PRESS RELEASE **29 August 2008**

Solid growth in sales and Activity Contribution in First Half 2008

- **Sustained sales growth: +8.5% at constant exchange rates (+8.0% at current exchange rates)**
- **Strongest First Half growth since 2005: Activity Contribution up 5.5% to €1,404m**
- **Net income from recurring operations, Group share, up 1.2% to €750m**
- **A sound financial structure to support growth: cash flow to net debt ratio of 16.7% versus 16% in H1 2007**

Our First Half performance underscores:

- **The group's resilience**, as demonstrated in the challenging economic and consumer environment in France and Western Europe
- **The relevance of our multi format and single brand strategy**
- **The excellent performance in Carrefour's growth markets***

We confirm our 2008 objectives:

- Sales growth at constant exchange rates of 7%
- Growth in Activity Contribution broadly in line with sales
- Operating free cash flow of €1.5bn

On 26 August 2008, the Carrefour Board of Directors reviewed and drew up the consolidated financial statements for the First Half of 2008.

Consolidated income statement (€m)	H1 2008	H1 2007***	Change
Sales excl. VAT	41,948	38,845	+8.0%
ACDA**	2,303	2,154	+6.9%
Activity Contribution	1,404	1,331	+5.5%
Non-recurring income (expenses)	85	56	
EBIT (Activity Contribution after non-recurring items)	1,489	1,387	+7.4%
Net income from recurring operations – Group share	750	741	+1.2%

Commenting on these results, José Luis Durán, Carrefour's Chief Executive Officer, said:

"These are Carrefour's best first half results since 2005. This strong performance attests to the relevance of our multi format single brand strategy on an international scale. The Group has robust fundamentals, with a business model focused primarily on food, a balanced portfolio of formats, leading positions in the countries where it operates, and a sound balance sheet. These strengths, along with our competitive advantages such as the power of our brand and our real estate potential, give us the means to forge ahead and create greater value.

In an uncertain and challenging environment, the implementation of the operational action plan we announced in July makes me confident that we will achieve our 2008 objectives."

* Growth markets: markets other than France, Spain, Italy and Belgium
** ACDA = Activity Contribution before Depreciation and Amortization
*** 2007 figures adjusted in accordance with IFRS 2

❶ Our results in H1 2008 demonstrate that our international multi-format, single-brand strategy is paying off

- **Sales rose 8.0% in H1 (8.5% at constant exchange rates) to €41,948m:**
  - All regions contributed to sales growth, with growth markets recording a strong performance.
  - In France, our multi-format approach, with good like-for-like performance at supermarkets (+5.9%), hard discount (+2.5%) and convenience stores (+2.7%), enabled us to offset lower hypermarket sales (-0.9%).
  - Sales in the rest of Europe grew faster than in H1 2007, thanks to strong dynamics in Spain (8.3% of total growth), stable performance in Italy (+1.4%) and a significant contribution from European growth markets (+21.7% at constant exchange rates).
  - Sales in Latin America grew strongly once again (+41.8%), supported by the integration of Atacadao.
  - In Asia, sales at constant exchange rates showed the same vigorous growth as in H1 2007, despite the impact in China of the April and May events.
  - Overall, sales in our growth markets increased by 25.5%.

Regional breakdown of net sales (€m)	H1 2008	H1 2007	Change	Change at constant exch. rates
France	18,351	18,126	+1.2%	+1.2%
Europe	15,677	14,478	+8.3%	+8.1%
Latin America	4,936	3,480	+41.8%	+42.2%
Asia	2,985	2,760	+8.1%	+16.3%
Total	**41,948**	**38,845**	**+8.0%**	**+8.5%**

- **Activity Contribution was up 5.5% to €1,404m.**
  - Commercial margin, as a percentage of sales, was broadly stable at 22.4%. It was up slightly in France, practically unchanged elsewhere in Europe, and down slightly in our growth markets, due mainly to the integration of Atacadao.
  - General and administrative expenses (excluding rents) decreased significantly as a percentage of sales (-20bp), reflecting both the impact of Atacadao and our efforts to reduce costs.
  - Asset costs, as a percentage of sales, were slightly up.

Activity Contribution (€m)	H1 2008	H1 2007	Change
Sales excl. VAT	41,948	38,845	+8.0%
Commercial income	9,380	8,750	+7.2%
SG&A	(7,077)	(6,596)	+7.3%
ACDA	**2,303**	**2,154**	**+6.9%**
Depreciation	(899)	(823)	+9.2%
Activity Contribution after IFRS 2 adjustment	**1,404**	**1,331**	**+5.5%**

➢ Growth in Activity Contribution was characterized by:

- Little change in France (-0.8% to €695m), despite a €41m charge resulting from a change in method for calculating employee profit-sharing.
- Good resilience in the rest of Europe, with Activity Contribution rising 1.5% to €443m. Spain's contribution decreased slightly, reflecting a major promotional campaign in the First Half, Italy showed moderate progress and other markets in Europe turned in significantly higher results.
- Our growth markets *(including the European growth markets described above)* booked a strong performance. Activity Contribution was up 30% to €330m, with Brazil (+78%), China (+17%), and Greece (+33%) performing particularly well.

