



Creating a
new growth platform

Summary

2005 was more than a year of transition

Page 3

Our strategy is focused on customers and growth

Page 7

2005 results reflect the execution of our decisions

Page 19

From 2006 we will grow profitably

Page 31



**2005 was
more
than a year of
transition**

2005 was more than a year of transition

We took the necessary tough decisions

- We changed and simplified our management structure
- We strengthened our asset portfolio
- We accelerated growth in m²
- We maintained a consistent and determined commercial strategy

2005 was more than a year of transition

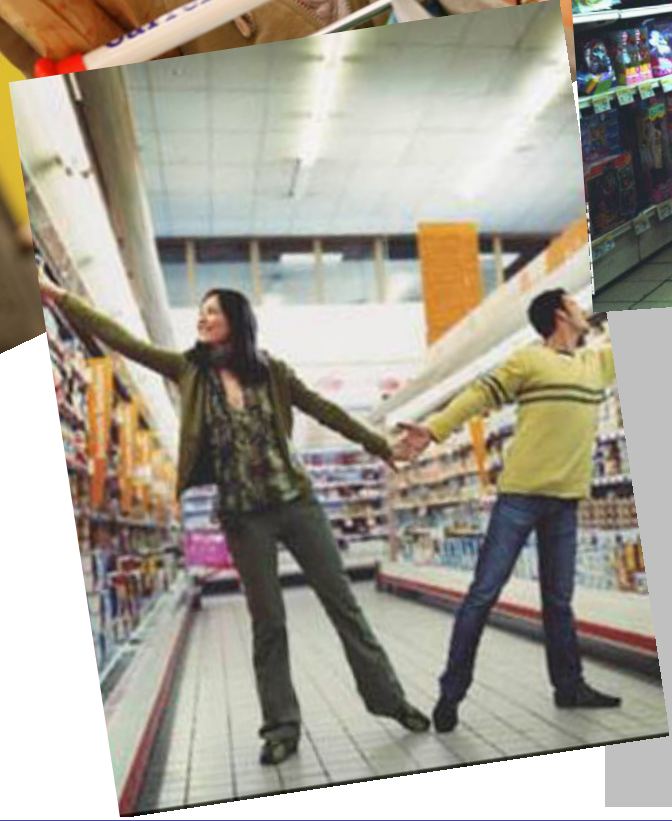
We have begun to deliver concrete results

- We have won food market share in France for the first time since 2000
- We have filled the growth pipeline
- We have delivered profitable sales growth and higher ROCE outside France
- We are solid financially, despite strong headwinds

2005 was more than a year of transition

My convictions

- We have created a strong base for a new start
- We have never been better equipped to compete
- Our teams are motivated and committed
- We know what we have to improve
- We expect further acceleration in 2007 which should lead to around 10% growth in sales and Activity Contribution by 2008



Our strategy is
focused on
Customers
and **Growth**

Our strategy is focused on customers and growth

The first messages we gave to our teams in 2005

- *“Focus all your efforts on meeting customer needs”*
- *“Every Business Unit must deliver market share growth, stronger brand recognition, and improving returns”*
- *“Growth is essential”*

Our strategy is focused on customers and growth

Price competitiveness is a condition for growth

Our Pricing Strategy:

- Is non-negotiable
- Must be defined locally
- Relies everywhere we trade on a consistent, long-term, policy

Our strategy is focused on customers and growth

Price leadership was our ticket to play the game, but it is not enough

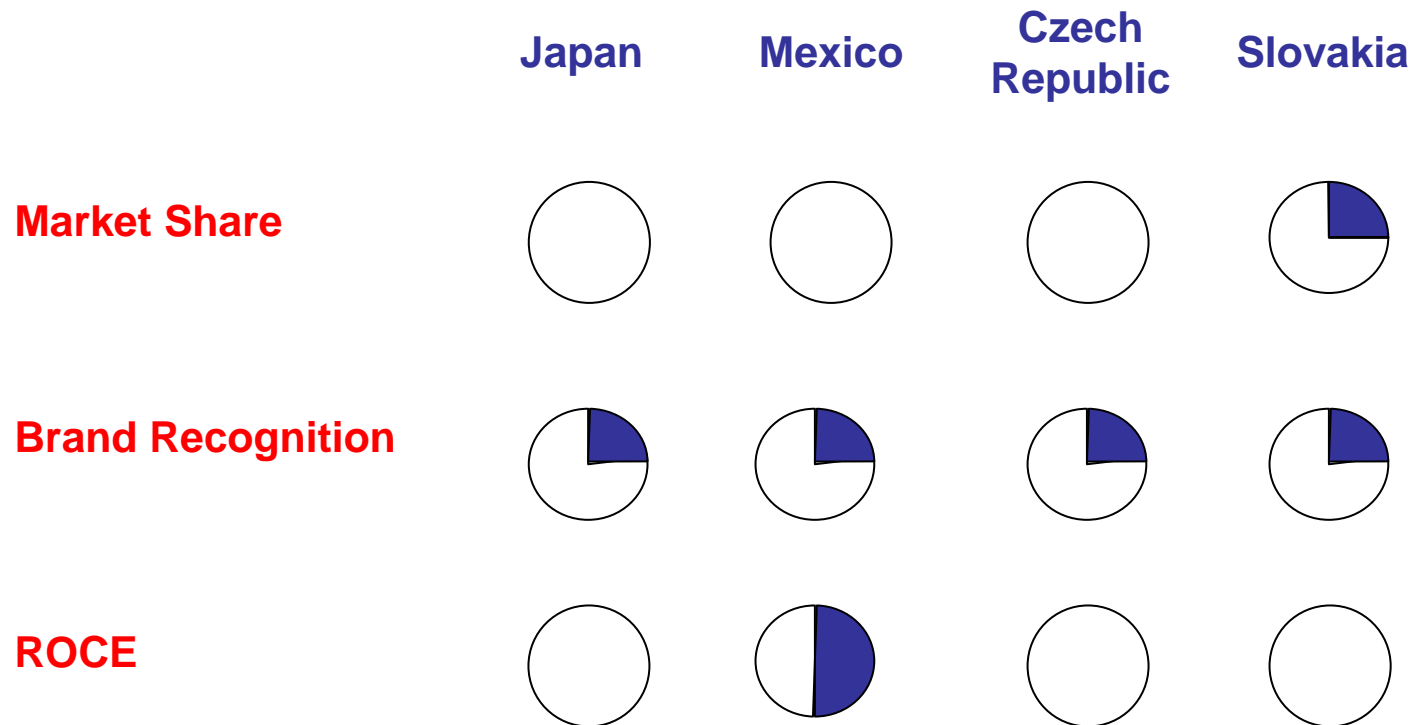
- Beyond price, customers ask for :

- **Choice** → we have added assortments
- **Service** → we have added staff to the shop floor
- **A reliable brand** → we have re launched our own label
- **Rewards for loyalty** → we have developed loyalty programmes

