €308m of other non-current expenses mainly related to provisions for tax litigation in Brazil, already booked in H1 2019.

Net income, Group share reached €1,314m vs €(582)m in 2018. It includes the following items:

- **Net financial expenses** of €(271)m, an improvement of +€43m as a result of refinancing operations carried out under more favorable conditions and the capital gain on the disposal of Argan shares
- Income tax expense of €(505)m, vs €(527)m the previous year. This tax expense reflects a **normalized tax rate** of 31.2% (vs 31.3% in 2018), excluding non-recurring income and taxes not assessed on pre-tax income
- **Net income from discontinued operations, Group share,** amounted to €1,121m and essentially includes the capital gain from the disposal of operations in China

Adjusted net income, Group share, improved by +€101m, to €905m vs €804m in 2018.

IMPROVEMENT IN ADJUSTED FREE CASH-FLOW

2019 cash-flow (IFRS 5) is before application of IAS 29 and IFRS 16. The details of 2019 cash-flow (IFRS 5) post-IAS 29 and post-IFRS 16 are available in the appendix to this press release.

In 2019, the Group posted an improvement of +€186m in its **free cash-flow adjusted for exceptional items and discontinued operations**, increasing from €1,115m to €1,301m.

Free cash-flow stood at €582m in 2019, down slightly by -€54m vs 2018, impacted by €719m cash-out (vs €478m in 2018) related to restructuring charges and other non-recurring items. It includes the following items:

- **EBITDA** up by +€69m
- **Change in working capital** requirement down by -€100m
    - At December 31, **inventories** increased temporarily (+€196m) due to more difficult business conditions than expected in December. On average in 2019, they were well-controlled and decreased slightly
    - Among the other **working capital requirement** items, trade payables increased on higher purchasing volumes and a positive calendar effect, while social debt decreased, reflecting workforce reduction
- **Capex** up +€160m to €1,725m in 2019, compared to the low point in 2018. These investments notably reflect the launch of new strategic projects, in particular the rollout of new commercial concepts, digital and the expansion of growth formats. They continued to benefit from selectivity and productivity measures

STRONG DECREASE IN DEBT AND ENHANCED LIQUIDITY

2019 balance sheet is post-IAS 29 and IFRS 16.

Net financial debt decreased by c.€1bn at constant exchange rates to €2,615m as of December 31, 2019, compared to €3,510m as of December 31, 2018 (excl. IAS 17 impact), thanks to improved cash-flow and disposals.

Shareholder equity, Group share, was up by €771m, at €9,940 at December 31, 2019 vs €9,169m at December 31, 2018.

Carrefour has reinforced its **solid balance sheet** in 2019. This constitutes an important asset in the context of the fast-changing food retail sector.

At December 31, 2019, the Group was rated Baa1 with negative outlook by Moody's and BBB with stable outlook by Standard & Poor's.

The Group's **liquidity** has been reinforced over the year:

- In May 2019, Carrefour issued bonds in an amount of €500m with an eight-year maturity. The success of this issue, which was significantly oversubscribed, attests to the great confidence of bond investors in Carrefour's signature
- In November 2019, Carrefour redeemed bonds for a nominal amount of €327m, including €198m of 2020 bonds and €129m of 2021 bonds
- Following these operations and the €1,000m bond that came due in May 2019, debt maturity remained stable at 3.5 years at the end of December 2019
- In June 2019, Carrefour also 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

STABLE DIVIDEND

The dividend proposed for the 2019 financial year amounts to €0.46 per share, stable compared to the 2018 financial year. This dividend will be proposed in cash or shares, at the shareholder's choice, and will be submitted to the approval of the General Shareholders' Meeting on May 29, 2020.

For the dividend payment in new shares, the issue price would represent 95% (vs. 90% last year) of the average opening prices quoted on the regulated market of Euronext Paris during the 20 trading days preceding the date of the General Shareholders' Meeting, minus the amount of the dividend, and rounded upward to the nearest euro cent.

