

October 12, 2004

Sales ex-currency increase 4.2% in Q3

Sales ex-France up 8.5%

We have decided to accelerate price investments in France to achieve price leadership as quickly as possible

As a result of these investments, and worsening macro economic environment, we will fall short of our guidance this year

	THIRD QUARTER 2004						9 MONTHS 2004					
	Sales incl. VAT (m€)	Like for like (%)	Expansion (%)	Total ctt ex rates (%)	Currencies (%)	Total (%)	Sales incl. VAT (m€)	Like for like (%)	Expansion (%)	Total ctt ex rates (%)	Currencies (%)	Total (%)
FRANCE	9,991	-1.6	1.6	0.0	0.0	0.0	29,079	-1.6	1.2	-0.4	0.0	-0.4
EUROPE ex Fce	7,459	2.2	3.6	5.8	0.0	5.8	21,623	2.9	3.6	6.5	-0.3	6.2
LATIN AMERICA	1,400	7.6	4.0	11.6	-9.5	2.2	4,096	5.9	5.6	11.5	-6.1	5.5
ASIA	1,464	1.7	17.2	19.0	-9.0	9.9	4,147	1.9	20.0	21.9	-9.5	12.4
TOTAL	20,314	0.6	3.6	4.2	-1.3	2.9	58,945	0.7	3.6	4.3	-1.1	3.2

- Carrefour's 3rd quarter sales showed an increase ex-currency of 4.2%. At current exchange rates, sales were up 2.9%.

The environment

- Since we reported our results at the beginning of September, the market in France - as well as in most other European countries - has deteriorated sharply. The trend in consumption in France turned down in September for everyone in the food retailing industry, including even the hard discounters. Volumes are down significantly, and we see industry-wide deflation in food as well as non-food. We have contributed to this deflation more than our competitors.

What we are doing

- Over the quarter, we have been investing to strengthen our pricing position in all our countries and across all our formats. As a result of these investments, we again saw strong sales growth in Europe ex-France as well as in Asia and Latin America. Sales growth in the third quarter outside of France was 8.5%. In our French hypermarkets, we have invested €229m in price over the first nine months, and today our stores have never been more competitive on price in their catchment area.
- We intend to be price leader in French hypermarkets and we will invest whatever is necessary to achieve our goal. We want to achieve this goal as quickly as possible, and for this reason we will accelerate our investments in price over the rest of the year.
- We believe that this price repositioning for leadership is necessary and desirable. Our objective is to create a stronger platform for future sales growth rather than simply to grow earnings per share over the short term. In doing so, we are confident that we will deliver on our promises to reduce net debt and increase the return to our shareholders.

Guidance

- However, the deflationary consequences of these extra price investments, at the same time as a worsening macro economic environment, mean that we will fall short of our target of around 5% sales growth ex currency and thus fall short of our target of double digit growth in earnings per share. Taking into account our efforts to cut costs, and a lower interest charge, we expect nonetheless to grow earnings per share this year.

- FRANCE**

	THIRD QUARTER 2004				9 MONTHS 2004			
	Sales (m€)	Like for like (%)	Expansion (%)	Total (%)	Sales (m€)	Like for like (%)	Expansion (%)	Total (%)
FRANCE	9,991	-1.6	1.6	0.0	29,079	-1.6	1.2	-0.4
Hypermarkets	5,092	-2.9	0.3	-2.6	14,871	-3.6	0.3	-3.3
Supermarkets	2,099	0.2	5.6	5.8	6,115	-0.1	3.4	3.4
Hard discount	554	2.0	11.8	13.9	1,703	3.6	11.6	15.3
Others	2,245	-0.6	-1.3	-1.9	6,390	0.6	-1.3	-0.6

In France, sales were flat in the quarter.

Hypermarket sales fell by 2.6%.

Like for like sales including-petrol were down 2.9%.

There was a modest negative calendar effect for French hypermarkets in Q3 of 0.20%.

Stripping out the contribution of petrol, like for like sales fell 4.6%.

This can be broken down into food, where like for like declined 5.5%, and non-food, where like for likes declined 2.8%.

In dry grocery, we saw an increasingly negative impact from deflation at -3.0% versus -0.5% in Q2. Non-food performed much better than in H1 despite deflation of -5.5%.