Our strategy is focused on customers and growth

We are making our asset portfolio work harder

- All our divestments in 2005 respect predefined criteria

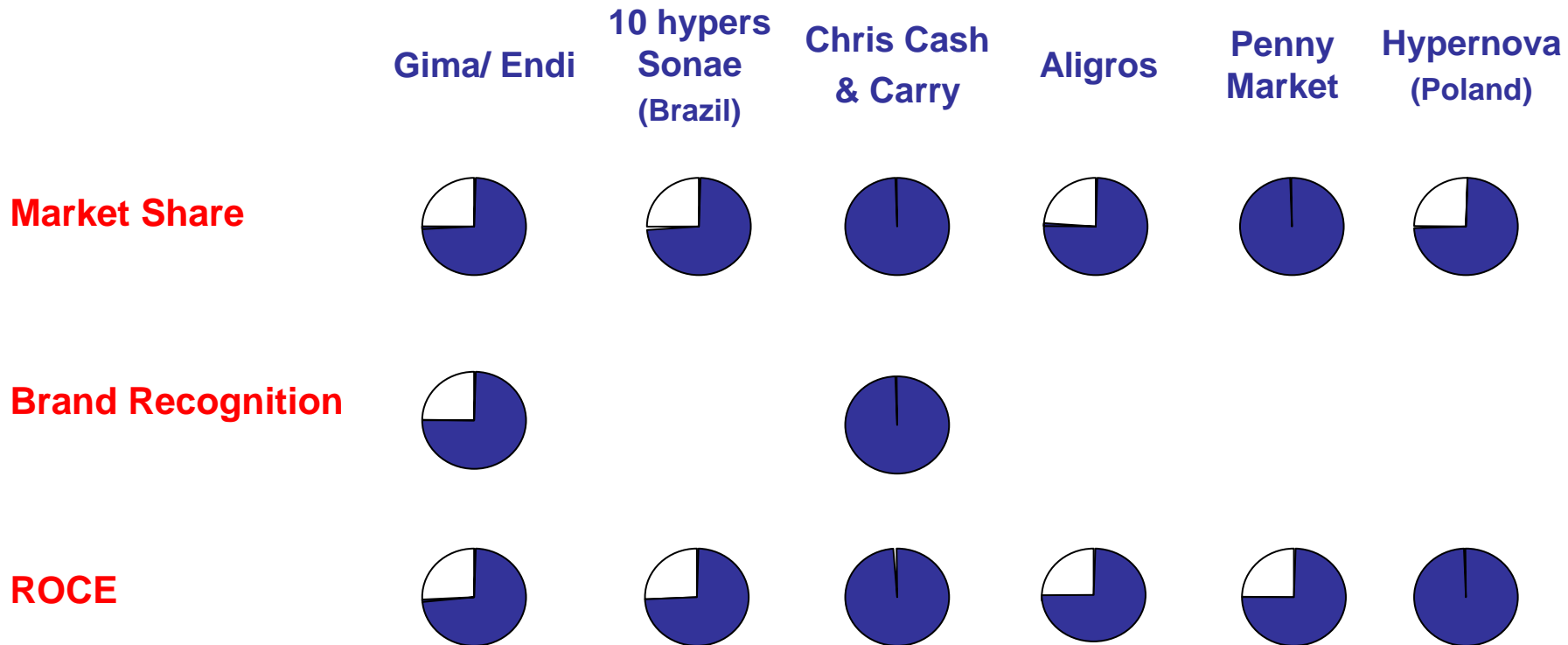


Prodirest and Puntocash : non-core activities

Our strategy is focused on customers and growth

We are making our asset portfolio work harder

- All our acquisitions in 2005 respect the same criteria



Our strategy is focused on customers and growth

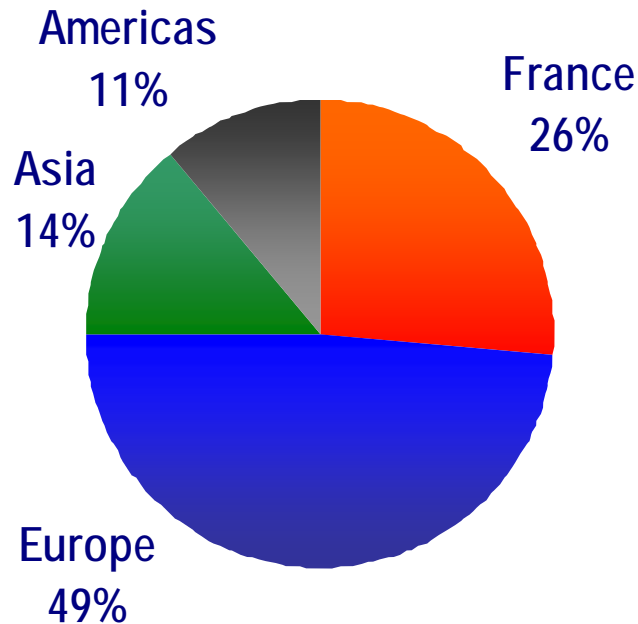
We have filled the growth pipeline

- We opened 1.5m m² gross new space in 2005, 50% more than in 2004
- We invested € 3.8bn, 25% more than in 2004
 - € 2bn growth capex
 - € 1bn on-going capex
 - € 0.8bn financial investments of which € 0.6bn dedicated to tactical acquisitions
- We strengthened our expansion teams to prepare for faster growth in 2006

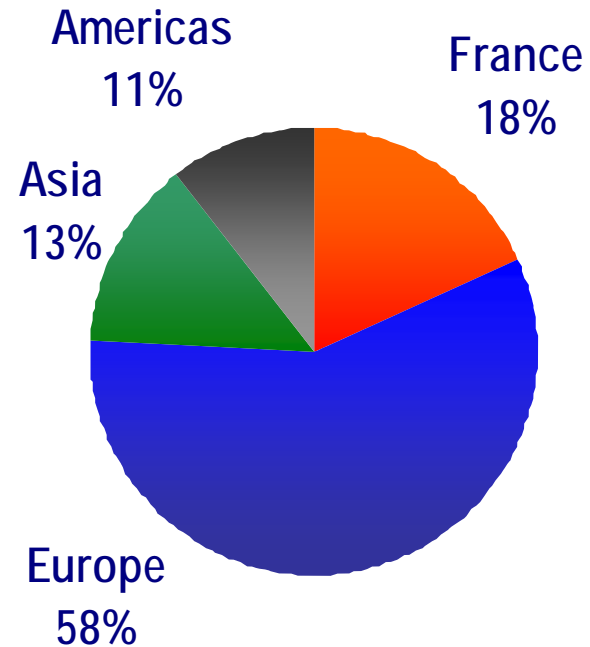
Our strategy is focused on customers and growth

All our regions are contributing to this growth

GROWTH CAPEX split per region *



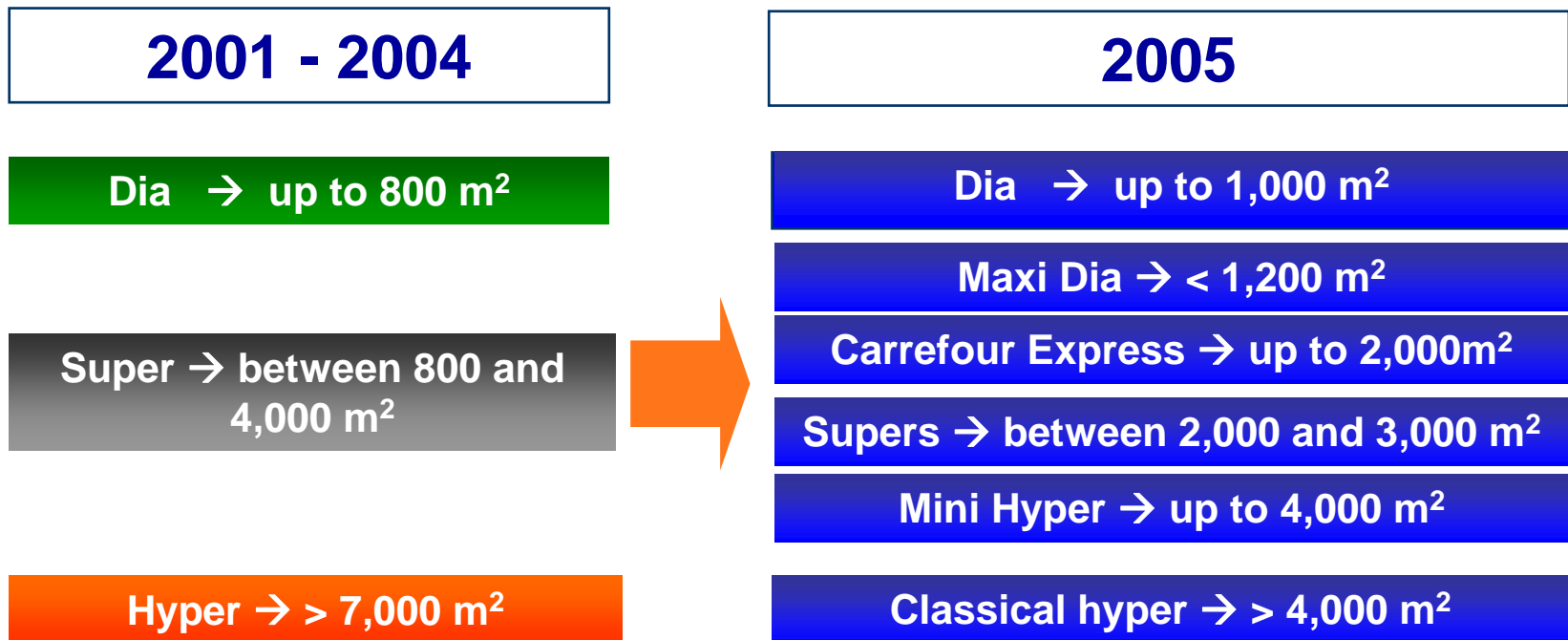
NEW M² split per region – 1.5m m²



* €2.6bn, ie expansion capex and tactical acquisitions

Our strategy is focused on customers and growth

Our flexible multi format strategy offers new opportunities for growth



Our strategy is focused on customers and growth

Maxi Dia: more than a discounter, unlike a supermarket

- 40 stores in 2005. Test in Spain
- 1,000m² - 1,200m²
- 2,500 SKUs including non-food
- A strong fresh offer in addition to frozen and non-food
- Sales around 40% higher than before conversion

