

2005: more than just a year of transition

Sales ex. VAT

€ 74,497 m

+2.5%

**+4.3% at constant perimeter
and exchange rates ***

Activity Contribution

€ 3,175m

-2.9%**

Net result before discontinued activities (group share)

€ 1,807m

+1.2%

2005: a new start

In 2005, Carrefour adopted a strategy focused on customers and growth.

Over the year, the Group has made necessary tough choices about management structure, allocation of capital, and commercial policy.

We changed and simplified our management structure to make it better suited to the needs of the group. We strengthened our asset portfolio, selling underperforming businesses and reinforcing markets where we are already strong. We accelerated growth in new m², adding 1.5 million new m² over the course of the year. And we maintained a consistent and determined commercial strategy, winning food market share in France over the course of the year for the first time since 2000.

These choices have already begun to deliver concrete results.

* Adjusting 2004 IFRS numbers for the deconsolidation of Mexico, Japan, the Czech Republic, Slovakia, Prodiest, Puntocash and the Spanish and Brazilian supermarkets that were sold or closed.

** Comparing the 2005 accounts with the published 2004 IFRS accounts adjusted for the depreciation of buildings over 40 years.

2005 results reflect the execution of our decisions

Net sales at constant perimeter and exchange rates increased 4.3%.

Our commitment to cutting prices, particularly in France, led to a decline in group commercial margin of 0.2%. Although this decline was partly offset by controlling costs, Activity Contribution was down 2.9%. Strong growth in Activity Contribution outside France (+19%) partly offset the decline in France (-16%). In 2005, our international operations accounted for nearly half of our group Activity contribution, the highest share in Carrefour's history.

Our financial charges were down 6% reflecting lower average debt, and our tax rate remained broadly stable at 29.4%. Net income from continuing operations was up 1.2%. Divesting underperforming assets led to a one-off charge of €372m. Taking into account the discontinued activities, our net income group share was down 15.6% to €1,436m.

Our cash flow and balance sheet remained strong even as we accelerated our investment in growth. In 2005, we invested €3.8bn including tactical acquisitions, 25% more than in 2004.

From 2006, we will grow profitably

We are accelerating organic growth: in 2006, Carrefour will deliver its faster ever organic growth in m². We will open 100 new hypermarkets, more than twice the average number of openings between 2000 and 2004. In total, we will be opening a total of 1000 new stores, accounting for 1.5m new m². We will continue to reinforce our presence in order to saturate key markets.

We will continue to strengthen our commercial model by improving assortments, reinforcing our teams in store, strengthening our brands and developing customer loyalty programmes. Price leadership, however, remains a top priority.

We have the financial flexibility to reach our goals: we plan to spend between 4% and 5% of sales on our capital expenditure, or about €10bn over the period 2006-2008. Our investment criteria have never been as rigorous.

In 2006, Activity Contribution will grow, based on faster sales growth than in 2005.

Further acceleration from 2007 should lead to around 10% growth in sales and Activity Contribution by 2008.

Full Year 2005 key figures				Sales ex VAT per zone				Activity contribution per zone			
In million euros	2005	2004	Chg %	m euros	2005	2004	Chg %	m euros	2005	2004	Chg %
Sales excluding VAT	74,497	72,668	+2.5%	France	35,577	35,723	-0.4%	France	1,713	2,039	-16.0%
Activity contribution	3,175	3,271	-2.9%	Europe (excluding France)	28,102	27,123	+3.6%	Europe (excluding France)	1,145	996	+15.0%
Net result before discontinued activities (group share)	1,807	1,786	+1.2%	Americas	5,075	4,721	+7.5%	Americas	133	90	+47.7%
EPS (€)	2.58	2.56	+0.9%	Asia	5,743	5,101	+12.6%	Asia	185	146	+26.7%
				Total Group	74,497	72,668	+2.5%	Total Group	3,175	3,271	-2.9%

AGM : 2 MAY 2006

The shareholders Annual Meeting will be held on May 2nd 2006 in Paris in the Carrousel du Louvre at 9.30am. A dividend of €1.0 per share will be proposed

SHAREHOLDERS AGENDA

12th April 2006: Sales 1st Quarter
12th July 2006: Sales 2nd Quarter

Shareholders information

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All our results available on
www.carrefour.com

An interview in both French and English with Jose Luis Duran, CEO, in video, audio and text, is available on <http://www.carrefour.com> and <http://www.cantos.com>