NEW AMBITIONS AND OTHER TARGETS CONFIRMED

Carrefour reaffirms its ambitions and announces **new targets** for the Carrefour 2022 plan:

- Improvement in the Group NPS of +15 points over 2020-22 period, i.e. +23 points since the start of the plan
- Cost-reduction plan increased to €2.8bn on an annual basis by 2020 (compared to €2.6 billion previously)
- New target of €300m in additional disposals of non-strategic real estate assets by 2022, after the achievement one year ahead of plan of the initial target of disposals of €500m

The **financial targets** are **confirmed**:

- €4.2bn in food e-commerce sales in 2022
- €4.8bn in sales of organic products in 2022

Operational targets are also **confirmed**:

- Reduction of 350,000 sq. m of hypermarket sales area worldwide by 2022
- -15% reduction in assortments by 2020
- Carrefour-branded products accounting for one-third of sales in 2022
- 2,700 convenience store openings by 2022

FIRST-HALF 2020 AGENDA

- Carrefour Brazil Investor Day in Sao Paulo: During the week of March 30, 2020
- First-quarter 2020 sales: April 28, 2020
- General Shareholders' Meeting: May 29, 2020
- Thematic event on customer satisfaction in Madrid: June 25, 2020

The Carrefour Board of Directors met on February 26, 2020 under the chairmanship of Alexandre Bompard and approved the consolidated financial statements for the 2019 financial year. These accounts have been audited and the certification report is being issued.

CONTACTS

Investor Relations
Selma Bekhechi, Anthony Guglielmo et Antoine Parison Tel : +33 (0)1 64 50 79 81

Shareholder Relations Tel : 0 805 902 902 (toll-free in France)

Group Communication Tel : +33 (0)1 58 47 88 80

APPENDIX

Discontinued operations and restatement of comparative information

On September 26, 2019, the Group divested control of its Carrefour China subsidiary. As Carrefour China represents a separate major geographic area of operations, it is considered as a discontinued operation in accordance with IFRS 5. Accordingly:

- Net income for the subsidiary is shown on a separate line of the income statement, "Net income from discontinued operations." To enable a meaningful comparison, its net profit for 2018 was reclassified on this line
- All cash-flow relating to this subsidiary are shown on the “Impact of discontinued operations” lines in the consolidated statement of cash flows. Data for 2018 were similarly restated

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, impacting financing cash-flows).

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

On December 16, 2019, the IFRS IC published its decision in response to a request for clarification. Carrefour did not apply this decision when preparing its Consolidated Financial Statements at December 31, 2019, since it is currently analyzing the potential impacts of the guidance. In view of the large number of leases entered into by the Group in the countries in which it does business, and the publication of this decision late in the financial year, the Group has not had so-called “sufficient time” to analyze the decision and precisely determine its impacts.

Application of IAS 29 – Accounting treatment of hyperinflation for Argentina

The impact on 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
Q3	20,055	+2.3%	+0.5%	+1.1%	-0.9%	-1.4%	+1.5%	-0.8%	20,199	(204)	19,996
Q4	21,721	+3.1%	+0.0%	+1.1%	-1.0%	-0.6%	+2.5%	-2.4%	21,743	85	21,828
Full-year	81,020	+3.1%	-0.0%	+1.2%	-0.9%	-1.2%	+2.1%	-2.4%	80,735	(63)	80,672

Notes: (1) restated for IFRS 5 and pre-IAS 29; (2) excluding petrol and calendar effects and at constant exchange rates; (3) including transfers; (4) hyperinflation and currencies