Our strategy is focused on customers and growth

Carrefour Express: capitalising on the Carrefour brand

- 10 Carrefour Express in 2005, 20 in March 2006. Test in Spain
- 1,200m² - 2,500m²
- 6,700 SKUs, of which 33% in own label
- Hypermarket prices
- Sales 30% higher than before conversion

Our strategy is focused on customers and growth

Summary

- 2005 was a turnaround year during which we fundamentally reshaped the business
- All the building blocks of our strategy to make Carrefour a growth company are now in place

**2005 results reflect
the execution of
our decisions**

2005 results reflect the execution of our decisions

In 2005, we piloted the business well despite strong headwinds

€ Million	2005	2004*	Change
Net sales	74,497	72,668	+2.5%
Activity contribution	3,175	3,271	-2.9%
EBIT	3,154	3,195	-1.3%
Net result before discontinued activities (group share)	1,807	1,786	+1.2%

* 2004 IFRS accounts presented in June 2005, adjusted for the depreciation of buildings over 40 years

2005 results reflect the execution of our decisions

Our financials continued to improve

	2005 Inc. IAS 32/39	2005 Excluding IAS 32/39	2004 Excluding IAS 32/39
Net Debt	€6,790m	€6,291m	€6,770m
Activity Contribution/ Fin. Result	7.0x	7.0x	6.7x
Gearing	72%	66%	86%
Cash Flow/net debt	53%	57%	51%

2005 results reflect the execution of our decisions

We cut prices while controlling costs

€ Million	2005	2004	% Change
Commercial income	16,882	16,654	+ 1.4%
Commercial margin as % of sales	22.7%	22.9%	
SG&A	(12,233)	(11,888)	- 2.9%
SG&A as % of sales	16.4%	16.4%	
Activity contribution (Group)	3,175	3,271	- 2.9%
Activity contribution as % of sales	4.3%	4.5%	

2005 results reflect the execution of our decisions

Full year results were in line with first half trends

% change 2005/ 2004

	H105	H205	FY05
France	(15%)	(17%)	(16%)
International	+23%	+16%	+19%
Europe (ex France)	+16%	+15%	+15%
Asia	+38%	+18%	+27%
Latin America	**	+27%	+48%
Group	-3.1%	-2.9%	-2.9%

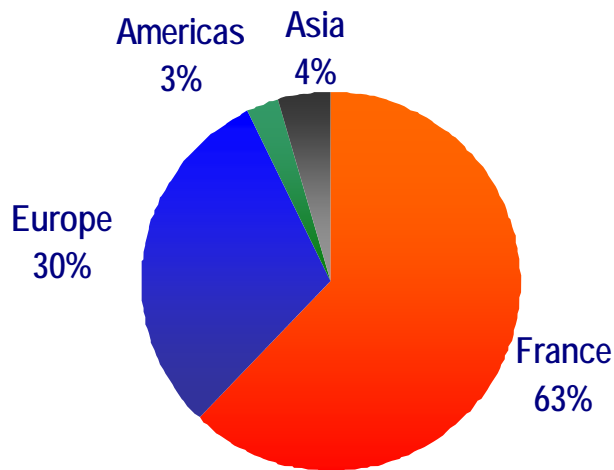
** Latin America Activity Contribution went from -€3m in H1 04 to +€14m in H1 05

2005 results reflect the execution of our decisions

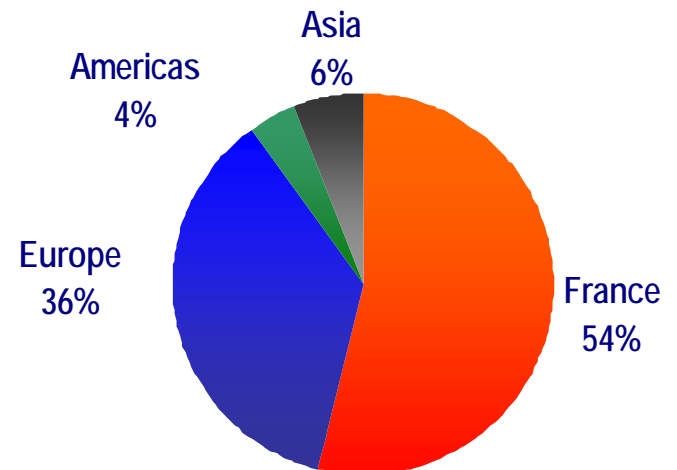
Our business outside France now accounts for nearly half of group Activity Contribution

