

Carrefour



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Carrefournews

2003 Annual results

Spotlight on the Annual General Meeting

News about the Group

Shareholders' corner

N° 1
in Europe

N° 2
worldwide

10,378
stores

29
countries

420,000
employees

88,718 billion €
in sales exclusive of tax
under banners in 2003



Daniel Bernard
Chairman and
Chief Executive Officer

Dear shareholder;

In 2003, the Carrefour Group met its targets. We achieved all our objectives and even exceeded some of them. In fact, we made substantial progress on all three priorities we had set: sales, cost-cutting and cash.

Fiscal 2003 was a good year for Carrefour despite the economic downturn. We posted sales of € 88.7 billion, up 6%, at constant exchange rates. EBIT rose 7.5%, reflecting tight cost controls throughout the Group. Net earnings per share stood at 16.6%, higher by far than the initial objective set in 2002.

Hence 2003 proved to be an excellent year in terms of performance, with record sales and a record operating margin. With our 29 countries and leading market positions in most of them, our strategy is paying off.

In 2003, our Group placed more emphasis on aggressive marketing techniques backed by a general offensive on prices, the introduction of a new product line with the launch of "No. 1" products and International Carrefour Products, and major marketing changes with constant responsiveness to the competition.

Our size is not a handicap but an asset. Our different formats complement each other and are mutually beneficial. We have a portfolio of incomparable countries and formats. By combining our supplies, especially with the "No. 1" lines

and International Carrefour Products, by improving and diversifying the sourcing of our products and by using leading edge technologies like reverse auctions, we can cut our purchasing prices by as much as 35%. By passing on most of these savings to customers, in other words, by investing massive amounts in pricing, we aim to outpace the competition.

We achieved this performance by continuing to create tomorrow's growth drivers. We had announced 830 to 900 store openings under banners, and in the end, we opened 969 stores in 2003, for a total of over one million square meters in selling space.

Carrefour is a very fine company; it is sound, healthy and dynamic with bright growth and profitability outlooks. Hence in 2004, we made progress in all areas, while respecting our priorities of sales, costs and cash.

We plan to increase the number of all our formats by opening 900 new stores, and we plan to continue our price-cutting strategy.

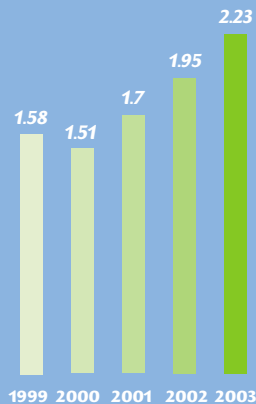
I trust in the ability of our employees to pull together around our common goals, and am very confident about Carrefour's strengths and assets.

Objectives achieved

In 2003, the Group set itself three priorities: increase sales, cut back operating costs and improve our net debt.

It has met all these objectives and even exceeded some. The Group therefore posted an excellent performance in 2003, with record sales and a record operating margin.

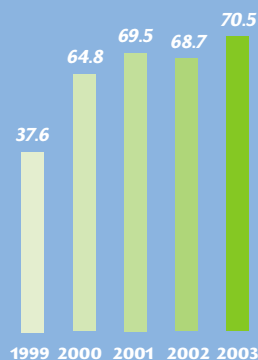
Net income from recurring operations per share (in euros)



UP 16.6%

With the excellent EBIT results as well as new 12% reduction in financial expenses, the Group outperformed its initial net income objective.

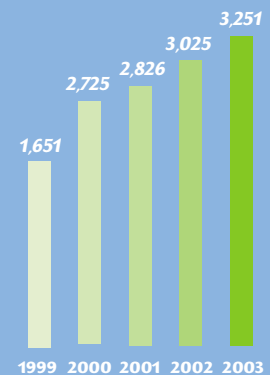
Consolidated sales exclusive of tax (in billions of euros)



UP 5.5% at constant exchange rates

Organic growth in sales picked up in 2003, up 5.5% exclusive of tax and at constant exchange rates, compared with 4.6% in 2002. The foreign exchange impact again proved especially significant this year, particularly in Asia. Thus, at constant exchange rates, sales exclusive of tax by Carrefour rose 2.6%. Net retail network sales or total sales under banners amounted to € 88.7 billion in 2003.

