



Carrefour News

Key figures 2004

Focus on the Annual
General Meeting

Corporate governance

Our corporate strategy

News from Carrefour

Shareholders' corner

No. 1
in Europe

No. 2
worldwide

11,080
stores

32
countries

430,000
employees

€ 90.681 bn
in Carrefour-brand sales incl. tax
for FYE 31/12/2004



Luc Vandeveld
Chairman
of the Supervisory Board

Ladies and Gentlemen,

I am very pleased to address you today in my capacity as Chairman of the Carrefour Group's Supervisory Board. I would like to thank all of you who have approved both my appointment and that of the new management team.

The new team's arrival follows a change in Carrefour's corporate governance structure, which now consists of a Management Board that manages the company and a Supervisory Board, which performs a control function.

We thought this new organisation, which fosters collegiality and balance, was better suited to our Group's size and complexity while meeting the challenges facing it today.

It also better factors in the interests of all of our shareholders while making the supervisory bodies more independent. This creates greater transparency, which I heartily support.

I have formed two convictions based on my extensive experience in and passion for retailing.

The first is that we must better know and anticipate consumers' needs. Consumer habits have changed a lot over the past few years. New products and new store formats are combined with better service and quality, and always at the lowest price.

The second one is that we must make better use of the extraordinary diversity of our formats and our store locations. The experience that we have gained from our stores in China, Spain or Argentina, for example, can and must be factored into the local decisions taken every day, as well as into our "big picture" thinking. Carrefour has long been introducing modern, innovative retailing concepts worldwide. Our goal is to return to being the benchmark player in retail that is always a step ahead of the game.

You can read further on in this letter how José Luis Duran, Chairman of the Management Board, incorporates these concerns in the Group's objectives and strategy. We share, together with all of the members of the new team, the same goal of making Carrefour the benchmark of modern retailing.

For instance, we have already moved to modify our decision-taking structure to be more responsive and closer to the field. We eliminated two layers of management so that the operations managers of the main business units, i.e. French hypermarkets and supermarkets, are represented directly on the Group's Executive Committee. Similarly, the French purchasing function was reorganised so that each of the banners has greater autonomy to more closely meet its customers' expectations.

Lastly, in terms of market performance, I am well aware that for you as shareholder, the period following Carrefour's merger with Promodès did not meet your expectations. Yet, when I look at our Group's strong points, its unparalleled positions worldwide, the dedication of its employees and the diversity of their experiences, I am convinced that our stock price will reflect our standing and potential.

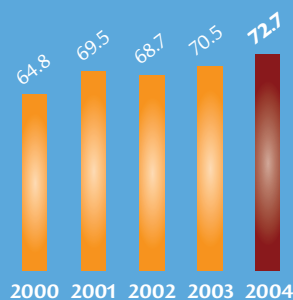
2 • Key figures for 2004

Carrefour focused on four major priorities against a difficult economic backdrop characterised by deflation. These are to: 1) reposition our hypermarkets to be more competitive in France, 2) boost the return on investment from our international activities, 3) carry out a plan to dispose of non-core/low-return businesses, and 4) reduce net indebtedness and improve financial ratios.

At financial year end, the Group had made progress on all four priorities.

We have increased the amount and rate of our investments to make the Group more competitive, particularly in France. This has had a considerable impact on earnings, and thus called into question the objectives we initially fixed in March 2004. The Group reported 2004 net sales before tax of €72.7 bn, up 4.0% at constant currency rates. 3.3% of this stemmed from the addition of new floor space.

► Consolidated net sales before tax (in € bn)

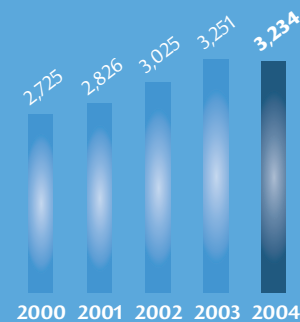


€72.7 bn

Net sales before tax rose 4.0% at constant currency rates, mainly outside of France, while international sales rose 8.3% at constant currency rates. Foreign exchange rates had a significant impact on sales as in 2003, notably in Asia.

Carrefour's net sales before tax were up 3.1% in 2004 at actual exchange rates. In France, the Group recorded a 0.1% increase in sales at constant currency rates, owing mainly to deflation. Group brand sales after tax totalled €90.7 bn as Carrefour opened 934 new sales outlets in 2004 with over a million square meters of floor space.

