

LETTER TO SHAREHOLDERS

MAY 2008



EDITORIAL BY THE CHAIRMAN
OF THE MANAGEMENT BOARD

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Dear Shareholders,

In 2007, we kept our commitments: net sales rose 7% at constant exchange rates, which represents accelerate growth for the third consecutive year. The Activity Contribution rose 3.4%, a rate of growth in line with that recorded in 2006. This accelerated growth was driven by the combination of a strong increase in sales on a same store basis, the opening of new sales space, and the completion of acquisition transactions.

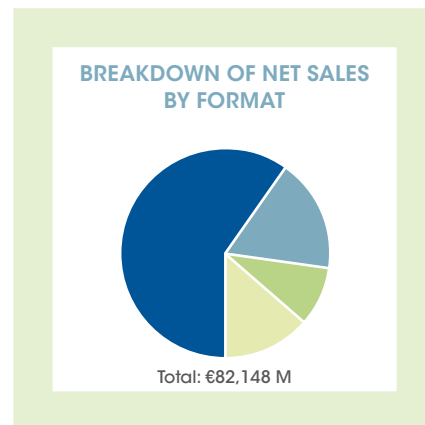
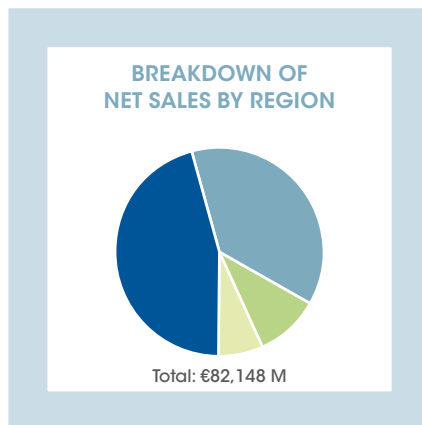
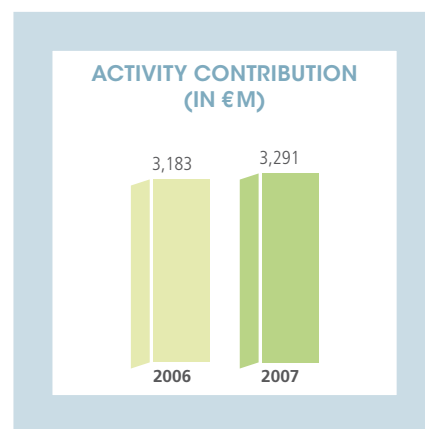
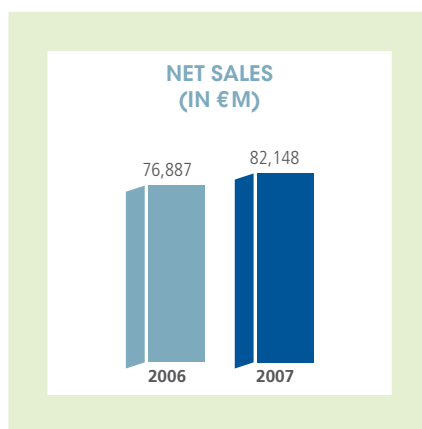
This strong performance confirms that the Group is in good shape to begin a new stage in its growth in 2008, even in an economic environment which experts believe will sometimes be difficult. For the first time since the launch of our strategy, we are expecting sales growth of between 6% and 8% (excluding acquisitions) at constant exchange rates and an increase in Activity Contribution faster than sales. Several initiatives will drive this growth: the roll out of our new commercial models, a reduction in supply chain and other operating costs, and more effective allocation of capital. We have also identified two additional potential ways to create value: the brand convergence in France, which is currently being tested, and property development, which we want to become the Group's second core business.

Based on the results already achieved and the means at our disposal, I can say to you with confidence that 2008 marks the beginning of a new trend. Backed by your support and your loyalty, today we have the best assets to meet the changes in our business. We are determined to continue to move in the direction of profitable and continuing growth for all.

José Luis Durán

CONTINUED GROWTH IN SALES AND PROFITS IN LINE WITH OBJECTIVES

In 2007, Carrefour kept its commitments. The Group met its objectives in an environment characterized by fierce competition in Europe and by food deflation over the first three quarters in France.