Activity Contribution Split

2004

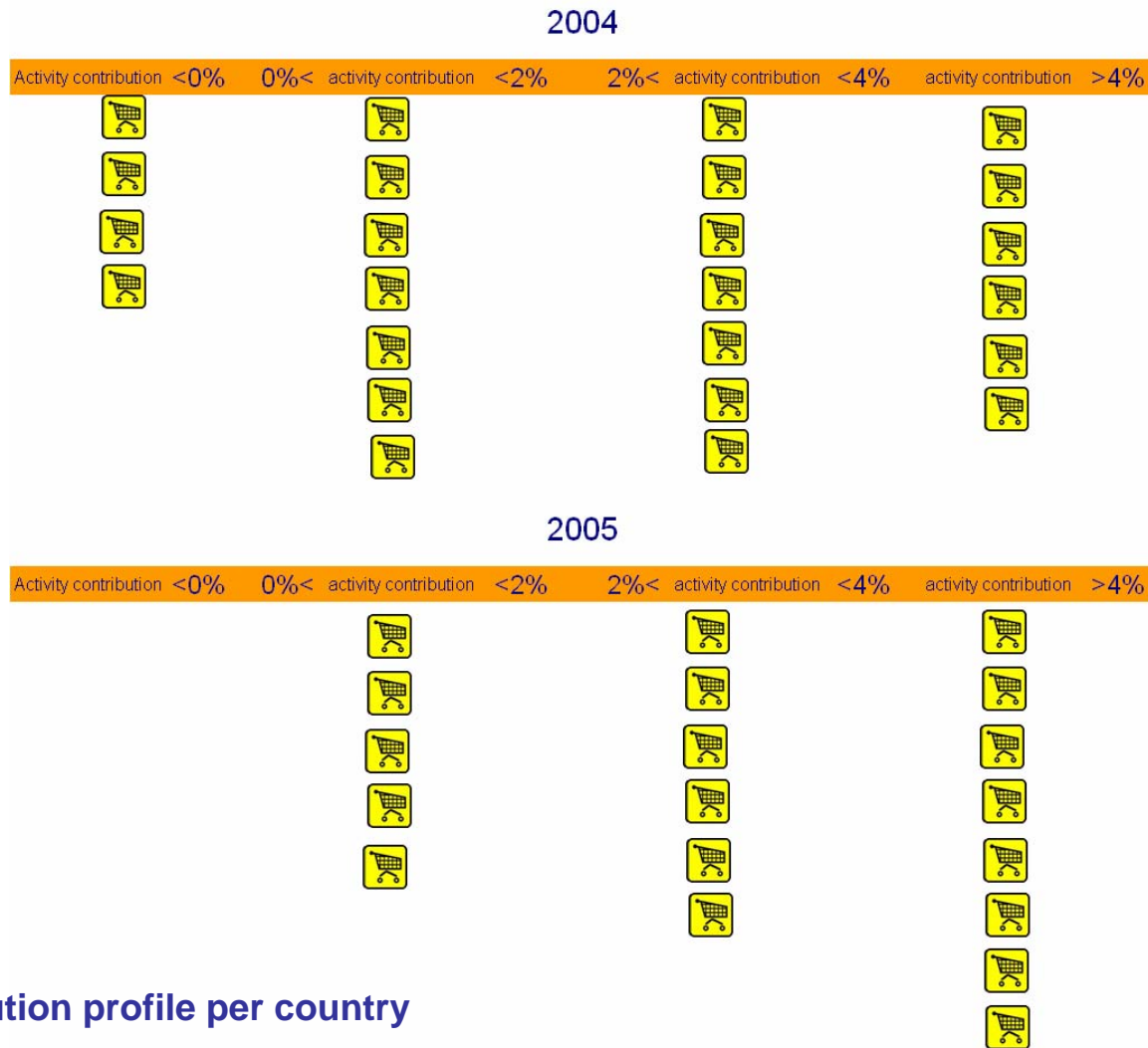


2005



2005 results reflect the execution of our decisions

More countries are delivering good returns



Activity contribution profile per country

2005 results reflect the execution of our decisions

Financial costs were down 6%, the tax rate stable

€ Million	2005	2004	Change
Financial costs	(454.6)	(484.5)	+ 6.2%
Tax rate	29.4%	29.7%	
Associates	51	41	+ 24.0%

2005 results reflect the execution of our decisions

We have divested the worst performing business units

- We have sold Japan, Mexico, Prodiest and Puntocash
- We have swapped Czech Republic and Slovakia for Tesco's Taiwan assets
- We sold or closed our supermarkets in Spain and Brazil



All our remaining business units have a market value above their book value

2005 results reflect the execution of our decisions

This necessary upgrading carried a cost

€ Million	2005
Brazilian supermarkets	196
Czech Republic and Slovakia	63
Spanish supermarkets	61
Puntocash	2
Mexico	29
Prodirest	22
Total	372

- The discontinued activities of Brazilian supermarkets include an impairment charge of €85m

2005 results reflect the execution of our decisions

Strong cash flow as capital spending on growth accelerated

Millions d'€	2005	2004
Net debt opening	(6,770)	(7,851)
Cash Flow	3,582	3,432
Change in Working Capital	194	875
Others	(27)	(5)
Cash flow from operations	3,749	4,302
Capex	(3,026)	(2,570)
Others	(27)	(5)
Free cash flow	722	1,732
Financial Investments	(826)	(439)
Disposals	1,299	940
Others	(63)	(80)
Cash flow after investments	1,132	2,153
IAS 32/39	(499)	NA
Others (dividends, change and perimeter)	(652)	(1,072)
Net debt closing	(6,790)	(6,770)

2005 results reflect the execution of our decisions

Summary

- Our 2005 results reflect the execution of our decisions
- We paid a price in France which we knew we would have to pay
- Outside France, we could count on the strong performance of our activities, while the portfolio has been upgraded
- We increased capex as we prepared for faster organic growth while reducing net debt and maintaining our key financial ratios



From 2006,
we will
grow profitably

From 2006, we will grow profitably

In March 05, we promised 5-10% annual average sales growth from 2006...

2006-2008

New space	3 – 5%
Like for like	1 – 3%
Acquisitions	1 – 2%
Total	5 – 10%

From 2006, we will grow profitably

... we can confirm our targets

- We will accelerate growth from 2006 so that by 2008 we will see around 10% growth in sales and Activity Contribution
- We will do this
 - By opening more m² in key markets
 - By strengthening our commercial model
 - With motivated teams and a simplified organisation
 - Taking advantage of our financial flexibility