Regional breakdown of Activity Contribution (€m)	H1 2008	H1 2007	Change
France	695	701	*-0.8%*
Europe	443	436	*+1.5%*
Latin America	147	84	*+75.3%*
Asia	119	110	*+8.0%*
Total	**1,404**	**1,331**	**+5.5%**

➢ Net income from recurring operations, Group share, rose 1.2% to €750m:

- Financial expense increased by €31m. This mainly reflects a rise in the Group's average debt (from €9.4bn to €10.2bn) resulting from acquisitions carried out in 2007, share buy-backs and the increase in interest rates over the period.
- The lower Group tax rate (26.4% in H1 2008 versus 28.9% in H1 2007) is mainly attributable to low taxation of the capital gain booked by Carrefour on disposal of the Merter property in Turkey. This transaction also had a strong impact on minority interests, up 121.9% in H1 2008.
- The higher contribution from associates is mainly due to the first-time Half Year consolidation of MAF Hypermarkets, our partner in the Middle East.

Consolidated Income statement (€m)	H1 2008	H1 2007	Change
Activity Contribution	1,404	1,331	*+5.5%*
Non recurring income (expenses)	85	56	
EBIT	1,489	1,389	*+7.4%*
Financial costs	(279)	(248)	*+12.7%*
Income tax	(319)	(329)	
Tax rate	26.4%	28.9%	
Associates	16	2	
Minorities	(157)	(71)	*+121.9%*
Net income from recurring operations – Group share	750	741	*+1.2%*

- **Robust financial structure:**
  - Our financial ratios are sound:
    - Cash flow / net debt is 16.7%, versus 16% in H1 2007.
    - Activity Contribution before depreciation and amortisation compared to financial expenses was 8.2x versus 8.7x in H1 2007.
  - Cash flow is up 12.2% to €1.8bn.
  - Free cash flow showed a decrease of €373m, due mainly to merchandise treasury :
    - Cash flow from merchandise treasury was boosted in H1 2007 by a highly favourable calendar effect (about €350m in France).
    - Payment terms to suppliers were further affected by the implementation of the law in Spain designed to shorten payment terms (around €100m).
  - Capital gains from disposals totalled €604m, up from €232m in H1 2007. To a large extent, this figure reflects real estate disposals in Turkey and Bulgaria, as well as the cash in from our business units in Switzerland and Slovakia.
  - Net debt at the end of the period was €11bn.

Simplified Cash Flow statement (€m)	H1 2008	H1 2007
Cash flow	1,838	1,637
Free cash flow	(2,156)	(1,783)
Acquisitions	(207)	(1,021)
Disposals	604	232
Net debt closing	(11,008)	(10,212)

Key financial ratios	H1 2008	H1 2007
Net debt at year-end (€m)	11,008	10,212
ACDA / Financial costs	8.2x	8.7x
Gearing	96.9%	96.5%
Cash flow / Net debt	16.7%	16.0%

❷ Objectives for 2008 and roll-out of our operational action plan

➢ Confirmation of 2008 objectives announced in July:

- Sales growth of 7% at constant exchange rates
- Growth in Activity Contribution broadly in line with sales growth
- Generation of €1.5 billion in free cash flow from operations in 2008

➢ Implementation of our five-point operational action plan :

1. Stepped-up commercial activity at hypermarkets in France

Our sales plan is based on campaigns in support of consumer purchasing power. Here are a few examples:

- A large-scale programme to cut prices on 300 products, mainly national brands, by as much as 20%, with prices frozen until the end of the year.
- Weekly campaigns to boost sales of fresh produce.
- Strong promotional campaigns around seasonal events (e.g. a 10% back-to-school discount).
- Joint programmes with our financial services arm, with for example the option for loyalty cardholders to pay in three instalments at no extra charge.

2. Accelerated deployment of Carrefour Market

150 Champion stores will be switching over to the new Carrefour Market banner by the end of 2008, instead of the 100 initially planned. Carrefour-label products will be available to customers at all of the 1,050 supermarkets even before full conversion, and should account for 80% of all own-brand goods sold in supermarkets by year-end.

3. Tighter screening of capital allocation and cost reduction plan

More capital (€200m) will be redirected towards investments that generate higher value, such as opening stores in growth markets and brand convergence.
We have taken steps to save about €100m on Group-level operating costs by the end of the year in order to more than offset the additional costs generated by the *Taxe d'Aide au Commerce et à l'Artisanat* (TACA – Small Businesses Support Tax) in France, as well as the communication and marketing expenses for our plan to boost hypermarket business in France.

4. Accelerated store openings in our growth markets

In 2008, nearly 70% of new sales area is scheduled to be opened in our growth markets. They will account for a rising share of our total portfolio, thereby further shifting the Group's centre of gravity.

5. Use of Carrefour Property as an operational lever

Carrefour Property became operational in the First Half of 2008. The team's mission is (i) to identify opportunities for new sites for all the group's formats in which Carrefour Property operates; (ii) to develop more actively the management of shopping malls to improve their attractiveness and positioning; and (iii) to make optimal use of our existing sales area, by reducing or increasing the size of stores, on a case by case basis.

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