- 45.8% ■ France
- 37.5% ■ Europe (excluding France)
- 10% ■ America
- 6.7% ■ Asia

- 60% ■ Hypermarkets
- 17.4% ■ Supermarkets
- 9.2% ■ Hard discount
- 13.4% ■ Other

Note: the 2006 and 2007 financial statements have been restated in compliance with IFRS 2 and 5.

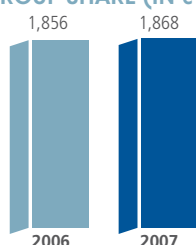
2008: A BREAKTHROUGH YEAR

QUANTIFIED OBJECTIVES

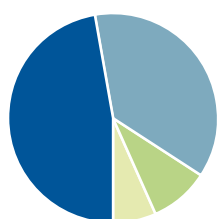
In a difficult environment, in 2008 the Group is projecting growth in net sales of between 6% and 8% (excluding acquisitions) at constant exchange rates, growth in Activity Contribution greater than the growth in sales, an improvement in return on capital employed, and operating free cash flow of approximately €1.5 billion.



NET INCOME FROM RECURRING OPERATIONS, GROUP SHARE (IN €M)



BREAKDOWN OF ACTIVITY CONTRIBUTION BY REGION



Total: €3,291 M

- 47.3% ■ France
- 37% ■ Europe (excluding France)
- 9.1% ■ America
- 6.6% ■ Asia

NET SALES

Net sales rose 7% at constant exchange rates (6.8% at current exchange rates), up from 6.4% in 2006. Thus, for the third consecutive years, Carrefour recorded accelerated growth. This advance was driven by a strong increase in sales on a same store basis, an increase in new selling spaces and targeted tactical acquisitions.

BREAKDOWN OF NET SALES BY REGION

All geographic regions contributed to the growth in sales. France represented 45.8% of the Group's sales, Europe 37.5%, Latin America 10%, and Asia 6.7%. Sales in growth markets (excluding France, Spain, Belgium and Italy) represented 25% of the Group's sales, up from 20% in 2003. At the same time, the Group withdrew from 11 countries or operational units which represented €4.5 billion in net sales.

BREAKDOWN OF NET SALES BY FORMAT

The hypermarket format contributed 60% of the Group's sales, the supermarkets 17.4%, the hard discount stores 9.2% and the Group's other businesses 13.4%.

ACTIVITY CONTRIBUTION

As in 2006, the acceleration of the expansion program over the last three years and the deployment of new commercial models automatically raised the costs of assets by 10.9%. As a result, the Activity Contribution rose 3.4%.

BREAKDOWN OF ACTIVITY CONTRIBUTION BY REGION

France represented 47.3% of the Group's Activity Contribution, Europe 37%, Latin America 9.1% and Asia 6.6%. The growth markets (excluding France, Spain, Belgium and Italy) recorded very strong performances and represented 23% of the Group's Activity Contribution in 2007, compared with 8% in 2003.

NET INCOME FROM RECURRING OPERATIONS, GROUP SHARE

Net income from recurring operations, Group share, rose 0.7%, after an increase in financial expenses of 11.1% and a tax rate generally stable at 28.7%, compared with 29% in 2006.

3 KEY INITIATIVES TO ACHIEVE THEM

- The continued roll out of the new commercial models in most hypermarkets and supermarkets until 2009.
- The reduction of logistics costs for 0.10% of sales as well as other operating expenses for 0.10%.
- More effective capital allocation through organic growth of 1.2 million sq. meters in selling spaces focused primarily on the growth markets.

2 ADDITIONAL POTENTIAL WAYS TO CREATE VALUE

- The brand convergence in France under the Carrefour brand, a real plan to transform product assortments, prices, loyalty program, own brands, etc. which if implemented, will have a positive impact for all Group stakeholders. The decision on deployment will be made in the second quarter of 2008.
- Property, the centre of the Carrefour growth model, as the second core business to generate value.

CARREFOUR AROUND THE WORLD

■ Accelerated expansion in Turkey

On 29 January 2008, Carrefour SA announced the sale of a land parcel in Merter, near Istanbul, to Apollo Real Estate and Multi Turkmall. These two companies are planning to build one of the largest shopping centres in the country, anchored by a Carrefour hypermarket in 2010. This €267 M transaction illustrates the attractiveness of the Group's real estate assets and the dynamic management of its asset portfolio.