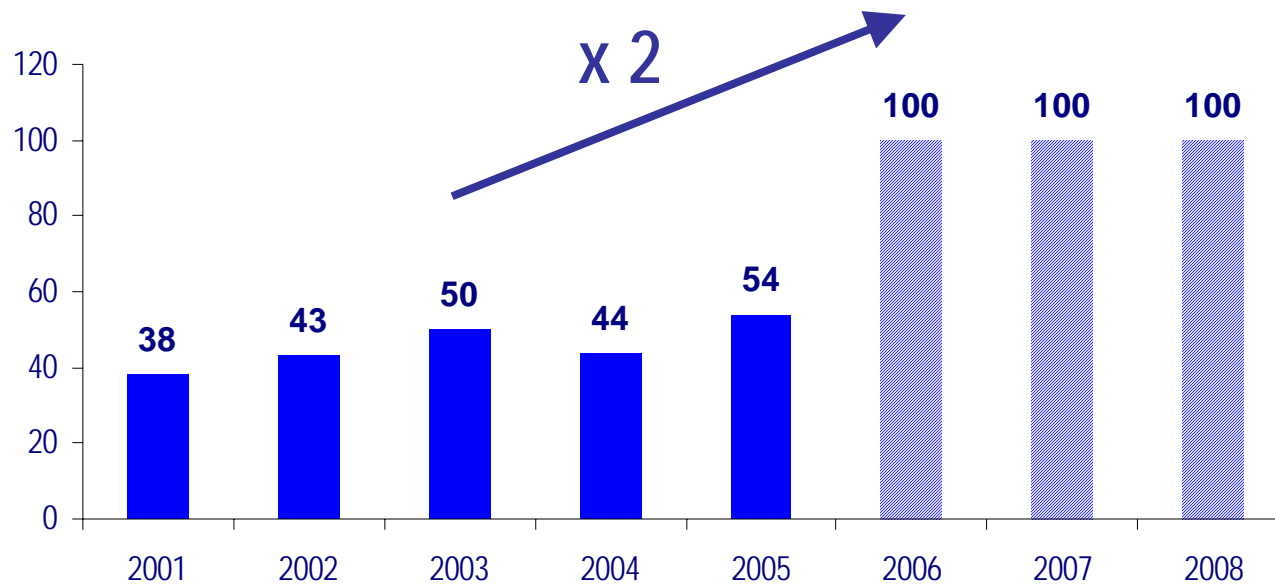


We have the means to make our sales-driven model work

From 2006, we will grow profitably

We are accelerating organic growth

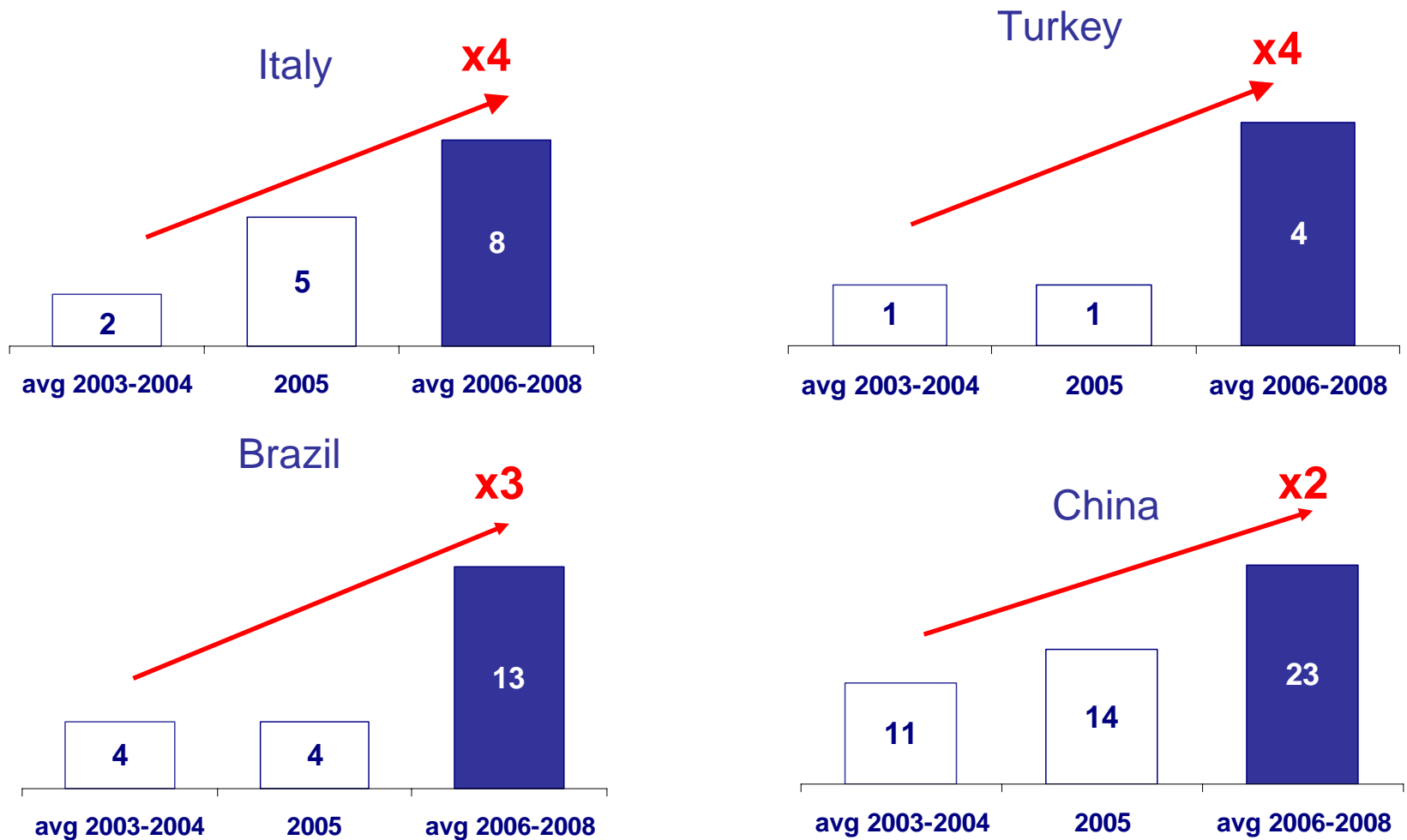
Example: number of organic openings in hypermarkets



From 2006, we will grow profitably

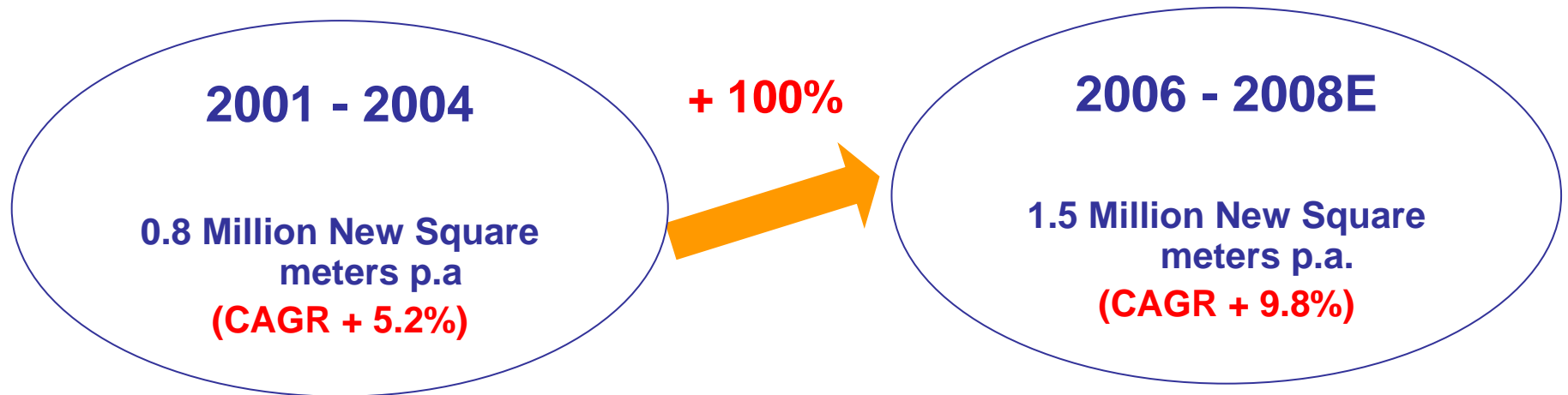
We are reinforcing our presence in key markets

Number of hypermarkets



From 2006, we will grow profitably

We are opening more m² in fewer countries

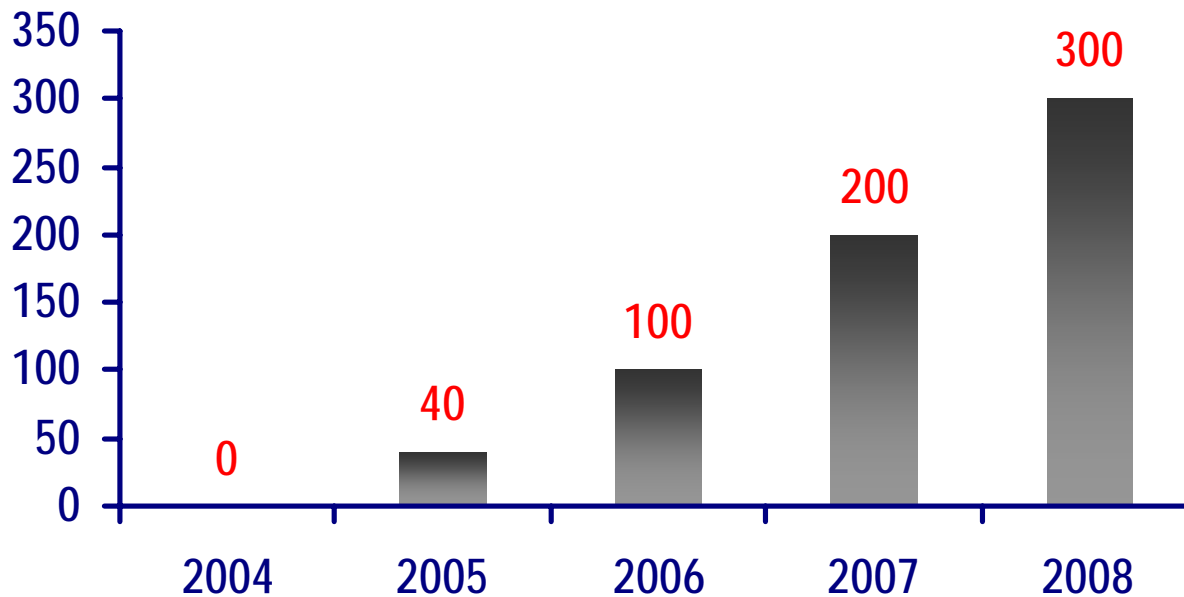


We are building strong market leadership, through a strategy of saturation, wherever we are present