► Consolidated operating profit (in € M)



€3,234 m

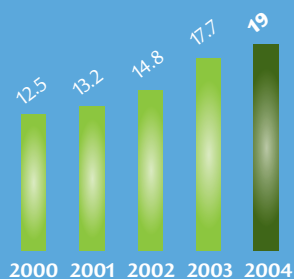
Although the sales margin was down by 30 basis points, owing to our investment to make Carrefour more competitive, the efforts made to reduce overhead expense enabled the Group to record a 0.9% increase in operating results (EBITDA) in 2004. Operating profit fell 6.4%, a reflection of the investment programme carried out in France. This decrease was offset by improved returns on investment from international activities. Operating profit rose 24.9% in Latin America, 9.5% in Asia, and 9.4% in Europe (excluding France) at constant currency rates.

Owing to higher amortisation and provisions expense than in the previous year, Carrefour's earnings before interest and taxes was down 0.5%.

Key figures for 2004

in millions of euros	2004	2003	Change
Sales before tax	72,668	70,486	3.1%
Operating profit (EBIT)	3,234	3,251	(0.5)%
Net income from recurring operations of consolidated companies after goodwill amortisation	1,662	1,620	2.6%
Net exceptional items	(275)	9	ns
Consolidated net income	1,387	1,629	(14.9)%
Net income per share in € from recurring operations after goodwill amortisation	2.29	2.23	2.8%
Interest coverage ratio	11.6 x	10.5 x	

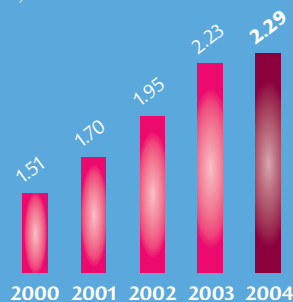
Return on capital employed (in %)



19%

This year, Carrefour raised its return on capital employed from 17.7% in 2003 to 19% in 2004 as returns improved outside of France.

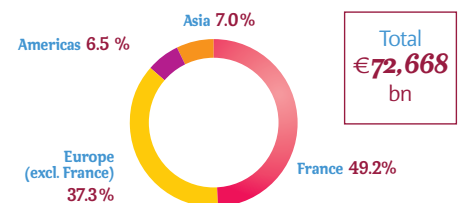
Net income per share from recurring operations of consolidated companies after goodwill amortisation (in €)



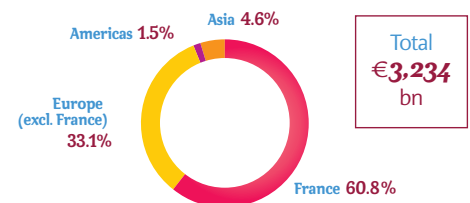
€2.29

Owing to a lower effective tax rate and lower financial expenses, the Group's net income from recurring operations of consolidated companies after goodwill amortisation rose 2.6%. Its net income per share after goodwill amortisation increased 2.8% to 2.29 euros while consolidated net income per share was up 2.5% to 2.73 euros.

Breakdown of consol. net sales before tax by geographic region



Breakdown of EBIT by geographic region



11.6 x

= EBITDA/net financial items

Indebtedness

Cash provided by operations and good cash management enabled the Group to reduce its net indebtedness by €1.1 bn from €7.9 bn to €6.8 bn, a 13.9% decrease. The interest coverage ratio rose 10.5% from 2003. EBITDA was 11.6 times net financial items in 2004.



Carrefour held its Annual General Meeting on 20 April 2005 at the Carrousel du Louvre with Luc Vandavelde serving as Chairman. Over 3,000 shareholders participated in person, through a proxy or by mail.

The shareholders approved the FY 2004 individual and consolidated financial statements. The dividend was fixed at €0.94 per share and paid on 22 April 2005.

The Annual General Meeting approved the following resolutions put before it:

- the merger with Paroma;
- a new administrative structure replacing the Board of Directors by a Management Board and a Supervisory Board;
- the appointment to the Supervisory Board of Luc Vandavelde, Carlos March, José Luis Leal Maldonado, René Abate, René Brillet, Amaury de Sèze, Anne-Claire Taittinger and Robert Halley, who represents Comet BV.

Luc Vandavelde underscored the fact that “the Group’s multi-format product range is one of the keys to its future success”, enabling it to keep up with new consumer trends. He also stressed the need



to combine Carrefour's leadership position with its ability to adapt to local life styles wherever it does business.

