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Half-year results 2005

Focus on the Carrefour Group's strategy

News from Carrefour

Shareholders' corner

No.1
in Europe

No.2
worldwide

896
hypermarkets

2,526
supermarkets

5,220
hard discount stores

3,011
convenience stores

180
cash & carry outlets

totalling **11,833**
stores under the Group's banner
at the end of September 2005



José-Luis Duran

Chairman of the Management Board

Dear Shareholder,

In France, as in other major European countries, the Carrefour Group is faced with a competitive market and a difficult economic environment.

Food purchasing is slowing under the combined effect of several factors. First, the economic environment: the surge in prices for petrol and property has had a knock-on effect on other areas of household spending. And there are structural factors: in recent years, consumers have been spending more on areas such as leisure, telephony and new technologies.

To address this new state of affairs, the Carrefour Group is constantly adapting its product range – on one hand by promoting the development of its own brands, which are more competitive and cover a greater proportion of customers' requirements, and on the other hand by offering a wider range of technology products and services.

In addition to this necessary adaptation, we have defined a number of strategic objectives and the ways to achieve them. We want to strengthen our price competitiveness in France to gain market share.

We also want to improve our financial ratios internationally to establish profitable foundations for growth. And we want to make tactical acquisitions to strengthen our organic growth while continuing to rationalize our portfolio of assets. For each of these objectives, progress is already underway and the routes we have chosen are starting to bear fruit.

Of course, 2005 is a transition year for the Carrefour Group and we must remain cautious. Nevertheless, buoyed by the determination of our management, the quality of our teams and the resources available to them, we intend to move from an economic model based on expanding margins to a model of profitable growth driven by growth in sales.

Results for the first half 2005

- First benefits of sales and marketing policy in France and good performances in other countries.
- Despite concerted efforts throughout the period to keep prices down, the balance sheet remains strong, with stable net debt on constant accounting principles, even with higher capital expenditure and dividends. Financial ratios improved further.

In millions of euros	1st half 2005	1st half 2004	Change
Sales excluding VAT	35,440	34,549	+2.6%
EBITDA	2,008	2,026	-0.9%
Activity Contribution	1,262	1,302	-3.1%
Net income Group share*	687	737	-6.9%
Net income from recurring Operations – Gp Sh.	688	687	+0.1%
Average net debt	9,408	9,626	
Interest Cover	9.8 x	8.8 x	

* Net income excluding income from disposed operations and pending disposals.

OBJECTIVES SET FOR 2005 ARE BEING MET

CUSTOMER NUMBERS CONTINUE TO RISE IN CARREFOUR HYPERMARKETS IN FRANCE

Customer footfall at Carrefour hypermarkets in France is rising steadily: +0.3% in the first half and +1.4% in the second half 2005 (compared to a 2% decrease over the whole of 2004).

This increase in shoppers is proof that the product range is increasingly attractive to customers.

SIGNIFICANT MARKET SHARE GAIN IN FRANCE IN THE FIRST SIX MONTHS

All the Group's formats gained market share in food products (+0.7%) in France over the half year. This is the first time in 5 years that the Carrefour Group has recorded an increase in market share in France over a six-month period (source: Secodip).

INCREASED PROFITABILITY INTERNATIONALLY

Activity contribution outside France was up 24%, with profit margins up 0.4% to 2.6%. The improvement in the quality of the Group's asset portfolio continued, especially through the disposal of businesses in Japan and Mexico and of the non-home food services activity in France, at the same time as tactical acquisitions were made in France, Italy, Cyprus, Turkey and Brazil.

FASTER GROWTH FROM 2006 ONWARDS

In line with forecasts, the Carrefour Group intends to create around 1.4 million square metres of additional selling area in 2005, through new stores and extensions and by acquisitions. Over, 800,000 square metres have already been added, thanks to organic growth and acquisitions.

RESULTS REFLECT THE GROUP'S CHOSEN STRATEGY

As anticipated, the substantial investment in prices has resulted in a lower commercial margin. Strict cost control has led to a decrease in overheads as a percentage of sales. Activity contribution outside France is up significantly and has offset a fall in activity contribution in France, caused by the impact of keeping prices down.

Net debt at the end of the period was stable on pro forma accounting principles despite the acceleration of capital expenditure and the increase in the dividend payout in the period. With a lower cost of borrowing, financial charges fell.

