

- 2004 earnings per share grew 2.8%
- Net debt fell by €1.1bn
- In 2005, we have to go further and faster to return to profitable growth

## A summary of the 2004 results

### Sales ex. VAT

→ 72 668 m€

**+4.0 %**

on constant exchange rates

**+3.1 %**

on current exchange rates

### EBIT

→ 3 234 m€

**-0.5 %**

### Recurring net profit Group share after goodwill amortization

→ 1 662 m€

**+2.6 %**

### EPS after goodwill amortization

→ 2.29€

**+2.8 %**

In m €	2004	2003	Chg
<b>Sales excluding VAT</b>	<b>72 668</b>	<b>70 486</b>	<b>+3.1%</b>
EBITDA	4 917	4 871	+0.9%
<b>EBIT</b>	<b>3 234</b>	<b>3 251</b>	<b>-0.5%</b>
EBIT margin	4.5%	4.6%	
Profit before tax	2 810	2 788	+0.8%
<b>Recurring net profit</b>	<b>2 075</b>	<b>2 049</b>	<b>+1.3%</b>
Recurring net profit – Gp sh.			
before GW	1 981	1 938	+2.2%
<b>after GW</b>	<b>1 662</b>	<b>1 620</b>	<b>+2.6%</b>
Non recurring items - Gp share	(275)	9	ns
Net profit – Gp share	1 387	1 629	-14.9%
<b>EPS</b>			
before GW (in euros)	2.73	2.67	+2.5%
<b>after GW (in euros)</b>	<b>2.29</b>	<b>2.23</b>	<b>+2.8%</b>
Cash flow	3 406	3 433	-0.8%
Capital expenditure	2 564	2 717	-5.6%
Net debt / Sh. Equity	90%	107%	
Cash flow/net debt	50%	43%	
Interest coverage	11.6x	10.5x	
(EBITDA / financial charges)			

### Sales ex-VAT per zone

In m €	2004	2003	Chg	Chg on ctt rates
France	35 723	35 704	+0.1%	+0.1%
Europe (excl. Fce)	27 123	25 527	+6.3%	+6.2%
Americas	4 721	4 619	+2.2%	+7.5%
Asia	5 101	4 637	+10.0%	+18.8%
<b>Total Group</b>	<b>72 668</b>	<b>70 486</b>	<b>+3.1%</b>	<b>+4.0%</b>

### EBIT per zone

In m €	2004	2003	Chg	current rates
France	1 965	2 144	-8.3%	
Europe (excl. Fce)	1 070	952	+12.4%	
Americas	50	13	3.8x	
Asia	149	143	+4.0%	
<b>Total Group</b>	<b>3 234</b>	<b>3 251</b>	<b>-0.5%</b>	

## Key Messages from 2004

In 2004, we repositioned our French hypermarkets on price and food market share in France was stable overall

We began the year with only 30% of our stores number one or number two on price locally. Today, over three quarters are number one and almost all are ranked number one or number two versus their local competitors.

Although we lost share in hypermarkets, we gained market share of our supermarkets and hard discount stores which enabled us to maintain food market share overall in France, according to Secodip.

### We grew profitability and ROCE outside of France

As a result, we grew EBITDA by 0.9% despite the cost of price investment in France.

### We began to divest underperforming or non-core assets

We sold or closed 57 supermarkets in Spain, Argentina and Brazil, and sold our 22% stake in the Portuguese retailer Modelo Continente. At the same time we reinforced our position in key markets through in-fill acquisitions (Greece, Poland) and franchise agreements (France, Italy).

### We improved our financial ratios

Year end net debt for the year fell by 14% or €1.1bn, while interest cover increased over 10% to 11.6x and gearing fell from 107% to 90%.

## Our goals in 2005

In 2005, we have to achieve four key goals

### Strengthen our price image in our French hypermarkets

In 2005, we will invest further to improve our price image with the goal of being number one on price locally in all our stores.

### Grow customer traffic in our French hypermarkets to win market share

We must communicate better to the consumer. We will reinforce the attractiveness of our product offer, focusing on competitiveness, innovation and modernisation.

### Improve significantly our profitability and ROCE outside of France

We will build on strong market positions in Europe, Asia and Latin America. We are also cleaning up and upgrading our portfolio of assets. With the divestment of Mexico and Japan we are close to achieving our initial target of divesting assets with cash in of €1bn.

### Prepare for accelerated growth in 2006 and 2008

We can guarantee that we will open one million square metres of new space in 2005. We will prepare to accelerate our opening programme from 2006 onwards. We will examine how to use our skills as a multi format retailer to reinforce our share in key markets.

### AGM

#### 20 APRIL 2005

The Shareholders Annual Meeting will be held on April 20th 2005 in Paris in the Carrousel du Louvre at 9.00 am. A dividend of 0.94 euro per share will be proposed vs 0.74 euro in 2003, an increase of 27%. It will be payable on April 22 2005.

### DATES OF PUBLICATIONS 2005

12 April : 1Q sales  
12 July : 2Q sales  
1 September : 1H results  
12 October : 3Q sales  
12 January 2006 : 4Q Sales

### CONTACTS

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