As expected, further significant investment in price meant that the average basket fell 0.5% (including petrol) and 2.1% (excluding petrol).

The number of customer transactions fell 2.5% in the quarter. This represents some progress on the -3.5% reported in the second quarter. However, this improving trend was offset by a lower average basket when you strip out the positive effect of petrol inflation.

Supermarket sales in the quarter were up 5.8%. Like for like sales, including petrol, was up 0.2%.

The number of customer transactions on a like for like basis was broadly stable over the quarter.

Over the quarter, Champion has sustained strong organic growth, including 15 store extensions, 3 new stores, and the integration of 2 former Intermarché stores. In total, this represents 19,000 m2 of new space in Q3, double the space added in the third quarter 2003.

ED reported low single digit like for like growth of 2.0% in the period, despite more or less flat like for likes in September. Overall, sales grew 13.9%

Convenience stores same-store sales were down 0.7%. At the end of the quarter, there were 1,627 convenience stores in our portfolio.

3 supermarkets, 13 hard-discount and 12 convenience stores were opened in the quarter.

- EUROPE**

	THIRD QUARTER 2004						NINE MONTHS 2004					
	Sales (m€)	Like for like (%)	Expansion (%)	Total ctt ex rates (%)	Currencies (%)	Total (%)	Sales (m€)	Like for like (%)	Expansion (%)	Total ctt ex rates (%)	Currencies (%)	Total (%)
EUROPE ex Fce	7,459	2.2	3.6	5.8	0.0	5.8	21,623	2.9	3.6	6.5	-0.3	6.2
Spain	3,306	4.8	2.7	7.5	0.0	7.5	9,288	4.9	2.6	7.5	0.0	7.5
Italy	1,592	-2.8	4.0	1.2	0.0	1.2	4,774	-1.5	4.4	3.0	0.0	3.0
Belgium	1,147	-0.9	2.9	2.1	0.0	2.1	3,437	2.0	1.9	3.9	0.0	3.9
Others	1,414	4.6	6.0	10.6	0.2	10.8	4,125	4.8	6.2	11.0	-1.4	9.5
Hyper. Spain	2,037	4.8	2.5	7.3	0.0	7.3	5,684	5.6	2.6	8.2	0.0	8.2
Super. Spain	305	1.2	1.6	2.8	0.0	2.8	811	1.7	0.8	2.5	0.0	2.5
HD Spain	693	4.5	3.7	8.1	0.0	8.1	2,072	2.7	4.2	6.9	0.0	6.9
Hyper. Italy	675	-2.6	1.7	-0.9	0.0	-0.9	1,948	-2.4	3.1	0.7	0.0	0.7
Super. Italy	513	-3.5	8.6	5.2	0.0	5.2	1,581	-0.8	5.1	4.3	0.0	4.3
Hyper. Belgium	591	0.2	0.0	0.2	0.0	0.2	1,785	2.2	0.0	2.2	0.0	2.2

In a challenging market environment, the sales performance of **Europe** remains strong, with sales growth of 5.8% in the period on constant exchange rates.

Spanish hypermarkets continued to grow like for likes, up 4.8%, again performing well against demanding comparables (+5.1% in Q3 2003). Supermarket like for likes grew 1.2% while Dia grew like for likes by 4.5%.

In Belgium, hypermarket like for likes increased by 0.2% while supermarket like for likes decreased by 0.2%.

Like for like sales in Italy fell 2.8%. Against a background of falling consumer confidence and food price deflation, hypermarket like for likes fell 2.6% and supermarket like for likes by 3.5%. In hypermarkets, we continue to bear the cost of price repositioning and the impact of 9 competitor openings over the last 18 months.

Hypermarkets in Poland again performed well, maintaining a positive like for like trend, up 3.7% in the quarter.

Hypermarkets in Portugal and Turkey both grew like for likes 11.7% and 10.1% respectively.

In Greece, like for like sales increased 3.1%, despite the disruptive impact of Olympics and the net fall in tourism in the month of August.

2 hypermarkets, 20 supermarkets, 63 hard discount stores and 64 convenience stores were opened in the quarter.