From 2006, we will grow profitably

We are accelerating the roll out of new formats

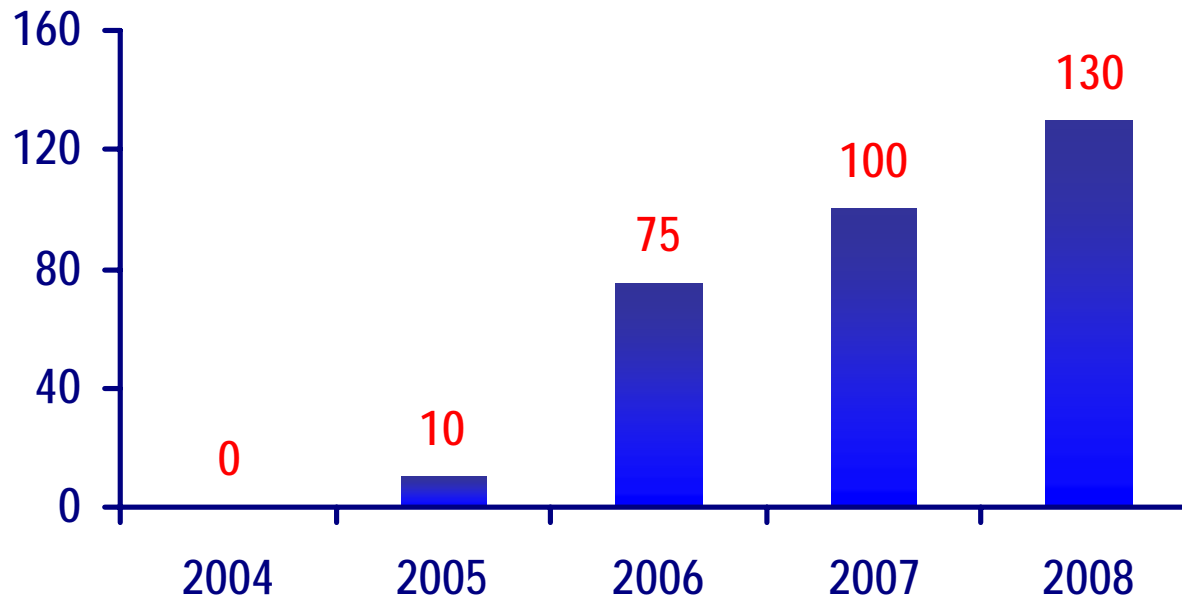
Maxi Dia Store Network Expansion Plans (Spain)



From 2006, we will grow profitably

We are accelerating the roll out of new formats

Carrefour Express Store Network Expansion Plans (Spain)



From 2006, we will grow profitably

We are strengthening the commercial model

- We will continue to follow a determined and consistent pricing strategy
- We will increase choice
- We are updating, re-branding and deepening our own-label assortment
- We are growing services



We have the means to sell more and better

From 2006, we will grow profitably

We have the teams and the organisation to achieve our goals

- We have simplified the decision-making process
- We have improved internal communication
- We have reinforced the operational orientation of the executive committee
 - The matrix is simplified
 - Several countries will be represented on the executive committee
 - Food, non-food, and marketing will be under the direct responsibility of members of the Management Board

From 2006, we will grow profitably

We have the financial flexibility to achieve our goals

- Our strong balance sheet allows us to accelerate our capex to capitalise on growth opportunities
- We have strict rules on capital allocation. We plan to spend between 4.0% and 5.0% of sales. This equates to around €10bn between now and 2008 (ex acquisitions)
- We are committed to value creation – and not only in the short term

From 2006, we will grow profitably

All this gives us the means to make our sales-driven model work



From 2006, we will grow profitably

What does this mean for 2006?

- We have never been better placed to compete in France
- We will grow faster and in a more focused number of countries



We will deliver our strongest ever organic growth in square meters

From 2006, we will grow profitably

In France, we have never been better placed to compete

- We have changed the management structure
- We have improved food assortments and are adding service in-store
- We continue to strengthen our price competitiveness across all formats
- Our 2006 supplier negotiations were finished on time

From 2006, we will grow profitably

We recognise we have a challenge in non-food

- We have a strong platform from which to improve

	Share of total market	Share vs. hypermarkets
Tableware	23%	30%
Culture	11%	29%
Small electrical appliances	13%	28%
Software & hardware	11%	37%
Mobile phones	12%	32%

Sources: GFK, IPSOS, Nielsen

From 2006, we will grow profitably

Our action plan for non-food for 2006 onwards

3 priorities:

- Human resources and organisation
 - Simplified central structure
 - Quicker decision process
 - Strengthened teams on the selling floor

- Category and Assortment management
 - Orientation towards key categories
 - Redefinition seasonal vs. permanent
 - Improving margin mix while focusing on latest products

- Communication

From 2006, we will grow profitably

We continue to have good opportunities to control costs

- Efficient use of our communication tools
- Evolution in the back office
- Optimisation of capex per m²
- Productivity initiatives (eg retail-ready units)

From 2006, we will grow profitably

In 2006, we will deliver our strongest ever organic growth in square meters

- 100 new hypermarkets
- 1000 new stores in total
- 1.3 million m² (1.5 million m² including already announced acquisitions)

