APRIL 2007

LETTER to shareholders

groupecarrefour

editorial by the Chairman of the Management Board

Dear Shareholder,

The year 2006 represents a new step forward in building our model of profitable growth.

The priority we always give to the customer and to growth has enabled us to achieve our key objectives.

Firstly, sales ex VAT, up 6.6% on current exchange rates, grew faster than in 2005.

Secondly, we won market share in France in foods for the second consecutive year.

And thirdly, we opened nearly 1,000 new stores during the financial year, of which 103 were hypermarkets. This figure is more than double the annual rate of openings over the period 2001-2004. In total we have created some 1.4 million of new sq.m., spread across all our major markets.

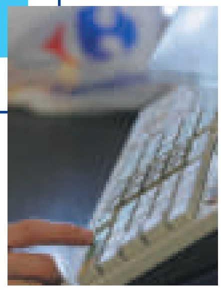
Although there is still much to be done, in an economic and competitive environment that remains difficult, we have confidence in the growth model that we defined in 2005 and confirmed in 2006.

I am convinced that we have at our disposal all the resources necessary to maintain our market leadership, thanks to our competitive advantages and to the levers of growth that we have defined:
- the convergence, and strengthening, of the Carrefour brand,
- the overhaul of the commercial model in food and non-food,
- the acceleration of new sq.m. in growth markets.

As you will see, our strategy remains unchanged and we are reaping the initial results. While remaining both cautious and modest, we have confidence in our Group and its potential.

This confidence, which underpins our actions, is reflected in the confidence that you are showing in us, and I would like to take this opportunity to express my special thanks to you.

José Luis Duran



2006
FULL YEAR RESULTS

Acceleration in the rate of growth

2006: first results of the profitable growth model

Sales excluding VAT increased by 6.6% at current exchange rates (6.4% at constant rates). The Group's growth in sales, ex-petrol, grew by 1.1% on a like-for-like store basis in 2006, whereas in 2004 and 2005 there was no increase at all.

The commercial margin increased as a result of a better margin mix and lower logistics costs which offset the impact of lower prices. 2006 was again characterised by a tight control of operating costs, even as the Group added resources to the shop floor.

Activity contribution before depreciation, amortisation and before non recurring elements increased by 5.7%, almost in line with sales.

The acceleration of the opening of new sq.m. resulted in an increase in asset costs (rents and depreciation). Activity Contribution increased by 3.4% to €3,258 million. This compares to a decline of 2.9% in 2005.

All the Group's geographical regions contributed to the growth in sales and Activity Contribution.

Financial costs increased by 6.6%, mainly as a result of an increase in interest rates and an increase in average net debt over the year.

The tax rate was more or less stable as at the end of 2005, at 29%.

The contribution from associates fell by 30% (or €15 million) due mainly to the consolidation of Hyparlo. Minority interests increased nearly 9% (or €14 million), reflecting the fact that profits in subsidiaries shared with a partner are increasing, as for example China and Greece. As a result, the net income from recurring operations Group Share increased by 3.3%.

The divestment of insufficiently profitable activities has led to a non-recurring exceptional item of €412 million, mainly as a result of the disposal of our Korean activities. This number, compared to a loss of €362 million in 2005, resulted in an increase of net income group share of 58% to €2,268 million.

The balance sheet and financial ratios were solid, with a reduction of year end net debt of €481 million.

Cash flow strength has made possible the self-financing of €3.4 billion of operating capital expenditure, a rise of 11% compared with 2005.

Objectives for 2007/2008

Sales 2007-2008:

- Within the current competitive environment, the Group anticipates sales growth in 2007 at least as strong as in 2006.
- For 2008, the actual 2006 figures, as well as the forecasts for 2007, will enable the Group aim at achieving growth in sales in the order of 10%.
- For both years, meeting these targets assumes that the Group makes the expected level of tactical acquisitions.

Activity Contribution 2007 - 2008:

- For 2007, Activity Contribution will grow, although at a slower pace than sales, reflecting the determination to consolidate the low price leadership and to accelerate the expansion plans.
- For 2008, the Group continues to believe that Activity Contribution can grow in line with sales. However, this depends on the resources the Group will need to invest in order to win the competitive game, particularly in France. The Group will not grow profits at the expense of sales and market share.

€77,901 million
Net Sales
+ 6.6%
+ 6.4% at constant exchange rates

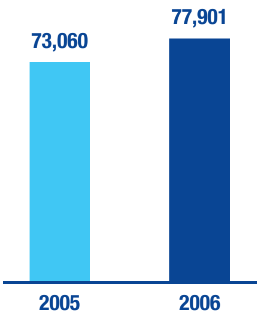
€4,845 million
Activity Contribution
before Depreciation, Amortisation and before non recurring elements
+ 5.7%

€1,857 million
Net income from recurring operations Group Share
+ 3.3%

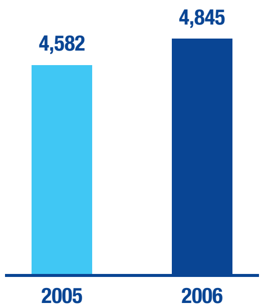
1.03€
Dividend
(subject to approval by the Annual General Meeting)

The 2006 accounts are presented in accordance with IFRS principles. The 2005 accounts have therefore been restated to take account of IFRS 5, and have been adjusted for the disposals that were completed or announced during the 2006 financial year.