Consolidated income statement – 2018 bridge

(in €m)	2018 pre-IAS 29 pre-IFRS 16	IAS 29 impact	2018 post-IAS 29	IFRS 5 China impact	2018 [(1)] IFRS 5 post-IAS 29 pre-IFRS 16	2018 IFRS 5 pre-IAS 29 pre-IFRS 16
Gross sales inc. VAT	**85,164**	**(248)**	**84,916**	**(4,144)**	**80,772**	**81,020**
Net sales	**76,199**	**(198)**	**76,000**	**(3,646)**	**72,355**	**72,553**
Net sales, net of loyalty program costs	**75,459**	**(198)**	**75,261**	**(3,532)**	**71,728**	**71,926**
Other revenue	2,658	(2)	2,656	(219)	2,438	2,439
Total revenue	**78,117**	**(200)**	**77,917**	**(3,751)**	**74,166**	**74,366**
Cost of goods sold	(60,985)	136	(60,850)	2,838	(58,012)	(58,148)
Gross margin	**17,131**	**(64)**	**17,067**	**(913)**	**16,154**	**16,218**
As a % of net sales	*22.5%*		*22.5%*		*22.3%*	*22.4%*
SG&A	(13,719)	51	(13,668)	847	(12,821)	(12,872)
As a % of net sales	*18.0%*		*18.0%*		*17.7%*	*17.7%*
Recurring operating income before D&A (EBITDA)[(2)]	**3 481**	**(13)**	**3,469**	**(66)**	**3,403**	**3,415**
EBITDA margin	*4.6%*		*4.6%*		*4.7%*	*4.7%*
Depreciation and amortization	(1 474)	(20)	(1,494)	99	(1,395)	(1,376)
Recurring operating income (ROI)	**1,938**	**(33)**	**1,905**	**32**	**1,937**	**1,971**
Recurring operating margin	*2.5%*		*2.5%*		*2.7%*	*2.7%*
Income from associates and joint ventures	14	-	14	-	14	14
Recurring operating income including income from associates and joint ventures	**1,952**	**(33)**	**1,919**	**32**	**1,952**	**1,985**
Non-recurring income and expenses	(1,159)	(2)	(1,161)	32	(1,129)	(1,127)
Operating income	793	(35)	758	64	823	858
Financial result	(318)	56	(262)	4	(258)	(314)
Finance costs, net	(233)	0	(233)	5	(228)	(228)
Net interests related to leases commitment	-	-	-	-	-	-
Other financial income and expenses	(85)	56	(29)	(0)	(30)	(86)
Income before taxes	475	21	496	69	565	544
Income tax expense	(537)	(2)	(539)	10	(529)	(527)
Net income from continuing operations	**(62)**	**19**	**(43)**	**79**	**36**	**17**
Net income from discontinued operations	(301)	-	(301)	(79)	(380)	(380)
Net income	**(363)**	**19**	**(344)**	**0**	**(344)**	**(363)**
Of which Net income, Group share	**(582)**	**21**	**(561)**	**(0)**	**(561)**	**(582)**
of which Net income from continuing operations, Group share	(280)	21	(259)	72	(187)	(208)
of which Net income from discontinued operations, Group share	(301)	-	(301)	(72)	(373)	(373)
Of which Net income, Non-controlling interests	**219**	**(2)**	**216**	**-**	**216**	**219**
of which Net income from continuing operations, Non-controlling interests	219	(2)	216	7	223	225
of which Net income from discontinued operations, Non-controlling interests	-	-	-	(7)	(7)	(7)
Net Income, Group share, adjusted for exceptional items	**779**	**23**	**802**	**24**	**826**	**804**
Depreciation from supply chain (in COGS)	(69)	(1)	(70)	-	(70)	(69)

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 income statement – 2019 bridge