€3.5bn Capex, of which €2.5bn of growth capex

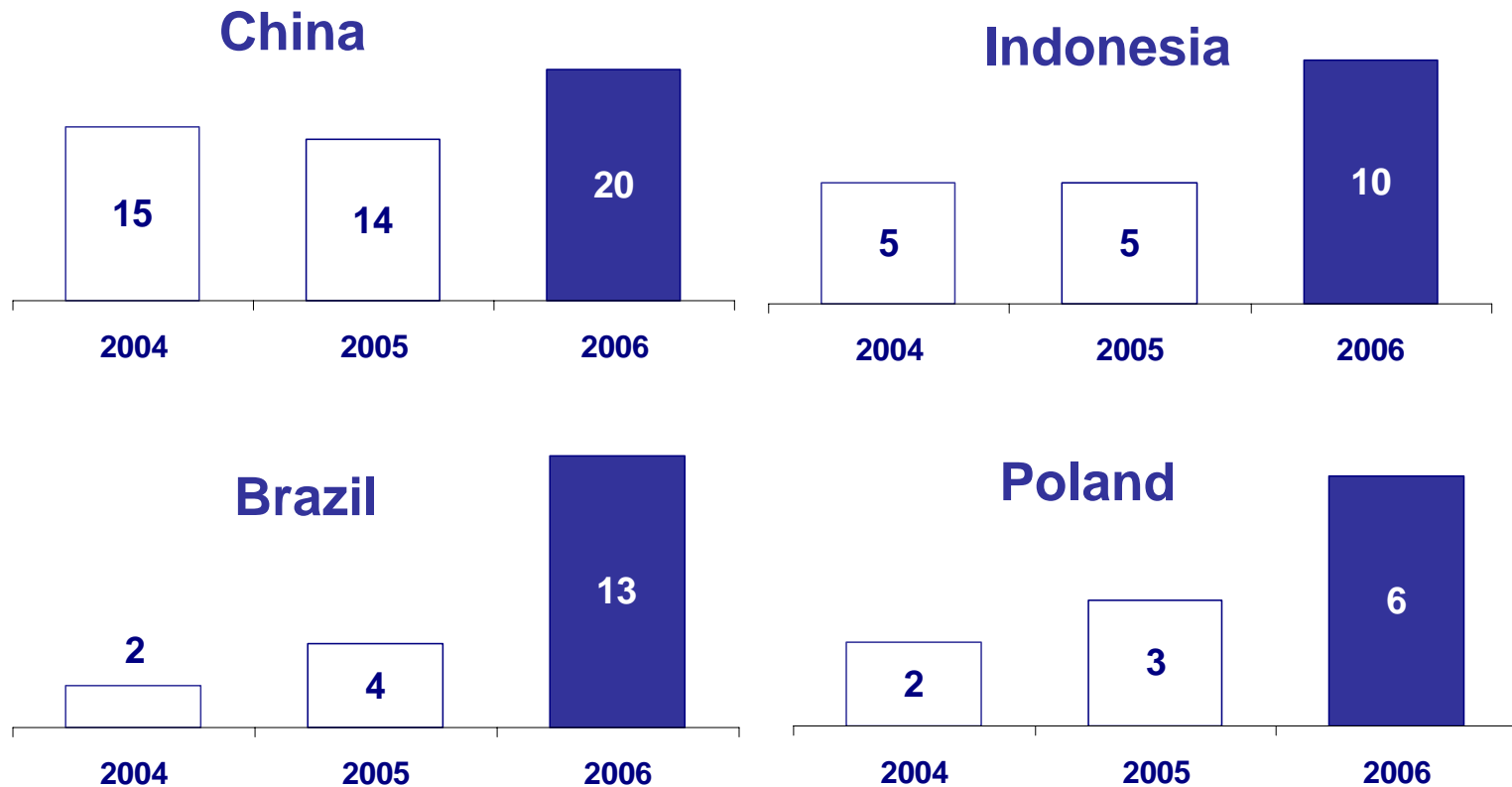


2006 sales will grow faster than in 2005

From 2006, we will grow profitably

Internationally, we are accelerating growth in all key markets

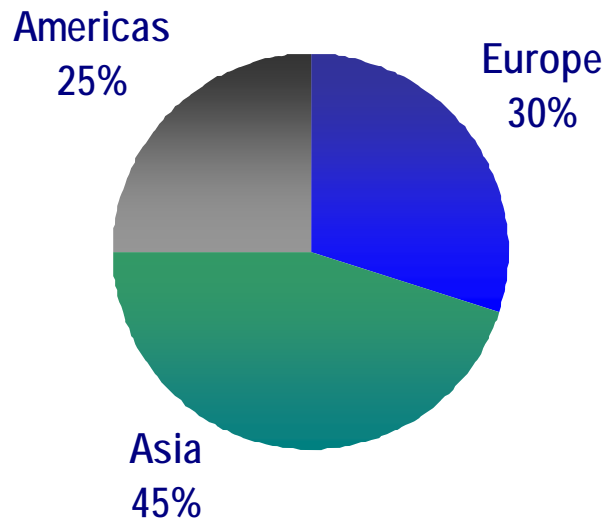
Examples of hypermarkets openings



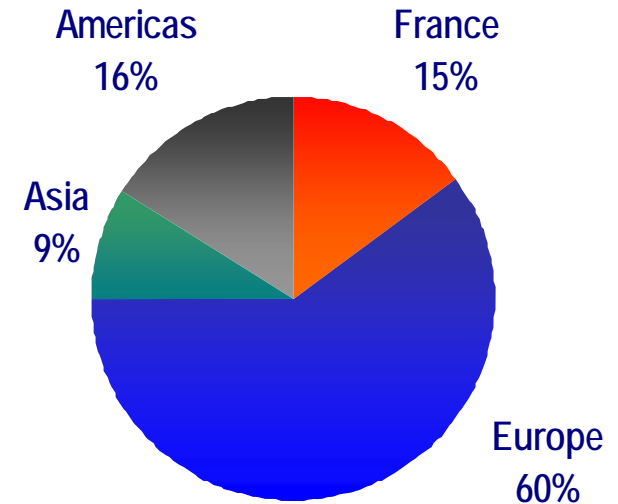
From 2006, we will grow profitably

Every region will contribute to this growth

100 NEW HYPERMARKETS



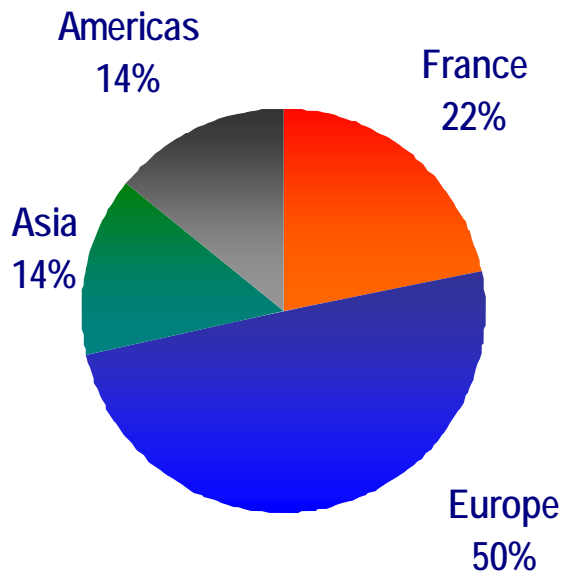
1000 NEW STORES



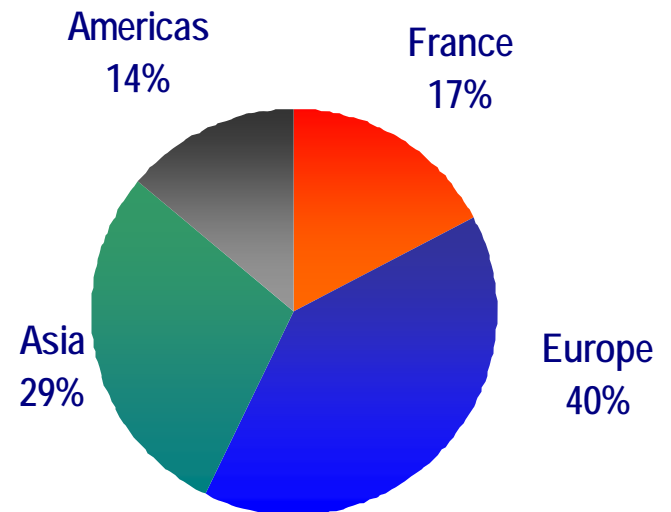
From 2006, we will grow profitably

Every region will contribute to this growth

GROWTH CAPEX*



1.5M NEW M²



* €2.5bn, ie expansion capex

Conclusion

Conclusion

From 2006, we will grow profitably

- You will see a new sales-driven Carrefour taking shape in 2006
- Whatever the environment in France, we have never been better armed to take market share
- The pipeline for growth is full. As a result, we will grow sales faster than in 2005. We will also grow Activity Contribution
- From 2007 we expect further acceleration which should lead to around 10% growth in sales and Activity Contribution by 2008

Annexes

The 2005 numbers

Profit and loss account summary

€ Million	2005	2004	Change
Net Sales ex VAT	74,497	72,668	+2.5%
Other revenues	1,011	1,039	
Cost of sales	(58,627)	(57,053)	
Commercial income	16,882	16,654	+1.4%
SG&A	(12,233)	(11,888)	-2.9%
ACDA*	4,650	4,766	-2.4%
Activity contribution	3,175	3,271	-2.9%
% Margin	4.3%	4.5%	
Non-recurring items	(20)	(76)	
EBIT	3,154	3,195	-1.3%
Financial costs	(455)	(484)	+6.0%
Income tax	(794)	(806)	+1.5%
Net result before discontinued activities (group share)	1,807	1,786	+1.2%
Discontinued activities	(372)	(85)	
Net income Group share	1,436	1,701	-15.6%

*ACDA: Activity Contribution before Depreciation and Amortization

The 2005 numbers

Key operating ratios

€ Million

	2005	2004	Change
Net Sales ex VAT	74,497	72,668	+2.5%
Other revenues	1,011	1,039	
Commercial margin as % of sales	22.7%	22.9%	-20bp
SG&A as % of sales	(16.4%)	(16.4%)	-
ACDA* as % of sales	6.2%	6.6%	-40bp
Depreciation/ Amortisation as % of sales	(2.0%)	(2.1%)	-10bp
Activity contribution as % of sales	4.3%	4.5%	-20bp
EBIT as % of sales	4.2%	4.4%	-20bp
Income tax rate	(29.4%)	(29.7%)	

*ACDA: Activity Contribution before Depreciation and Amortization

The 2005 numbers

Balance Sheet summary

€Million	2005	2004 *		2005	2004 *
Intangible + fixed assets + financias	27,632	25,768	Shareholders Equity	9,386	7,990
Inventories	6,110	5,621	Provisions & deferred tax	2,551	2,351
Bank loans portofolio	3,755	3,221	Net debt	6,790	6,770
			Net trade payable	12,574	11,573
			Bank loans refinancing	3,464	2,909
			Other liabilities	2,732	3,017
Total	37,497	34,610	Total	37,497	34,610

* With depreciation over 40 years and without IAS 32/39

The 2005 numbers

Cash Flow summary

€ Million

	2005	2004
Net debt opening	(6,770)	(7,851)
Cash Flow	3,582	3,432
Change in Working Capital	194	875
Others	(27)	(5)
Cash Flow from operations	3,749	4,302
Capital Expenditure	(3,026)	(2,570)
Free Cash Flow	722	1,732
Financial Investments	(826)	(439)
Disposals	1,299	940
Others	(63)	(80)
Cash Flow after Investments	1,132	2,153
Dividends/ Increase in Capital	(633)	(1,045)
Change, perimeter and others	(19)	(27)
IAS 32/39	(499)	NA
Increase of net debt	(20)	1,081
Net debt closing	(6,790)	(6,770)