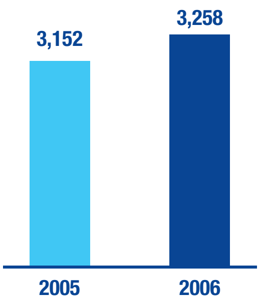
Net Sales
(in € millions)



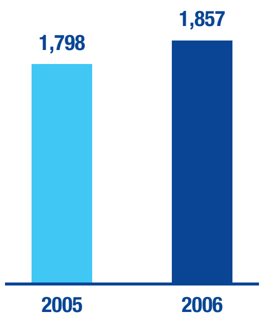
Activity Contribution before Depreciation, Amortisation and before non recurring elements
(in € millions)



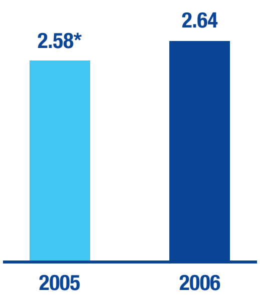
Activity Contribution
(in € millions)



Net income from recurring operations Group share (in € millions)

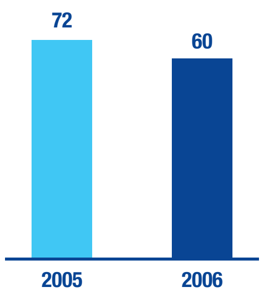


Earnings per share before discontinued activities
(in €)



*EPS before discontinued activities published in 2005

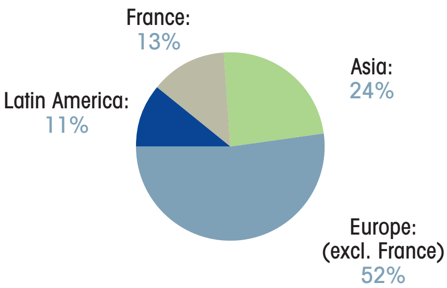
Debt ratio
(in % of equity)



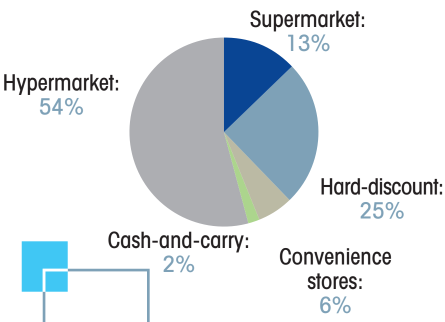
STRAGEGY GROWTH

Strengthening of store openings in growth markets

EXPANSION IN SQ. M. BY GEOGRAPHICAL REGION IN 2006



EXPANSION IN SQ.M. BY STORE TYPE IN 2006



The opening of new sq.m. is one of the Group's strategic priorities. Carrefour pursued its expansion in 2006 and wants in future to accelerate the establishment of stores in markets with high potential.

Growth of floor area in 2006

Over the 2006 financial year the rate of openings was boosted, with 103 new hypermarkets, of which 16 were the result of external acquisitions. In total, the Carrefour group opened or acquired 968 new stores under banner, which represents the creation of around 1.4 million sq.m. of new space. Ninety per cent of this new space was created through organic growth, representing an increase of 20% compared with 2005.

The opening of new stores outside the Group's four major mature markets (France, Spain, Italy and Belgium) has increased by 60% between 2004 and 2006.

All geographical regions and all store formats have contributed to this acceleration of growth.

In France, the Group opened 170,000 sq.m., within which hypermarket extensions account for 45,000 sq.m., supermarkets 50,000 sq.m., hard discount stores 52,000 sq.m. and convenience stores 18,000 sq.m. Two hypermarkets were opened as a result of a transfer between banners. In all, 13 supermarkets, 59 hard discount stores, and 46 convenience stores were opened or acquired over the period.

In Europe (ex-France) the Group opened or acquired 36 new hypermarkets, 101 supermarkets, 385 hard discount stores and 150 convenience stores. Altogether, the Group opened or acquired an additional 713,000 sq.m. in Europe.

In Latin America, 21 hypermarkets, 5 supermarkets and 66 hard discount stores were opened during the year, with a total new area of 150,000 sq.m. In Asia, 46 hypermarkets and 34 hard discount stores were opened or acquired, making a total of 326,000 sq.m.

Acceleration of the development in growth markets

In 2007, the Group will maintain a sustained rate of new openings in high-potential markets. The Group plans to open at least 1.5 million sq.m. of new space, of which 1 million sq.m. will be outside the four major European markets.

In parallel with this, the Carrefour Group is studying and will develop some new growth vectors in countries like Russia and India.

Finally, the Group intends to play an active role in the consolidation of local markets, when this meets operational and financial criteria.

STRATEGY CUSTOMERS

Development of new engines for growth

In order to impose its market leadership, the Carrefour Group is determined to capitalise on all its competitive advantages, notably the power of its banners and its brand, as well as the expansion of its range of food and non-food products.