(in €m)	2019 IFRS 5 pre-IAS 29 pre-IFRS 16	IFRS 16 Impact	IAS 29 Impact	2019 [(1)] IFRS 5 post-IAS 29 post-IFRS 16
Gross sales inc. VAT	**80,735**	**-**	**(63)**	**80,672**
Net sales	**72,450**	**-**	**(53)**	**72,397**
Net sales, net of loyalty program costs	**71,705**	**-**	**(53)**	**71,651**
Other revenue	2,525	(34)	0	2,491
Total revenue	**74,230**	**(34)**	**(53)**	**74,142**
Cost of goods sold	(58,098)	10	34	(58,054)
Gross margin	**16,131**	**(25)**	**(19)**	**16,088**
As a % of net sales	*22.3%*			*22.2%*
SG&A	(12,700)	786	8	(11,906)
As a % of net sales	*17.5%*			*16.4%*
Recurring operating income before D&A (EBITDA)[(2)]	**3,485**	**942**	**(10)**	**4,417**
EBITDA margin	*4.8%*			*6.1%*
Depreciation and amortization	(1,351)	(722)	(21)	(2,093)
Recurring operating income (ROI)	**2,080**	**40**	**(31)**	**2,088**
Recurring operating margin	*2.9%*			*2.9%*
Income from associates and joint ventures	2	-	-	2
Recurring operating income including income from associates and joint ventures	**2,082**	**40**	**(31)**	**2,090**
Non-recurring income and expenses	(920)	(106)	(4)	(1,030)
Operating income	1,162	(66)	(35)	1,060
Financial result	(271)	(115)	47	(338)
Finance costs, net	(221)	-	7	(214)
Net interests related to leases commitment	(16)	(106)	16	(107)
Other financial income and expenses	(33)	(8)	25	(17)
Income before taxes	891	(181)	12	722
Income tax expense	(505)	5	(4)	(504)
Net income from continuing operations	**387**	**(176)**	**8**	**219**
Net income from discontinued operations	1,122	(30)	-	1,092
Net income	**1,508**	**(205)**	**8**	**1,311**
Of which Net income, Group share	**1,314**	**(194)**	**9**	**1,129**
of which Net income from continuing operations, Group share	193	(170)	9	32
of which Net income from discontinued operations, Group share	1,121	(24)	-	1,097
Of which Net income, Non-controlling interests	**194**	**(12)**	**(1)**	**182**
of which Net income from continuing operations, Non-controlling interests	194	(6)	(1)	187
of which Net income from discontinued operations, Non-controlling interests	0	(6)	-	(5)
Net Income, Group share, adjusted for exceptional items	**905**	**(42)**	**(2)**	**861**
Depreciation from supply chain (in COGS)	(54)	(181)	(0)	(235)

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 income statement - 2019 vs 2018

(in €m)	2018 IFRS 5 pre-IAS 29 pre-IFRS 16	**2019 IFRS 5 pre-IAS 29 pre-IFRS 16**	*Variation at constant exchange rates*	*Variation at current exchange rates*	2018 [(1)] IFRS 5 post-IAS 29 pre-IFRS 16	2019 [(1)] IFRS 5 post-IAS 29 post-IFRS 16
Gross sales inc. VAT	**81,020**	**80,735**	**2.1%**	**(0.4%)**	**80,772**	**80,672**
Net Sales	**72,553**	**72,450**	**2.1%**	**(0.1%)**	**72,355**	**72,397**
Net sales, net of loyalty program costs	**71,926**	**71,705**	**2.0%**	**(0.3%)**	**71,728**	**71,651**
Other revenue	2,439	2,525	5.7%	3.5%	2,438	2,491
Total revenue	**74,366**	**74,230**	**2.1%**	**(0.2%)**	**74,166**	**74,142**
Cost of goods sold	(58,148)	(58,098)	2.1%	(0.1%)	(58,012)	(58,054)
Gross margin	**16,218**	**16,131**	**2.2%**	**(0.5%)**	**16,154**	**16,088**
As a % of net sales	*22.4%*	*22.3%*	*2bp*	*(9bp)*	*22.3%*	*22.2%*
SG&A	(12,872)	(12,700)	1.7%	(1.3%)	(12,821)	(11,906)
As a % of net sales	*17.7%*	*17.5%*	*(7bp)*	*(21bp)*	*17.7%*	*16.4%*
Recurring operating income before D&A (EBITDA)[(2)]	**3,415**	**3,485**	**3.4%**	**2.0%**	**3,403**	**4,417**
EBITDA margin	*4.7%*	*4.8%*	*6bp*	*10bp*	*4.7%*	*6.1%*
Depreciation and amortization	(1,376)	(1,351)	(1.0%)	(1.8%)	(1,395)	(2,093)
Recurring operating income (ROI)	**1,971**	**2,080**	**7.4%**	**5.6%**	**1,937**	**2,088**
Recurring operating margin	*2.7%*	*2.9%*	*14bp*	*16bp*	*2.7%*	*2.9%*
Income from associates and joint ventures	14	2			14	2
Recurring operating income including income from associates and joint ventures	**1,985**	**2,082**			**1,952**	**2,090**
Non-recurring income and expenses	(1,127)	(920)			(1,129)	(1,030)
Operating income	858	1,162			823	1,060
Financial result	(314)	(271)			(258)	(338)
Finance costs, net	(228)	(221)			(228)	(214)
Net interests related to leases commitment	-	(16)			-	(107)
Other financial income and expenses	(86)	(33)			(30)	(17)
Income before taxes	544	891			565	722
Income tax expense	(527)	(505)			(529)	(504)
Net income from continuing operations	**17**	**387**			**36**	**219**
Net income from discontinued operations	(380)	1,122			(380)	1,092
Net income	**(363)**	**1,508**			**(344)**	**1,311**
of which Net income, Group share	**(582)**	**1,314**			**(561)**	**1,129**
of which continuing operations	(208)	193			(187)	32
of which discontinued operations	(373)	1,121			(373)	1,097
of which Net income, Non-controlling interests	**219**	**194**			**216**	**182**
of which continuing operations	225	194			223	187
of which discontinued operations	(7)	0			(7)	(5)
Net Income, Group share, adjusted for exceptional items	**804**	**905**			**826**	**861**
Depreciation from supply chain (in COGS)	(69)	(54)			(70)	(235)
Net Income, Group share, adjusted for exceptional items, per share	**1.04**	**1.14**			**1.07**	**1.09**
Weighted average number of shares pre-dilution (in millions)	775.1	791.5			775.1	791.5