Overall, pro forma earnings were flat versus H1 2004 while financial ratios continued to improve.

IAS/IFRS: APPLICATION AND IMPACT FOR CARREFOUR

From 1 January 2005, IFRS (International Financial Reporting Standards) apply to all companies listed on a European Union stock market publishing consolidated accounts. Generally speaking, IFRS emphasise a company's economic rather than legal perspective.

The Carrefour Group's first-half results for 2005 have therefore been published under IFRS for the first time.

To reconcile the published data under French standards and IFRS, please refer to the explanatory documents available on our website: www.carrefour.com

Steady pace of expansion

Since the start of the year, Carrefour has acquired 12 Ahold hypermarkets in Poland, signed an agreement with Aligros in Italy and reached an agreement to purchase Gima and Endi in Turkey. At the same time, Carrefour has disposed of its activities in Mexico and signed a franchise agreement with Aeon in Japan. Through these acquisitions and organic growth, Carrefour is strengthening its leading position on strategic markets. A list of recent transactions is shown below.

May 2005

Carrefour Marinopoulos signs a partnership with Andreas Andreou to take control of Chris Cash & Carry in Cyprus

Chris Cash & Carry is the second-largest food retailer in Cyprus with sales in 2004 of CYP 55.3m (approx. €94.5m). The company currently operates 3 hypermarkets and 4 supermarkets. Carrefour SA is the leading food retailer in Greece. At the end of 2004, Carrefour SA posted after-tax sales of €2,044m and operated 597 stores under its banner.

June 2005

Carrefour consolidates its leading position in Brazil

Carrefour purchased from the Sonae group 10 hypermarkets under the BIG banner situated in São Paulo for BRL 317m (€90m). These 10 hypermarkets produced pre-tax sales of BRL 455m (approx. €128m) in 2004.

As a result of this transaction, Carrefour has consolidated its position as leader in the Sao Paulo region. The Carrefour Group is the second-largest retailer in Brazil and posted pre-tax sales of €2.7bn in 2004. At the end of 2004, Carrefour owned 85 hypermarkets, 97 supermarkets and 208 hard discount stores in Brazil.

July 2005

ED strengthens its position in the North of France

On 21 July 2005 in Paris, agreements were signed between Carrefour, Rewe and Transgourmet for the acquisition by Carrefour of 101 Penny Market discount stores in the North of France (pre-tax sales of €262m in 2004) and the disposal of Prodirest. The acquisition of Penny Market will strengthen ED's position in France.

September 2005

Carrefour announces its intention of acquiring Tesco Taiwan and selling its activities in the Czech Republic and Slovakia to Tesco

Carrefour announces it has signed an agreement with Tesco whereby:

- PresiCarre, a joint venture between the Carrefour Group and the President Group in Taiwan, acquired Tesco Taiwan for €132m (6 hypermarkets and 2 projected for 2006),
- Carrefour sells Tesco its activities in the Czech Republic and Slovakia for €189.4m (15 hypermarkets). With this acquisition, Carrefour is strengthening its position in Taiwan where over 40 hypermarkets will be managed in 2006. Final completion of this transaction is subject to the approval of the competent regulatory authorities, including the competition commission.

Through this steady pace of expansion, Carrefour intends to establish profitable and sustainable bases for growth.

NEW STORES UNDER THE CARREFOUR BANNER FROM 1 JANUARY TO 30 SEPTEMBER 2005 (including acquisitions)

	HYPERMARKETS	SUPERMARKETS	HARD DISCOUNT STORES	CONVENIENCE STORES	CASH & CARRY
Europe	24	186	286	374	11
Latin America	15		42		
Asia	19	2	49		
Total	58	188	377	374	11



Competitive prices and customer relations to gain market share

The customer is the centrepiece of our strategy. He or she dictates our selection of products and guides the composition of our ranges. In order to meet the individual needs of millions of customers, Carrefour Group brands are carefully adapted to their catchment area and the demands of each customer base, in particular by offering new ranges of products, attractive prices, strong advertising campaigns, new services and innovative loyalty programmes.