The convergence and strengthening, of the Carrefour brand

In 2006, the Carrefour Group rolled out its multi-format and single brand strategy. 82 Carrefour Express stores were opened or converted in Spain and 34 Carrefour Bairro in Brazil. In parallel with this, trials were carried out in Turkey and Poland. These banners make it possible to capitalise on the power of the Carrefour brand, while preserving the flexibility of the multi-format approach. In the same way, for the first time in France, a HyperChampion has been transformed into a Carrefour.

The results of this strategy are very encouraging, which is why it will be accentuated in 2007, as well as in Belgium where the number of banners is in the process of being reduced from five to three under the umbrella brand of Carrefour. This strategy has also been developed in Poland, Turkey and Argentina where all the multi-format stores have been converted so that in the end there will only be banners that incorporate the Carrefour brand.

The improvement of brand awareness is also conveyed by the strengthening of own-brand products both in terms of choice and price. In French hypermarkets, for example, the number of listed products increased by 8% in 2006, and a further 10% is planned for this year. With regard to prices, these are down once again in 2007 on the principal high-volume products.

The Group is also working on expanding its services. The product range has been enriched notably in the field of financial products, insurance and mobile phones.

Development of the business model

The Group is continuing to develop its business model both in its food and non-food ranges.

In the food range, the development of the model will expand the selection by putting forward more innovative ideas in growth categories, improving the margin mix, maximising product availability and improving the price image.

The implementation of this project is based on developing a common strategy with suppliers, a more efficient allocation of selling space, economies of scale for purchasing own-brand products, development of the ready-to-sell concept, and finally strengthening the teams in charge of the roll-out. The initial results of this programme are very promising.

With the non-food range, the development of the business model is aimed at improving the attractiveness of the banners, by constructing a “specialist” range, focusing on selection and innovation. This project should also make it possible to optimise the margin mix.

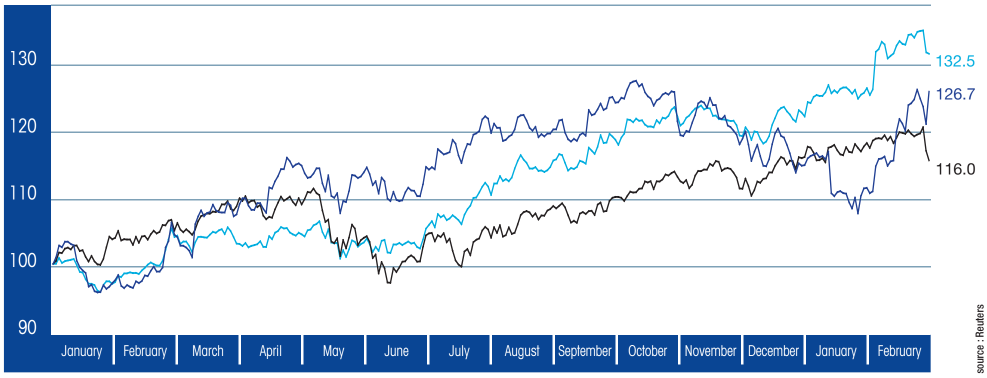
To achieve this, the Group will work even more closely with its suppliers, make better use of its knowledge of the customer in order to optimise the utilisation of selling space, remodel the back office and provide even more effective training to the dedicated teams.

Trials are currently being conducted in stores in the Group’s four principal European countries (France, Spain, Italy and Belgium), and the first positive results are expected in the second half of 2007.

THE SHAREHOLDER'S DIARY

The Carrefour share price

Share price performance in relation to the CAC 40 Index and the Reuters Food Retail Index*
(Base 100)
(January 2006 to February 2007)



— Carrefour
— CAC 40 Index
— Reuters Retail food

*Composition of the Reuters Food Retail Index: Carrefour, Casino, Metro AG, Ahold, Tesco, Morrisons,Sainsbury, Colruyt and Delhaize

ISIN Code
FR0000120172

Par value
€2.50

Listing market
Eurolist Paris (deferred settlement system)
IPO on Paris stock exchange on 16 June 1970

Main indexes
CAC 40, DJ Euro Stoxx 50
and DJ Stoxx 50

Calendar

11 April 2007
☐ Sales 1st Quarter 2007

30 April 2007
☐ Annual General Meeting

21 May 2007
☐ Meeting of shareholders in Montpellier

10 July 2007
☐ Sales 2nd Quarter 2007

30 August 2007
☐ Half-year results 2007

16 October 2007
☐ Sales 3rd Quarter 2007

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Annual General Meeting 2007

The Annual General Meeting of Shareholders will be held on 30 April 2007 in Paris at the Carrousel du Louvre at 9.30 a.m. (second convening).
A dividend of 1.03 euros per share will be proposed and submitted for approval by the shareholders present at the AGM. Subject to this approval, the dividend will be paid out on 4 May 2007.

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Visit our new website where you can find full information about the Carrefour Group. A dedicated "shareholder" zone can be found under the heading of Finance.