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

Geographic breakdown of 2019 net sales and recurring operating income

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

	Net sales				Recurring operating income			
(in €m)	2018 IFRS 5 pre-IAS 29 pre-IFRS 16	**2019** IFRS 5 pre-IAS 29 pre-IFRS 16	*Variation at constant exchange rates*	*Variation at current exchange rates*	2018 IFRS 5 pre-IAS 29 pre-IFRS 16	**2019** IFRS 5 pre-IAS 29 pre-IFRS 16	*Variation at constant exchange rates*	*Variation at current exchange rates*
France	**35,615**	**34,765**	***(2.4%)***	***(2.4%)***	**466**	**539**	***15.6%***	***15.6%***
Europe (ex-France)	21,076	20,999	*(0.1%)*	*(0.4%)*	664	647	*(2.5%)*	*(2.7%)*
Latin America	14,007	14,718	*16.8%*	*5.1%*	800	844	*10.0%*	*5.4%*
Asia	1,855	1,968	*3.2%*	*6.1%*	77	85	*8.0%*	*11.0%*
International	**36,938**	**37,686**	***6.5%***	***2.0%***	**1,542**	**1,576**	***4.5%***	***2.2%***
Global functions	-	-	-	-	(38)	(35)	*(5.6%)*	*(7.2%)*
TOTAL	**72,553**	**72,450**	***2.1%***	***(0.1%)***	**1,971**	**2,080**	***7.4%***	***5.6%***

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

	Net sales				Recurring operating income			
(in €m)	2018 IFRS 5 post-IAS 29 pre-IFRS 16	**2019** IFRS 5 post-IAS 29 post-IFRS 16	*Variation at constant exchange rates*	*Variation at current exchange rates*	2018 IFRS 5 post-IAS 29 pre-IFRS 16	**2019** IFRS 5 post-IAS 29 post-IFRS 16	*Variation at constant exchange rates*	*Variation at current exchange rates*
France	**35,615**	**34,765**	***(2.4%)***	***(2.4%)***	**466**	**547**	***17.3%***	***17.3%***
Europe (ex-France)	21,076	20,999	*(0.1%)*	*(0.4%)*	664	657	*(0.9%)*	*(1.1%)*
Latin America	13,809	14,665	*23.4%*	*6.2%*	767	833	*11.4%*	*8.6%*
Asia	1,855	1,968	*3.2%*	*6.1%*	77	83	*4.9%*	*7.8%*
International	**36,740**	**37,632**	***8.9%***	***2.4%***	**1,509**	**1,573**	***5.7%***	***4.3%***
Global functions	-	-	-	-	(38)	(32)	*(13.8%)*	*(15.3%)*
TOTAL	**72,355**	**72,397**	***3.3%***	***0.1%***	**1,937**	**2,088**	***8.8%***	***7.8%***