EBIT (in millions of euros)



UP 7.5%

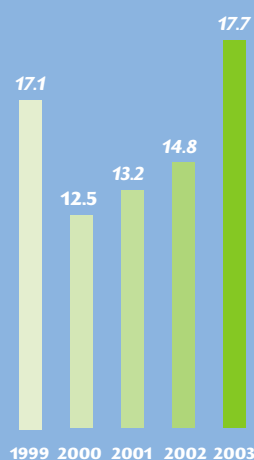
Carrefour posted a record operating margin of 4.6%, compared with 4.4% in 2002. This performance is all the more outstanding since the Group invested heavily in sales and marketing (22.5% in terms of the Group). Through successful cost-cutting and synergies fostered in Europe, Carrefour posted a record operating margin.

2003 Annual Results

in millions of euros	2003	2002	Variation
Sales exclusive of tax	70,486	68,729	2.6 %*
EBIT	3,251	3,025	7.5 %
Net income from recurring operations, Group share, after amortization of goodwill	1,620	1,389	16.6 %
Non-recurring income (expense) - Group share	9	(15)	ns
Net income - Group share	1,629	1,374	18.6 %
Net earnings per share after amortization of goodwill (in euros)	2.23	1.95	16.6 %
Interest coverage ratio (EBITDA/Financial income [expense])	10.5 x	8.9 x	

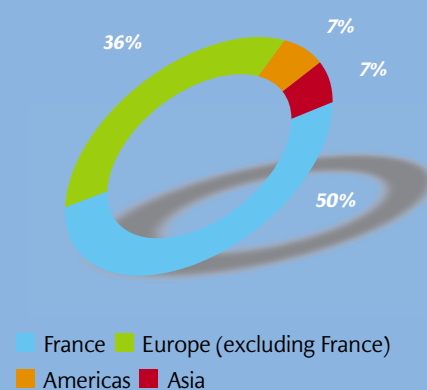
* Sales rose 5.5% at constant exchange rates.

Return on capital employed (as a %)



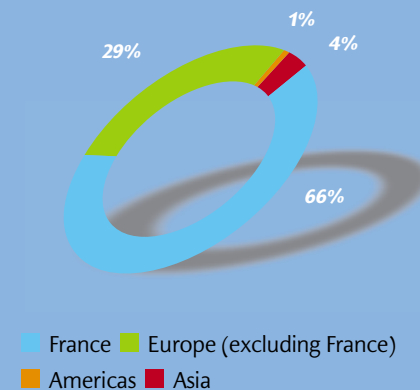
Breakdown of consolidated sales exclusive of tax by geographic region

TOTAL = €70,486 billion



Breakdown of EBIT by geographic region

TOTAL = €3,251 billion



17.7%

In 2003, the Group's return on capital employed continued to rise, increasing from 14.8% to 17.7%, exceeding by far the 16% objective set. ROCE is now just below 1998 levels. This progress is the result of both the very good EBIT figures and efficient appropriation of capital.

OUTLOOK

Carrefour has a sound financial base, with a strong balance sheet and increasing cash flow. For 2004, we have placed the emphasis on organic growth, boosting sales momentum and expanding our multiformat concept.

Our priority will be increasing sales and improving our operating margin.

This year we are aiming for:

- A 6% increase in sales inclusive of tax at constant exchange rates,
- A double-digit increase in earnings per share before and after amortization of goodwill,
- A € 500 million reduction in net debt.



Performance in 2003

The Carrefour Annual Meeting, chaired by Daniel Bernard, was held on April 27, 2004. It drew 1,600 shareholders at the Carrousel du Louvre in Paris.