■ The Carrefour group strengthens its leadership in Indonesia

Carrefour Indonesia is consolidating its leadership position in food retail by acquiring a 75% stake in the company PT Alfa Retailindo Tbk. The Share Purchase Agreement was signed on 21 January 2008 with PT Sigmantara Alfindo and Prime Horizon Pte. Ltd. for the amount of €49.3 M. Alfa Retailindo is a major player in the food retail sector in the country, with 29 stores, including 13 in Jakarta, ranging from 1,000 sq. m to 4,000 sq. m. This acquisition forms part of Carrefour's strategy to reinforce its presence through a locally adapted multi format approach.

■ New acquisition in Romania

On 29 October 2007, Carrefour Roumanie S.A. signed an agreement to acquire the Romanian supermarket chain Artima for a price of €55 M. The Group now enters the supermarket segment to complement its strong presence in hypermarkets, and is expanding its geographic coverage in the country. Artima operates 21 supermarkets in Western Romania, with a total selling space of about 21,000 sq. m.

PRODUCT INNOVATION

■ Carrefour, the first Dell computer distributor in Europe

Since 15 January 2008, Carrefour has been the exclusive distributor of a line of Dell office PCs and portable computers in 365 French, Spanish and Belgian hypermarkets and supermarkets. The agreement signed with the American computer company provides for expansion of the distribution to other European countries, particularly Italy, in 2008. With this agreement, Carrefour is consolidating its role as a leader in the sale of computer equipment in France and Europe.



CARREFOUR & ITS EMPLOYEES

■ Promoting the employment of young local workers

On 15 February 2008, the Carrefour group signed a national commitment with the Ministry of the Economy, Finance and Employment to employ young local workers. This agreement formalizes and reinforces its own commitment in this area. As the leading private employer in France, its objective is to recruit 1,000 young workers from priority neighborhoods and welcome 650 others for internships or work study programs. In 2010, a total of nearly 2,000 young workers from disadvantaged neighborhoods are expected to benefit from this program (1,000 recruited, 250 in internships, and 700 in work study).

■ Integrating disabled workers in the company

As part of a volunteer policy to employ disabled workers in its stores, the Carrefour group currently employs nearly 4,600 disabled workers in France. Its approach, which guarantees equal opportunity and non-discrimination, is reflected in the field by many initiatives launched by the Carrefour and Champion companies. These include "job dating" programs for disabled job seekers in which about fifty stores participate and the signature of a new "Mission Handicap" agreement, the goal of which is to permanently establish the employment of disabled workers in management practices.

CITIZENSHIP & RESPONSIBILITY

■ The Carrefour group sensitizes its suppliers to greenhouse gas emissions

In January, the Carrefour group joined the new Supply Chain Leadership Collaboration program of the Carbon Disclosure Project NGO. Since October 2007, this program, which musters world leaders in industry, commerce and services, has aimed to measure CO2 emissions in order to control and reduce them. Nearly 2,000 suppliers of the Group's own brands will receive a questionnaire designed to collect information about their greenhouse gas emissions and their strategy to combat the problem of climate change. The goal: to increase awareness and, over time, to reduce the emissions related to the Group brand products. In addition, the Carrefour group has made a commitment to reduce its energy consumption by 20% by 2020 (on the 2004 basis).

■ The Carrefour International Foundation in Bangladesh

Since the floods of 2004, the Carrefour International Foundation has worked in close collaboration with the "Friendship" Association in Bangladesh to provide assistance to isolated populations. In July 2004, "Friendship" distributed 600,000 survival rations with the support of the Foundation and participated in the reconstruction of 600 homes and wells. In order to provide targeted assistance and reduce the impact of the floods over the long term, the Foundation decided in 2007 to finance over three years a program to raise homes, prepare for disaster management, and organize assistance groups.



"GROWTH MARKETS", PATHWAYS FOR GROWTH



The growth markets, i.e. the markets outside France, Belgium, Spain and Italy, are confirming their roles as growth engines for the Group, with a 42% increase in their Activity Contribution and growth of 25.4% in their net sales in 2007.