After providing a quick summary of the market trends, Luc Vandeveldé described how important sustainable development was to the Group and its involvement as a responsible economic player. He ended his presentation by citing the benefits derived from modifying the corporate governance structures. This change was made to heighten collegiality in decision-taking through better allocation of powers between a Supervisory Board, for the controlling function, and a Management Board, for the management function.

Following a presentation on the 2004 activity by Eric Reiss, Chief Financial Officer and Managing Director for Information Systems, José Luis Duran sketched out the Group's three-pronged strategy for 2005:

- to improve the pricing image in hypermarkets in France
- to improve return on investment and capital employed outside of France
- to lay the foundation for sustainable and profitable growth beginning in 2006.

Mr. Duran continued, **"Our objective is to make sure that Carrefour leads in pricing and wins market share everywhere we have chosen to do business"**.

Duran concluded his presentation by outlining Carrefour's major initiatives since the start of the year:

- changed the consolidation scope in Poland, Korea, Mexico, Japan and Italy,
- streamlined decision-taking structures,
- reorganised the purchasing function.

After reiterating his support for José Luis Duran and his team, Luc Vandeveldé ended his speech by saying: **"Carrefour's ability to innovate while respecting quality, safety and the environment makes it one of the most well regarded companies in France and around the world. I will personally see to it that this "Carrefour spirit" is shared by everyone"**.



The Annual General Meeting in delayed broadcast video along with the minutes of the Annual General Meeting are available on the Group's website at: www.carrefour.com

The 2004 annual report has just been published. It is available upon request from the Investor Relations office.

Would you like to register your shares on Carrefour's books? Consult our 2005 guide where you will find all of the information needed to transfer your shares.

In 2005, based on a recommendation from the Compensation, Nominations and Corporate Governance Committee, the Board of Directors decided to propose setting up a Supervisory Board and a Management Board. The shareholders approved the new governance structure at their Annual General Meeting on 20 April 2005. It allows for a better separation of powers between a Supervisory Board, the controlling body, and a Management Board that manages the Group. The Executive Committee remains the operational body that carries out the strategy.

The Supervisory Board

Its main responsibilities are:

- to appoint and remove the members of the Management Board and its chairman;
- to approve any change in the Group's organisation and its capital structure.

The Supervisory Board's permanent role is to review and monitor how the company implements its strategy. It can perform any audit operations at any time it sees

fit and obtain access to any documents which it deems useful to properly exercise its control function. It must also verify that the annual financial statements as presented by the Management Board are fair and consistent. Once it has completed this review, the Supervisory Board writes a report that will be given to the shareholders at their Ordinary Annual General Meeting.

Composition of the Supervisory Board

The Supervisory Board is chaired by Luc Vandevelde and has eight members.

> **Luc Vandevelde**

Chairman of the Supervisory Board

> **Comet BV represented by Robert Halley**

Representative of the Halley family group, a key Carrefour shareholder

> **Carlos March Delgado**

Key Carrefour shareholder

> **José Luis Leal-Maldonado**

Chairman of the Spanish Banking Association

> **René Brillet**

Carrefour's former Managing Director, Asia

> **Anne-Claire Taittinger**

Current Chairman of the Taittinger Group Management Board, Managing Director of the Société du Louvre, Chairman of Baccarat

> **René Abate**

Senior Vice-President at Boston Consulting Group

> **Amaury de Seze**

Chairman of PAI partners

The Management Board

The Management Board is the managing body appointed by the Supervisory Board. It is charged with the general management of the company. It formalizes the financial statements and calls the shareholders' meeting. It must report on its management to the Supervisory Board.



José Luis Duran, Jacques Beauchet, Javier Campo, José Maria Folache, Guy Yraeta.

Composition of the Management Board

The Management Board has five members who act on a collegial basis and who are appointed by the Supervisory Board. This organisation better adapts the decision taking process to Carrefour's size and diversity.

> José Luis Duran

Chairman of the Management Board

> Jacques Beauchet

Managing Director of Human Resources, Corporate Communications and Secretary General

> Javier Campo

Managing Director of Dia

> José Maria Folache

Managing Director for Europe – excl. France

> Guy Yraeta

Managing Director for Hypermarkets France

The Executive Committee

The Executive Committee still manages and carries out the strategy set forth by the Management Board on an operational basis. Its role and level of responsibility have not changed.

Composition of the Executive Committee

The Committee's composition was modified to better adhere to the Group's organisational principles and to improve its efficiency:

- It followed the principle of having only one layer of management between the head office and Country Manager.
- The Group's two biggest business units, hypermarkets and supermarkets in France, are directly integrated in the Executive Committee.