Note: (1) IFRS Consolidated accounts

Consolidated balance sheet

(in €m)	2018 reported post-IAS 29 pre-IFRS 16	**2019** reported post-IAS 29 post-IFRS 16
ASSETS		
Intangible assets	9,444	9,429
Tangible assets	12,637	11,370
Financial investments	2,650	2,753
Deferred tax assets	723	823
Investment properties	389	312
Right-of-use asset	-	4,388
Consumer credit from financial-service companies – Long-term	2,486	2,283
Other non-current assets	379	569
Non-current assets	**28,709**	**31,927**
Inventories	6,135	5,867
Trade receivables	2,537	2,669
Consumer credit from financial-service companies – Short-term	3,722	4,007
Tax receivables	853	838
Other assets	887	738
Current financial assets	190	252
Cash and cash equivalents	4,300	4,466
Current assets	**18,624**	**18,838**
Assets held for sale	**46**	**37**
TOTAL	**47,378**	**50,802**
LIABILITIES		
Shareholders' equity, Group share	9,169	9,940
Minority interests in consolidated companies	2,117	1,736
Shareholders' equity	**11,286**	**11,675**
Deferred tax liabilities	541	655
Provision for contingencies	3,521	3,297
Borrowings – Long-term	6,936	6,303
Lease liabilities – Long-term	-	3,660
Bank loans refinancing – Long-term	1,932	1,817
Tax payables and others – Long-term	-	335
Non-current liabilities	**12,930**	**16,066**
Borrowings – Short-term	1,339	997
Lease liabilities – Short-term	-	912
Trade payables	14,161	13,646
Bank loans refinancing – Short-term	3,582	3,712
Tax payables and others – Short-term	1,142	1,095
Other debts	2,938	2,649
Current liabilities	**23,162**	**23,012**
Liabilities related to assets held for sale	**-**	**49**
TOTAL	**47,378**	**50,802**

Consolidated cash-flow statement

(in €m)	2018 reported post-IAS 29 pre-IFRS 16	2018 IFRS 5 post-IAS 29 pre-IFRS 16 excl. IAS 17 impact[1]	**2019** IFRS 5 post-IAS 29 post-IFRS 16
NET DEBT AT OPENING	**(3,728)[2]**	**(3,426)[2]**	**(3,510)**
Gross cash-flow (continuing operations)	2,248	2,221	3,286
Change in working capital	(54)	(55)	(149)
Impact of discontinued operations	(86)	(59)	109
Cash-flow from operations	**2,108**	**2,108**	**3,247**
Capital expenditure	(1,611)	(1,560)	(1,725)
Change in net payables to fixed assets suppliers	(53)	(46)	99
Net asset disposals	194	192	98
Impact of discontinued operations	(2)	(57)	(33)
Free cash-flow	**636**	**636**	**1,686**
Free cash-flow excluding exceptional items and discontinued operations	**1,088**	**1,115**	**2,229**
Financial investments	(193)	(211)	(110)
Proceeds from disposals of subsidiaries	22	22	441
Others	15	12	208
Impact of discontinued operations	15	36	13
Cash-flow after investments	**494**	**494**	**2,238**
Capital increase	89	89	75
Dividends paid	(235)	(235)	(223)
Acquisition/disposal of investments without change in control	(0)	(0)	-
Treasury shares	42	42	-
Cost of net financial debt	(233)	(209)	(214)
Operating leases payment incl. interests	-	(45)	(999)
Others	(215)	(220)	17
NET DEBT AT CLOSE	**(3,785)**	**(3,510)**	**(2,615)**

Notes: (1) Finance lease liabilities recognized in accordance with IAS 17 for €275m at December 31, 2018 were reclassified in lease commitments; (2) Adjustments linked to the first application of the IFRS 9 standard – Financial instruments as of January 1, 2018