- LATIN AMERICA**

	THIRD QUARTER 2004						NINE MONTHS 2004					
	Sales (m€)	Like for like (%)	Expansion (%)	Total ctt ex rates (%)	Currencies (%)	Total (%)	Sales (m€)	Like for like (%)	Expansion (%)	Total ctt ex rates (%)	Currencies (%)	Total (%)
LATIN AMERICA	1,400	7.6	4.0	11.6	-9.5	2.2	4,096	5.9	5.6	11.5	-6.1	5.5
Brazil	828	8.5	3.5	12.0	-10.3	1.8	2,392	5.7	4.7	10.2	-5.3	5.0
Argentina	322	12.6	-6.1	6.4	-11.8	-5.3	967	11.6	-2.8	8.9	-9.1	-0.2
Others	250	-2.9	21.3	18.4	-2.8	15.6	738	-2.2	22.0	19.8	-4.1	15.7

In Latin America, we have seen further evidence of the success of our “clusterisation” strategy.

Hypermarkets in Argentina increased like for likes by 12.8%. Volumes were driven mainly by a strong increase in the value of the average basket. Supermarkets also grew like for likes 12.8%.

Brazil, which began to adopt “clusterisation” in 2003 saw an acceleration in hypermarket like for likes to +7.7%. Supermarkets also performed well, showing like for likes up 10.6%.

Mexico and Colombia maintained strong organic growth, recording an increase in sales in the second quarter of 18.4% at constant exchange rates.

2 hypermarkets and 28 hard discount stores were opened in Latin America in the quarter.

- ASIA**

	THIRD QUARTER 2004						NINE MONTHS 2004					
	Sales (m€)	Like for like (%)	Expansion (%)	Total ctt ex rates (%)	Currencies (%)	Total (%)	Sales (m€)	Like for like (%)	Expansion (%)	Total ctt ex rates (%)	Currencies (%)	Total (%)
ASIA	1,464	1.7	17.2	19.0	-9.0	9.9	4,147	1.9	20.0	21.9	-9.5	12.4
China	421	2.1	34.8	36.9	-10.9	25.9	1,198	3.7	32.3	36.1	-13.2	22.9
Taiwan	335	-3.4	12.6	9.1	-7.8	1.4	905	-4.3	11.7	7.5	-7.6	-0.1
Korea	339	4.5	-0.9	3.7	-6.7	-3.0	946	2.4	9.7	12.1	-7.9	4.2
Others	370	3.7	23.5	27.2	-11.0	16.2	1,097	5.9	25.4	31.3	-9.2	22.1

Asia reported another strong quarter in Q3.

Korea’s sales momentum continues to increase, with like for likes up 4.5%, as we continue the roll out of the new generation stores. Thailand and Indonesia maintained strong like for likes, up 3.5% and 12.6% respectively.

China continued to show solid like for like growth, up 2% in the period, taking into account significant deflation on non-food and an important calendar effect in the period.

Taiwan, meanwhile, continued to show negative like for likes, down 3.4%, reflecting a persistently poor economic and consumer environment.

9 hypermarkets, 2 supermarkets were opened in Asia in the quarter as well as 27 hard discount stores in China.

• **NETWORK OF STORES UNDER BANNERS - Q3 2004**

	June 2004	Openings	Additions	Disposals	September 2004
HYPERMARKETS	840	13	1		854
France	216				216
Europe ex Fce	317	2			319
Latin America	151	2	1		154
Asia	156	9			165
SUPERMARKETS	2346	25	-3	10	2358
France	1011	3	2	1	1015
Europe ex Fce	1107	20	-4	1	1122
Latin America	227		-1	8	218
Asia	1	2			3
HARD DISCOUNT	4636	131		15	4752
France	607	13		1	619
Europe ex Fce	3458	63		12	3509
Latin America	461	28		1	488
Asia	110	27		1	136
CONVENIENCE STORES	2581	76	4	6	2655
France	1615	12			1627
Europe ex Fce	966	64	4	6	1028
CASH AND CARRY	200				200
France	155				155
Europe ex Fce	45				45
TOTAL COUNTRIES	10603	245	2	31	10819
Total France	3604	28	2	2	3632
Total Europe ex Fce	5893	149		19	6023
Total Americas	839	30		9	860
Total Asia	267	38		1	304

Investor relations: David Shriver, Etienne Humbert
 Shareholders information: Véronique Kretz
 Press relations: Christian Doléon

Tel : (33) 01 53 70 19 00
 N° vert : 0805 902 902
 Tel : (33) 01 40 70 11 89