> José Luis Duran

Chairman of the Management Board

> Jacques Beauchet

Managing Director of Human Resources, Corporate Communications and Secretary General, member of the Management Board

> Javier Campo

Managing Director of Dia, member of the Management Board

> José Maria Folache

Managing Director for Europe excl. France, member of the Management Board

> Guy Yraeta

Managing Director Hypermarkets for France, member of the Management Board

> Éric Reiss

Managing Director, Finance and IT Systems

> Thierry Garnier

Managing Director Supermarkets for France

> Philippe Jarry

Managing Director for Asia

> Éric Uzan

Managing Director, the Americas, Merchandising and Marketing Group



Carrefour fête la première année de sa CARTE de FIDELITE.

DU VENDREDI 27 AVRIL AU SAMEDI 7 MAI

40% d'économies

sur plus de 300 produits avec la CARTE de FIDELITE CARREFOUR



Firmer objectives

In 2005, the Carrefour Group will step up its efforts begun in its French hypermarkets during 2004. Carrefour will feature the lowest prices and a more extensive product range by expanding its store brands. It also plans to increase the benefits offered under its customer loyalty programme. The price reductions on mass consumer goods will be more targeted and effective. The Group will focus on its store brands, fresh produce and non-food products.

A more direct marketing approach centred on price and product

The promotional campaigns are now based on more incisive and dynamic product ranges. They are based on very targeted catalogues.

For the first anniversary of the customer loyalty card's introduc-

tion, for example, on April 27 Carrefour's hypermarkets in France started a promotional campaign on over 300 products for which a 40% discount was offered to cardholders.

Carrefour wants to use the appealing products and very low prices it has introduced so that it can once again be regarded as the most competitive retailer.

An innovative product range based on non-food products

To gain market share, Carrefour must boost the appeal of its non-food product range by developing new approaches and applying formulas that work well in other countries. The circulation of best practices within the Group is a key factor to its future success. Hence, Carrefour is expanding its exclusive brands in certain essential non-food categories. For instance, Carrefour will be displaying a version of its Spanish textile line in all of its hypermarkets in France. An extensive range was tested and is now stocked in the stores. Carrefour's French customers can now buy basic Tex brand products, new collections that were unveiled in February aimed at babies and children, and an extensive new selection of products in the women's department.

In consumer electronics, Carrefour is also lowering prices and expanding its product range to be more targeted on essential articles like consumables. Carrefour is also developing buoyant new image-enhancing markets such as high tech. The Group is offering attractive prices to be competitive and technological products to be innovative. Once again, by working simultaneously on both fronts, the Group will be back on track to profitable growth.

The opening of additional sales space is also key to growing sales and market share. Hence, the Group will resume expanding its sales space in France by opening 260,000 additional square metres of which 60,000 square metres are in the hypermarket format and 60,000 square metres are in supermarkets. The Group will also open 75 new ED stores in the hard discount format. Lastly, 35,000 new square metres of convenience store space will be opened.



The Group's objective is to improve the return on investment and on capital employed outside of France...

All of the countries and formats outside of France are forecast to increase sales and EBIT in 2005. As the Group reallocates its investments among a smaller number of countries, we expect to significantly boost the return on capital employed. A simple rule determines the choice of acquisitions, disposals or partnerships. Everywhere the Group does business, it must have the potential to become one of the three top players in that market over the medium term.

In those markets where the commercial model is already successful, Carrefour will step up the pace of new store openings with at least one million square meters of new sales space for 2005. In all, the Group plans to open 70 hypermarkets, 140 supermarkets, 620 hard discount stores, and 275 convenience stores in 2005, including those which it has already acquired.

...and to lay the foundations for faster growth starting in 2006

Carrefour is the world's third largest hard discount store chain. With the Dia stores, it has one of the most profitable and dynamic retail formats. By drawing on Dia's already solid strategic and commercial positioning, management expects to the Group to step up the pace of new store openings in this segment.

Carrefour also is one of the largest franchisors in the world with a broad range of appealing and multi-faceted brands that offer franchisees the possibility of profiting from its growth. This is a particularly good time to expand this type of franchising activity.

The Group also has a portfolio of flexible formats. It can, for instance, develop an expanded supermarket concept like HyperChampion in France, or a bigger sized hard discount format like MaxiDia in Spain. Carrefour has also introduced a wholesale business in its hypermarkets in Argentina, alongside its traditional activity, to adapt to changing local markets.