The shareholders approved the parent company financial statements and the consolidated financial statements for 2003. The dividend was set at 0.74 euros, up 15.6% over last year, and was paid out on April 30, 2004.

EUROPE

Carrefour is active in 12 countries in Europe, which we consider to be our domestic market. In 2003, we increased our market share, and performed extremely well in the principal countries. Sales in the region (excluding France) rose 8% in 2003, at constant exchange rates. EBITDA rose 11.4% and EBIT rose by nearly 20%. We continued expanding our store network by opening 552 sales outlets, not including hard discount stores. We now have 9,345 stores under banners.

In Europe, as elsewhere, the multiformat strategy is paying off. Thanks to this strategy, we can boast the following market shares:

- 30% in Belgium,
- 27% in Spain and France,
- 20% in Greece,
- 11% in Italy and Portugal.

The amount of the Group's earnings accounted for by Europe is quite substantial. As in 2002, the Group's six most profitable business units (which include hypermarkets in France) are all in Europe. In 2003, sales rose substantially and performance improved in all our European countries. France will be a top priority this year. In 2003, it

did not reap the full benefits of the Group's growth momentum, owing to constraints related to the merger in terms of expanding selling space. In 2004, in France, in hypermarkets and supermarkets, we plan to create 150,000 square meters of additional selling space; this is more in a single year than the total for the past four years. We have set in motion a complete plan for regaining market share with the launch of No. 1 products, and by combining Carrefour products now offered in all countries and cutting the prices of national brands. The Group is poised to move forward. We are meeting this challenge as we have met so many others, some more difficult than others, like in Spain, Belgium or Italy.

Joël Saveuse,
Manager for Europe

LATIN AMERICA

The region of Latin America accounted for 6.3% of total sales by the Group under banners, with 831 stores in four countries (Argentina, Brazil, Colombia and Mexico).

In 2003, our sales rose 8% at constant exchange rates to a total of € 5.6 billion under banners. Backed by nearly 30 years of experience in the region, we continue to gain market share,



and we are already the top retailer in the region. The highlight of our marketing strategy in the region in 2003 was to adopt a new concept we call "clustering".

"Clustering" simply involves adapting the economic and commercial model of our existing stores to the expectations of consumers in accordance with different kinds of shopping zones. Thus we have divided our stores into three segments—types A, B and C, targeting our products by segment. We implemented this strategy using Argentina as a pilot country, with highly encouraging results in terms of sales. This approach met with success, as predicted. Despite the recession, traffic has remained unchanged in all our stores, demonstrating our ability to devise new approaches, our responsiveness and the ease with which we can adapt to our different markets.

Eric Uzan,
Manager for the Americas

ASIA

With 145 hypermarkets in 8 Asian countries, the Asia region accounted for 5.8% of our retail network sales. In 2003, we earned € 5.2 billion in sales, up 17% at constant exchange rates, which completely offset the foreign exchange loss on Asian currencies against the euro.

The success of our stores is undeniable. We are the most established international group in the region. We have good profitability with EBIT amounting to € 143 million. China accounted for the most sales, with over € 1.4 billion, Korea came in second with € 1.3 billion, and Taiwan third with € 1.2 billion. With 45 hypermarkets to date in 22 Chinese cities, our business model is a success and we are well in the black. In 2004, half of our new store openings will be in Asia. Carrefour will focus most of its expansions in China, with a target of 12 to 15 openings every year. In 2004, we introduced our supermarket

format with the opening of the first Champion in Beijing in April. Our success is based on our ability to adapt to the local culture and to local buying patterns, while remaining a benchmark in terms of modern retailing.

Philippe Jarry,
Manager for Asia

HARD DISCOUNT

With € 6.7 billion in sales under banners in 2003, hard discount stores accounted for 7.5% of total sales by Carrefour. With 4,456 stores in eight countries under the Dia, Ed and Minipreço names, hard discount is the Group's third largest format and ranks third among hard discount retailers worldwide. Dia's strength lies in its remarkable ability to expand, holding out the prospect for considerable growth in sales.