Representing approximately one-fourth of the Group's Activity Contribution and consolidated net sales, these growth markets again made a substantial contribution to the acceleration in net sales and confirmed their role as growth vectors.

The Group has invested twice as much for growth since 2004 in a smaller number of countries, which has significantly strengthened its position as a leader in high potential markets. There are now five growth countries (China, Colombia, Poland, Brazil, Indonesia) compared with only one in 2004 in which the Group opens 8 or more hypermarkets a year.

■ A determined and targeted expansion

By operating in a smaller number of countries, the Group has significantly reinforced its leading positions in a number of growth countries.

In Eastern Europe, Carrefour has become the No. 2 in food retail in Poland after the purchase of Ahold Polska (194 stores, including 15 hypermarkets) and has extended its geographic coverage in Romania with the acquisition of Artima (21 supermarkets).

In Brazil, the acquisition of the Atacadao discount hypermarket chain (34 hypermarkets) is propelling Carrefour to the top place in food retail.

In Indonesia, the acquisition of 75% of Alfa Retailindo (29 stores) is enhancing Carrefour's leadership in food retail. In China, the Group is counting on steady growth at a rate of twenty new stores opened every year. Finally, in India, the first Cash & Carry format stores will open in 2009. At the same time, discussions have been initiated with local partners for the development of other retail formats.

23%
OF ACTIVITY CONTRIBUTION
generated by the growth markets in 2007

25%
OF CONSOLIDATED NET SALES
recorded by the growth markets in 2007



■ Outlook

In the coming years, the weight of these markets in the Group's net sales and Activity Contribution should continue to rise. These markets will also participate in the improvement in ROCE. The Group is on the right path to create a growth vector that complements the French, Italian, Spanish and Belgian markets, which should ensure profitable growth.

Carrefour Indonesia has new goals

Carrefour Indonesia has continued forward momentum with the opening of the 41st hypermarket (8 new stores opened in 2007), the purchase of the 29 Alfa Retailindo supermarkets, and the development of "Carrefour Services Corners". The market leader in terms of image and price and the leading hypermarket, the subsidiary continues to strengthen its positions. In November 2007, in Cibinong in the suburbs of Jakarta, it opened its first "compact" hypermarket (5,000 sq. m compared with the average 8,000 sq. m in the country), adapted to the needs of a population with modest incomes. It took the initiative to obtain an ISO-9001 audit and certification for its hypermarket in Taman Palem in West Jakarta to guarantee to its customers the best conditions of hygiene and cleanliness in its stores.



Carrefour No. 1 in Brazil

2007 was an important date for the Group. Established in Brazil since 1975, Carrefour regained its leadership position last year with the acquisition of Atacadão. This acquisition contributed to the increases in sales and profits in the country, and all activities generated growth of 35.7% in sales and 53% in Activity Contribution in 2007. It also reached new customers coming from low-income households which complement the customer bases for the existing formats. The conversion of some Carrefour hypermarkets to the Atacadão brand in low-income marketing areas has already doubled sales for those stores.

The Carrefour share

Share price performance in relation to the CAC 40 index and the BEFOODR* index (Basis of 100) (January to April 2008)



— Carrefour
— BEFOODR
— CAC 40 INDEX

* Composition of the BEFOODR index:
Carrefour, Casino, Colruyt, Delhaize, Sainsbury,
Ahold, Metro AG, Wm Morrison and Tesco.

ISIN code: FR0000120172

Par value: 2.50 euros

Listing market: SRD Eurolist Paris

IPO on the Paris Stock Exchange

16 June 1970

Main indices:

CAC 40, DJ Euro Stoxx 50

Calendar

9 July 2008

2nd quarter 2008 press release

29 August 2008

2008 half-year results

21 and 22 November 2008

Salon Actionaria in Paris

1 December 2008

Shareholders' meeting in Nice

3 December 2008

Shareholders' meeting in Lyon

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€1.08
PER SHARE
DIVIDEND

ANNUAL SHAREHOLDERS' MEETING

The Annual Meeting of the Carrefour group shareholders was held on 15 April 2008 at Le Carrousel du Louvre in Paris, attended by over 1,100 shareholders. All resolutions submitted to the shareholders were approved, including the payment of a dividend of €1.08 per share, which was paid out on 23 April 2008.