A MAGIC MONTH IN FRENCH HYPERMARKETS WHERE THE MOTTOES ARE FUN, LIVELINESS AND LOCAL

Sharing successful practices and circulating good ideas were the determining factors behind the launch of Carrefour's Magic Month at the beginning of September by the Carrefour hypermarkets in France. The programme had already been tested in Spain and Turkey with resounding success. France then adapted the process for the 42nd anniversary of its hypermarkets. The Magic Month is based on a simple concept: very low prices on products highly prized by its customers allied to a giant, festive lottery. Accordingly, 7 million loyalty cardholders received this news by mailings, 18 million customers were notified by catalogue, and it is expected that over 43 million items will be sold. This operation is an obvious example of the strategy of price positioning and customer relations at the hypermarkets in France. While the competitiveness of the Carrefour Group stores is a firm priority, at the beginning of 2004, only 30% of our French hypermarkets were No.1 or No.2 in price terms in their catchment area.



Thanks to determined efforts for over a year to reduce the price of products in our ranges, nearly all our hypermarkets are now leaders in terms of price.

In 2005, we are continuing our efforts in the same vein. This strategy of price positioning is also underpinned in all our formats by a powerful plan of marketing actions in-store.

CHAMPION LAUNCHES ITS "ROLL BACK" PROGRAMME TO ATTRACT AND RETAIN CUSTOMERS AT THE START OF THE NEW SCHOOL YEAR



Since 1 September, Champion has been offering its customers a 20% reduction on a variety of 200 daily products each month.

This promotional campaign, called Roll Back, is quite simple: prominent signs ena-



ble the customer to spot the "roll back" products on the shelves which give an instant 20% rebate credited to their loyalty card at the check-out. The rebate operates on this selection of 200 products throughout the month, with no purchase limit for the customer. A new selection of 200 products is available every month.

The programme helps to attract customers as well as strengthening their loyalty to Champion. Customers can spend the euros accumulated on their loyalty cards whenever they want at all Champion stores participating in the Iris loyalty programme.

Human resources in action

Integrity



Freedom



Sharing



Progress



Respect



Responsibility



Solidarity



FOR THE SECOND YEAR RUNNING THE CARREFOUR GROUP IS THE LEADING COMPANY FOR RECRUITMENT IN FRANCE

The Carrefour Group in France expects to recruit 15,000 employees this year.

This figure is a direct reflection of the Group's size in France, where some 133,000 people work in the various entities (Carrefour hypermarkets, Champion supermarkets, ED hard discount stores, and the convenience stores – Shopi, 8 à Huit and Marché Plus).

To meet its recruitment needs, the Carrefour Group uses a variety of routes, including its recruitment website www.carrefourmyjob.com, which details all positions in terms of careers, internships, apprenticeships and student jobs. Many applications are also processed directly at the sites of the Group's various banners.

Particular attention is paid to students and recent graduates. The Carrefour Group has an ongoing policy of close ties with schools. This openness means for example providing trainings, enabling employees of the Group to teach on various courses, or even inviting students to participate in major corporate events.

The Carrefour Group offers numerous career opportunities, especially through existing gateways between its different entities. The policy of career diversification is encouraged by the Group's Human Resources Department.



www.recrute.carrefour.fr

CARREFOUR HYPERMARKETS LAUNCH THE "1,000 STUDENT JOBS ALL YEAR ROUND" PROGRAMME

Carrefour hypermarkets have just launched a major programme this autumn called "1,000 student jobs all year round".

The Carrefour hypermarkets have committed themselves to offer 1,000 student contracts with hours adapted to fit in with course timetables, plus time-out for exams and reductions on Carrefour products and services.

This helps students finance their studies at the same time as finding out about the professions within retailing. The initiative is a real opportunity for young people recruited in this way to start as junior managers on completion of their studies.

Responsible and charitable action



Europe

THE CARREFOUR GROUP CONFIRMS ITS COMMITMENT TO THE SUSTAINABLE MANAGEMENT OF MARINE RESOURCES AND INTRODUCES FOUR NEW "RESPONSIBLE FISHING" PRODUCTS

At a time when overexploitation of marine resources is becoming an alarming issue, the Carrefour Group is continuing to develop its range of products which originate from responsible fishing. Having launched "Responsible Cod Fishing" in 2004, in September 2005 it introduced four new own-brand frozen fish lines from ecosystem-friendly fishing (Greenland halibut, redfish, dab, and catfish). The stocks of each species are estimated scientifically and quotas are defined according to the state of resources. The most environmentally-friendly fishing techniques are used.