Consolidated store network at end of December 2005

	HYPER	SUPER	HARD DISC	CASH & C	CONVENIENCE	TOTAL
Argentina	28	114	319			461
Brazil	99	35	201			335
Colombia	21					21
AMERICAS	148	149	520			817
China	70	8	225			303
Korea	31					31
Taiwan	37					37
Indonesia	20					20
Malaysia	8					8
Singapore	2					2
Thailand	23					23
ASIA	191	8	225			424
FRANCE	179	595	782	108		1 664
Spain	136	143	1 891			2 170
Belgium	56	79				135
Switzerland	9					9
Greece	19	148	267		52	486
Italy	50	238		16	155	459
Poland	32	71				103
Portugal	7		292			299
Turkey	12	86	339			437
EUROPE	321	765	2 789	16	207	4 098
TOTAL GROUP	839	1 517	4 316	124	207	7 003

Consolidated net sales per format / zone

€ Million	France	Europe	Americas	Asia	Total	% sales
Hypermarkets	18,717	15,424	3,989	5,672	43,802	58.8%
Supermarkets	7,515	5,020	694	10	13,239	17.8%
Hard discount	2,227	3,784	369	61	6,441	8.6%
Other	7,119	3,873	23	-	11,015	14.8%
Total	35,577	28,102	5,075	5,743	74,497	100%
% zone	47.8%	37.7%	6.8%	7.7%	100%	

Stores under banner (incl. Franchisees and partners)

	HYPER	SUPER	HARD DISC	CASH & C	CONVENIENCE	TOTAL
Argentina	28	114	352			494
Brazil	99	35	236			370
Colombia	21					21
AMERICAS	148	149	588			885
China	70	8	225			303
Korea	31					31
Japan	8					8
Taiwan	37					37
Indonesia	20					20
Malaysia	8					8
Singapore	2					2
Thailand	23					23
ASIA	199	8	225			432
FRANCE	216	1 024	804	133	1 654	3 831
Spain	141	143	2 719			3 003
Belgium	56	264			206	526
Switzerland	12					12
Greece	19	148	362		155	684
Italy	51	452		17	975	1 495
Poland	32	71				103
Portugal	7		390			397
Turkey	12	86	363			461
Romania	5					5
Other	28	110			56	194
EUROPE	363	1 274	3 834	17	1 392	6 880
TOTAL GROUP	926	2 455	5 451	150	3 046	12 028

Sales incl. VAT under banners per format / zone

€ Million	France	Europe	Americas	Asia	Total	% sales
Hypermarkets	23,670	20,278	4,797	6,464	55,210	59%
Supermarkets	13,371	8,473	839	12	22,695	24.2%
Hard discount	2,474	5,248	492	71	8,284	8.8%
Other	4,954	2,472	-	-	7,426	8%
Total	44,468	36,472	6,127	6,547	93,614	100%
% zone	47.5%	39.0%	6.5%	7.0%	100%	

2005 Activity contribution per zone

€ Million	2004	2005	Change 2005/2004 *
France	2,039	1,713	-16.0%
Europe	996	1,145	+15.0%
Americas	90	133	+47.7%
Asia	146	185	+26.7%
Total	3,271	3,175	-2.9%

* At current exchange rates

Details of the calculation of EPS

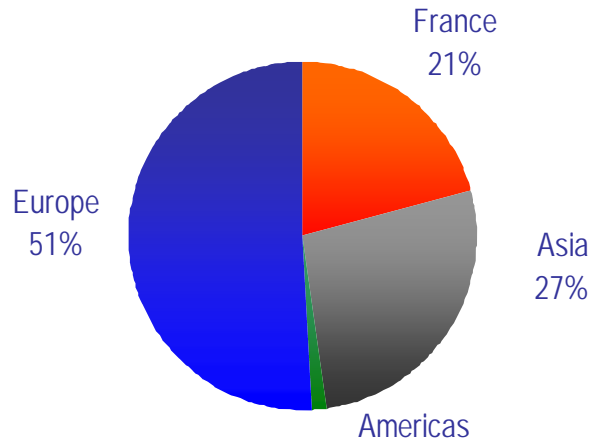
	EPS 2005	EPS 2004 Pro forma	Change %
EPS before discontinued activities	2.58	2.56	0.9%
EPS of discontinued activities	(0.53)	(0.12)	Ns
EPS including discontinued activities	2.05	2.44	-15.9%

NB : EPS is based on the net result before discontinued activities (group share) ie. €1 786 m in 2004 and €1 807 m in 2005

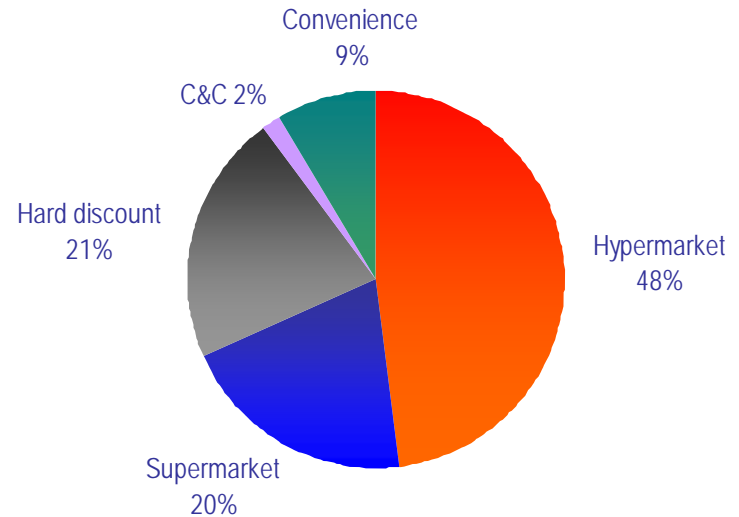
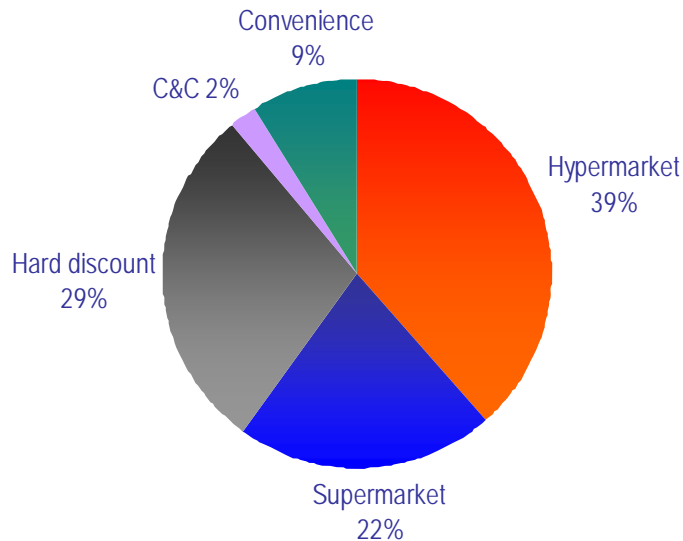
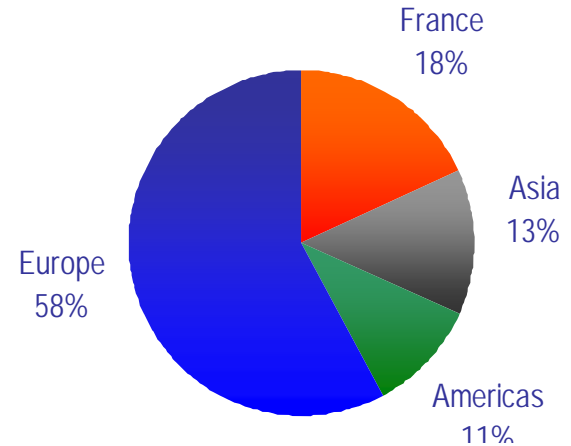
To calculate EPS, we have used the final number of shares at year end: 697 160 633 in 2004 and 699 470 384 in 2005

Expansion in 2004 and 2005 per zone / format in sqm

2004 *



2005 *



* Including franchised stores

1000 new stores in 2006

	France	Europe	Americas	Asia	Group
Hypermarkets		30	25	45	100
Supermarkets	10	85	5		100
Hard discount	80	355	130	45	610
Others	60	130			190
Total	150	600	160	90	1,000

2006 calendar impact on hypermarket sales in France