Changes in consolidation scope

February 2005

Carrefour finalises the acquisition of 12 Hypernova hypermarkets in Ahold. Carrefour has become Poland's second biggest hypermarket chain with 29 stores and over 70 supermarkets managed under the Champion and Globi banners.

March 2005

Carrefour announces agreement with Finiper, whose purpose is mainly to strengthen Carrefour's equity stake in Finiper. The deal is part of Carrefour's strategy of consolidating its market share in Italy. Finiper operates 24 hypermarkets with around €16 bn of sales before tax in 2004. In late February 2005, Carrefour Italy operated 1,246 sales outlets under its banner of which 411 were consolidated. It recorded €5.9 bn of sales before tax in 2004.

Carrefour and Aeon sign a partnership agreement in Japan providing for :

- Carrefour's disposal of its 8 hypermarkets to Aeon,
- the signing of a memorandum of understanding for a partnership covering Aeon's use of the Carrefour brand in Japan, cooperation on certain commercial concepts and the sale of Carrefour brand products in Japan. Carrefour and Aeon's objective is to develop and expand the hypermarket format in Japan through an alliance between a major Japanese retailer and the world's second largest food retailer.

Carrefour sells its Mexican assets to Chedraui

The assets sold include 29 hypermarkets and two planned hypermarkets which are slated to open in 2005. Chedraui is a major player in mass retailing in Mexico. The sale of Carrefour Mexico is an integral part of its program announced in September 2004 to sell off non-core or insufficiently profitable assets.

April 2005

Aligros and Carrefour sign a partnership agreement covering Italy's Pouilles region

The agreement covers over 160 sales outlets encompassing nearly all of the convenience stores that it operates either directly or as franchises under the Gulliper, Gulliver, Gully and Bondi brands 2005. The stores can be gradually converted to the Carrefour Group's banners depending on their size.

This partnership would make Carrefour the co-leader in the Pouilles region in Italy and follow up the recent signing of a master franchise with Ce.Di. The agreement enters into force on 1 January 2005 as does the one with Finiper announced on 10 March 2005.

May 2005

Carrefour and Sabanci announce an agreement to acquire 60% of Gima and 82% of Endi in Turkey

Carrefour Turkey has signed an agreement along with Fiba Holdings to acquire Fiba's equity stake in two Turkish retailers. One is Gima, which is traded on the Istanbul stock exchange, and the other is Endi. Carrefour Turkey is now the country's second largest food retailer with 2004 sales before tax of €702 m. The deal will make Carrefour the number one food retailer in Turkey, operating under three main formats: hypermarkets, supermarkets and hard discount stores.

This transaction confirms Carrefour's commitment to develop businesses jointly in the Turkish market with its partner Sabanci, which holds a 40% stake in Carrefour Turkey. It is an integral part of the Carrefour Group's global strategy to establish a leading position in all of the markets where it does business.



In May 2005,
the Group had
a total of
11,301 stores
in **31** countries

Carrefour : acting in a responsible and caring manner

World Environment Day



As in previous years, all of the Carrefour Group stores operating under various banners will be mobilised for World Environment Day in early June 2005. Several activities will take place in France. A new, more effective and less polluting diesel fuel additive will be introduced without raising costs. Carrefour will sign its first energy performance contract with Schneider Electric that guarantees a reduction in the stores' energy consumption by 10 to 15%. Hypermarkets operating under various banners will introduce a Tex line of textiles made from organically grown cotton. The stores will encourage their customers to take part in starting up an Académie de la nature chapter in their region. This flagship project is the fruit of Carrefour France's partnership with the WWF. Its purpose is to inform and educate people to protect their environment and to introduce them to the natural heritage of various regions. The Champion

supermarkets will renew the operation conducted in partnership with Corepile to educate their customers to recycle batteries. Champion will also offer a custom series of "Live Champion" batteries for ecologically-minded buyers working together with the WWF. On the same day, the Carrefour stores will educate their customers and employees on the problems relating to sustainable development. They will also highlight the ongoing initiatives they have taken during the year like the Organic Foods product line, reusable bags and fair trade, etc.



A sponsorship that reflects the corporate culture

The Group's employees formed PACTE (an in-house providential association) in 1995 to lead and manage special cut-rate shops for those in financial difficulty. The products come from Carrefour's retail network and are sold there for 20% of the price charged in a hypermarket.

The customers are referred by local social welfare offices or by reputable associations such as the Red Cross. The shops also arrange personal services provided to the customers' children or the children in the neighbourhood. Each center employs two people who are paid by the association. They also welcome volunteer help.