The Carrefour Group is now the leading retailer of seafood products in France. Responsible Fishing is an integral part of its policy of sustainable development. Carrefour is trying to use this approach to raise awareness among other economic players and consumers of these types of products.



Latin America

CARREFOUR COLOMBIA RECEIVES THE "GRAN ORDEN MERITO A LA DEMOCRACIA" AWARD*

The Colombian Congress has praised the commitment of Carrefour Colombia in the field of corporate responsibility.

This prize, awarded by the President of the Colombian Congress in the presence of numerous well-known figures, including the President of the Republic of Colombia, rewards the actions undertaken by Carrefour Colombia and the Carrefour International Foundation in the fields of education, food, the environment, sustainable development, exclusion and partnership in Colombia. Among these actions, the senators particularly noted the fact that Carrefour is the leading employer of persons with a disability in the country and that the actions it undertakes are both durable and concrete.

* Order of Merit for Democracy.

Asia

RECONSTRUCTION HAS STARTED



After the tsunami which struck Thailand, the Carrefour International Foundation has co-financed the reconstruction of a school in Baan Nam Kem. 1,500 families used to live in this village, the most affected in the Pang-Nga province. Jean-Luc Dayot, Executive Director of Carrefour Thailand, took personal responsibility for directing the operations. Supported by a team of experts, he identified the needs and dealt with the government as well as the Bouygues and EDF foundations in order to have the new infrastructures built as quickly as possible. The foundations of each of the three groups have financed an equal share of the project. The school opened its doors to 500 pupils on 26 October 2005.



Carrefour stock price

ISIN code:

FR0000120172

Nominal value:

2.50 euros

Listing exchange:

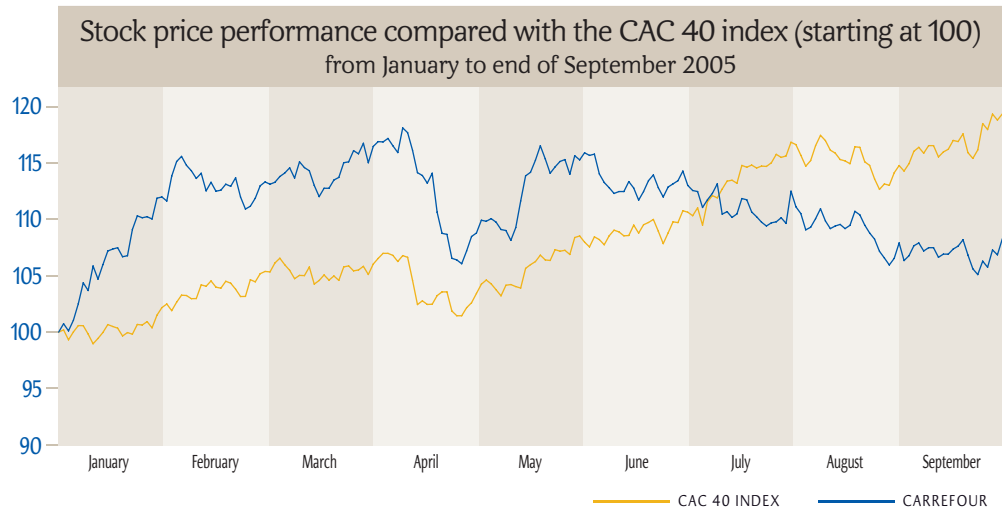
SRD eurolist

IPO on the Paris Bourse

on 16 June 1970

Index component on the:

CAC 40, DJ Eurostoxx 50
et DJ Stoxx 50



Vendredi 18 et Samedi 19
Novembre 2005
Palais des Congrès de Paris

CARREFOUR PRESENT AT THE SALON ACTIONARIA

For the fifth year running, Carrefour will take part in the Paris Salon Actionaria, the largest European financial forum exclusively dedicated to the stock market.

The Carrefour teams would be delighted to meet you and answer any questions you may have, and provide you with information about the Group's activities and its prospects for development.

For an invitation to the Salon Actionaria which will take place at the Palais des Congrès at Paris Porte Maillot on 18 and 19 November 2005, please contact the Shareholder Relations Department on +33 805 902 902.

Agenda

8 November 2005

Shareholders' meeting in Bordeaux

18 & 19 November 2005

Salon Actionaria in Paris

30 November 2005

Shareholders' Meeting in Lyon

11 January 2006

4th quarter 2005 sales

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