The major highlight in 2003 was the opening of our first 55 Dia stores in China. In the first half of 2004, we already have a total of 80 Dia stores in the country. Our success is based on the quality of our concept, i.e., offering our customers super-competitive prices on 1,800 basic consumer products under name brands. This ability to compete is boosted by the synergies developed with the other formats and the combining of products. For 2004, we will grow through expansion and by increasing our sales per square meter. We plan to continue remodeling our stores, we will work on our pricing image, and we will expand our international product lines in synergy with the other banners in the Group. Over the next three years, we have an ambitious goal—boosting sales by 14% a year and opening 500 to 600 stores each year.

Javier Campo,
Hard Discount Manager



Launch of the Carrefour Card

The power to lower prices

On April 14, 2004, we launched the Carrefour Hypermarkets Customer Loyalty Card.

The Carrefour Card is a new step towards lower prices that we have introduced in the past few months and which is now the mainspring in our business strategy. This is also a new phase in our strategy to get to know customers better.

This is a drastic price reduction in that it applies to all our products and is also a long-term plan. We introduced this price reduction policy in several stages, as described below:

- In June 2003, we introduced "No. 1" products. These are our low-priced products. The prices are lower than in our hard discount stores;
- In the second half of 2003, we repositioned our Carrefour brand name products;
- In the fall, we introduced International Carrefour Products. These high turnover products are mainly basic consumer



products, sold in under a single multi-lingual label in France, Italy, Belgium, Greece and Spain. These prices are on a par with hard discount prices because of combining products on a European scale. There are now 350 products in this category;

- Since the beginning of the year, we have also slashed prices on national brands. This applies to 2,000 to 8,000 products, depending on the stores.

Our objective is clear: become number one or the equivalent of the number one retailer in terms of prices at every location. Thus, with the Carrefour Card, we are now giving our customers the power to lower prices even further. The unique feature of this card is that all customers can exercise this power over the products of their choice all year long.

In addition to the 25 products they have chosen, their preferred products and the ones they purchased the most frequently, Carrefour cardholders will receive exclusive reductions on 500 other products, which are renewed every month. Lastly, customers holding the Pass Card will receive an additional 10% discount.

The other unique feature of the Carrefour Card is that it gives the Group an opportunity to establish a new form of customer relationship. The data provided to us when they fill out the membership form give us a more detailed knowledge of customers' life styles, tastes and buying patterns. This enables us to offer products corresponding to their needs – products offering additional price reductions. Lastly, the Carrefour Card can be used in all our stores. The customer can roam and so can the card.

Our customers have well understood all these benefits, and to date, two million customers have signed up.



Carrefour : social responsibility and solidarity

A MEMBER OF THE UN GLOBAL COMPACT



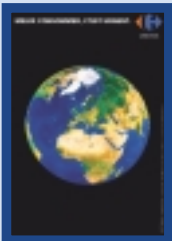
Active in 29 countries, the Group promotes sustainable development aimed at reconciling the needs of the company, respect for the rules of econo-

mics and environmental protection. This choice is reflected in its membership in the UN Global Compact. Since 2001, the Group has designed its policies

around three areas of concern: quality and safety, respect for the environment and economic and social responsibility.



QUALITY AND SAFETY

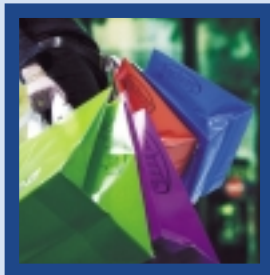


We guarantee the quality of both our low-priced products and our house or own brand products, which always offer the best

quality for the price. In order to achieve this, in partnership with our suppliers, we have introduced a traceability system and

successive checks throughout the supply chain, from production to marketing.

PROTECTING THE ENVIRONMENT



Carrefour's goal is to limit its impact on the environment. This means cutting down on water and power consumption, introducing a recycling system

and controlling the processing of coolants. The aim is to do more to combine savings with environmental benefits.