Today, the association has expanded thanks to everyone's involvement and it now offers five types of services:

- Food stores,
- School aid and cultural and sports activities for the children,
- Job search assistance,
- Service job creation (ironing, alterations, etc.),
- Tutoring people in managing their food purchases and family budget with the support of specialised organisations.

Since 2001, the Carrefour International Foundation funded the opening of three new food banks by rehabilitating buildings and stocking the stores. Working in tandem with the Foundation, Carrefour Solidarité funds and equips five food banks located at Lens, Bully les Mines, Henin-Beaumont, Caen and Levallois.

Today, PACTE helps over **1,600** families and distributes over **400** tons of merchandise a year.



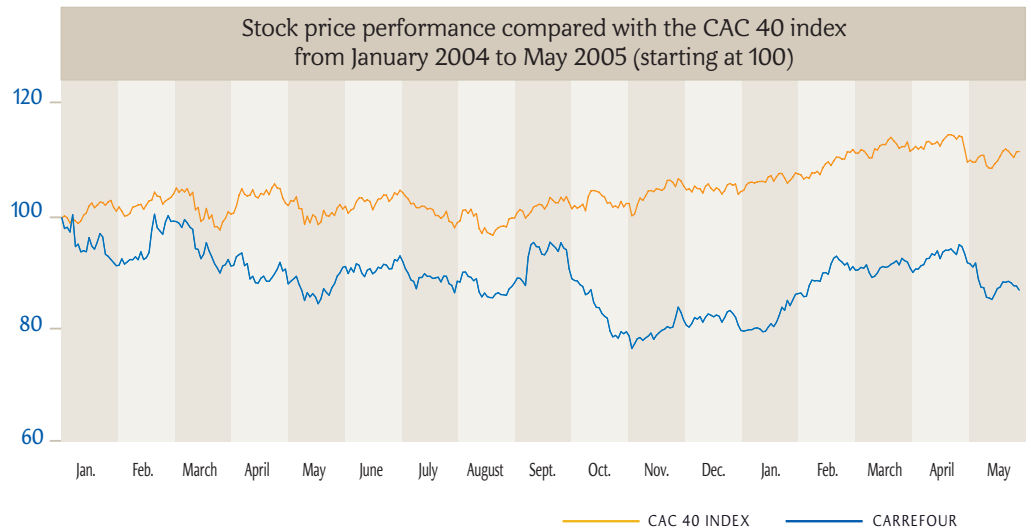
Carrefour stock price

ISIN Code:
FR0000120172

Nominal value:
2,50 euros

Listing exchange:
IPO on the Paris Bourse
on 16 June 1970

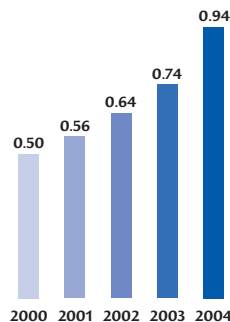
Index component on the:
CAC 40, DJ Eurostoxx 50
and the DJStoxx 50



Dividend

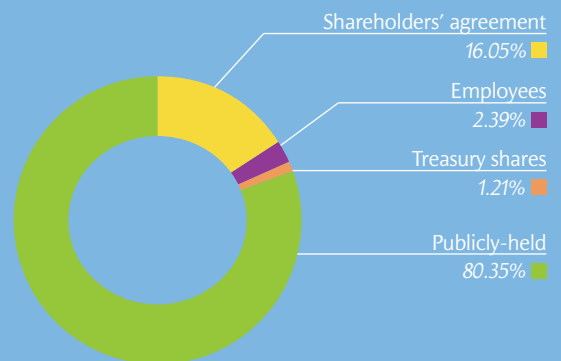
A 0.94 euro FY 2004 net dividend per share was paid on 22 April 2005. This was a 27% increase over that paid in 2004. Over the past ten years, Carrefour has raised its dividend by an average of 15% a year.

Trend in net dividend
per share (in euros)



Breakdown of capital

(31/12/2004)



Agenda

April 22, 2005

Dividend paid

June 6, 2005

Shareholders' meeting at Nice

June 20, 2005

Shareholders' meeting at Montpellier

July 12, 2005

2nd quarter 2005 sales

September 1, 2005

First-half 2005 results

October 12, 2005

3rd quarter 2005 sales

November 8, 2005

Shareholders' meeting at Bordeaux

November 18 & 19, 2005

Salon Actionaria at Paris

November 30, 2005

Shareholders' meeting at Lyons

January 12, 2006

4th quarter 2005 sales

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