EBITDA to free cash-flow bridge

(in €m)	2018 IFRS 5 pre-IAS 29 pre-IFRS 16	**2019 IFRS 5 pre-IAS 29 pre-IFRS 16**	Variation	IFRS 16 Impact	IAS 29 Impact	**2019 [1] IFRS 5 post-IAS 29 post-IFRS 16**	2018 [1] IFRS 5 post-IAS 29 pre-IFRS 16
EBITDA	**3,415**	**3,485**	**69**	**942**	**(10)**	**4,417**	**3,403**
Income tax paid	(505)	(499)	6	-	0	(499)	(502)
Financial result (excl. cost of debt and interest related to leases obligations)	(86)	(33)	52	(8)	25	(17)	(30)
Others (incl. cash impact of restructuring items)	(620)	(614)	6	-	-	(614)	(650)
Gross cash-flow (excl. discontinued)	**2,204**	**2,338**	**134**	**934**	**14**	**3,286**	**2,221**
Change in working capital	(35)	(135)	(100)	1	(14)	(149)	(54)
Discontinued operations	(59)	(67)	(8)	176	-	109	(59)
Operating cash-flow (incl. exceptional items and discontinued)	**2,110**	**2,136**	**26**	**1,111**	**-**	**3,247**	**2,108**
Capital expenditure	(1,565)	(1,725)	(160)	-	-	(1,725)	(1,560)
Change in net payables to fixed asset suppliers	(46)	106	152	(7)	-	99	(46)
Net asset disposals (business-related)	192	98	(94)	-	-	98	192
Discontinued operations	(57)	(33)	23	-	-	(33)	(57)
Free cash-flow	**636**	**582**	**(54)**	**1,103**	**-**	**1,686**	**636**
Free cash-flow from continuing operations, excl. exceptional items	**1,115**	**1,301**	**186**	**927**	**-**	**2,229**	**1,115**
Exceptional items and discontinued operations[2]	*(478)*	*(719)*	*(241)*	*176*	-	*(543)*	*(478)*
Operating leases payment (incl. interests) (financial lease IAS 17) – Excl. China	(42)	(42)	(0)	-	-	(42)	(42)
Operating leases payment (incl. interests) net of financial sub-lease payment received – Excl. China	-	-	-	(927)	-	(927)	-
Operating leases payment (incl. interests) – China	(3)	(2)	1	(176)	-	(178)	(3)
Cost of debt	(228)	(221)	7	-	7	(214)	(228)
Net free cash-flow	**363**	**317**	**(46)**	**-**	**7**	**324**	**363**
Net free cash-flow from continuing operations, excl. exceptional items	**844**	**1,038**	**194**	**-**	**7**	**1,045**	**844**

Notes: (1) IFRS consolidated accounts; (2) Discontinued operations (o/w ex-Dia for €88m in 2018 and €116m in 2019), restructuring (€308m in 2018 and €580m in 2019), Cargo capex cashed out (€71m in 2018 and €35m in 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 comprehensive income over the period	990	855	134
Dividends	(242)	(106)	(136)
Impact of scope and others	(350)	30	(380)
At December 31, 2019	**11,675**	**9,940**	**1,736**

2019 net income, Group share, adjusted for exceptional items

	2018		2019	
(in €m)	IFRS 5 pre-IAS 29 pre-IFRS 16	IFRS 5 post-IAS 29 pre-IFRS 16 [1]	IFRS 5 pre-IAS 29 pre-IFRS 16	IFRS 5 post-IAS 29 post-IFRS 16 [1]
Net income, Group share	**(582)**	**(561)**	**1,314**	**1,129**
Restatement for non-recurring income and expenses (before tax)	1,127	1,129	920	1,030
Restatement for exceptional items in net financial expenses	47	48	23	23
Tax impact[2]	(66)	(68)	(113)	(106)
Restatement on share of income from companies consolidated by the equity method	(46)	(46)	(13)	(17)
Restatement on share of income from minorities	(49)	(49)	(104)	(100)
Restatement for net income of discontinued operations, Group share	373	373	(1,121)	(1,097)
Adjusted net income, Group share	**804**	**826**	**905**	**861**

Note: (1) IFRS consolidated accounts; (2) Tax impact of restated items (non-recurring income and expenses and financial expenses) and exceptional tax items

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 (LFL)

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