AN EMPLOYER OF REFERENCE

Responsabilité



Partage



Respect



Carrefour aims to become the employer of reference in modern retailing. In 2003, the Group embarked on a new phase in human resources manage-

ment. Training management to distribute methods and tools, enlisting the support of the Group's 420,000 employees for its system of values, merging

them into a common culture, and promoting the emergence of a responsive organization—such are our priorities.

Solidarité



Intégrité



Liberté



Progrès



The Carrefour share

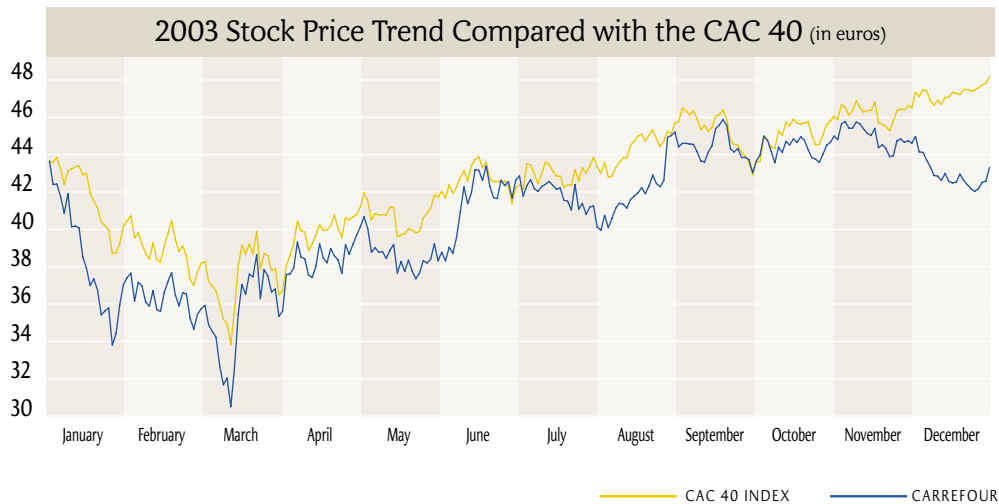
ISIN Code:
FR0000120172

Par value :
2.50 euros

Number of shares :
716,142,383

Place of listing :
Paris

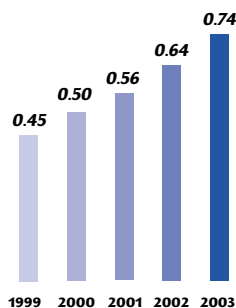
Member of Indices :
CAC 40, DJ Eurostoxx 50
and DJ Stoxx 50



Dividend

The net dividend per share is € 0.74. It is 16% above the 2003 dividend, in line with the regular 33% pay-out we have always made to our shareholders. It was paid out on April 30, 2004. Over the past 10 years, the dividend has increased by an average of 15% a year.

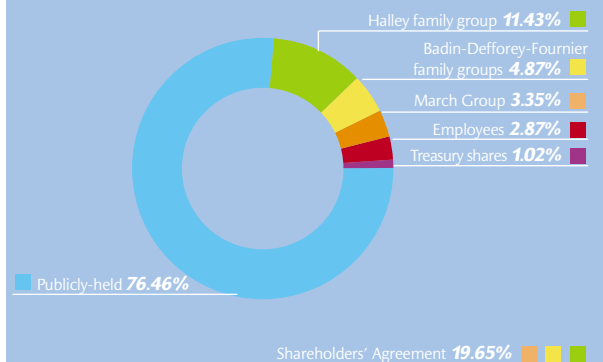
Net Dividend per Share *
(in euros)



* Dividends lapse to government funds if not claimed in 5 years.

Capital breakdown

(12/31/2003)



agenda

April 30, 2004

Payment of dividend

June 15, 2004

Shareholders' meeting in Metz

July 8, 2004

Q2 2004 sales

September 1, 2004

First half results 2004

October 12, 2004

Q3 2004 sales

January 11, 2005

2004 sales

Shareholder relations department

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