



2004 Results

Analyst meeting - March 10th 2005

Summary

The 2004 numbers

Section 1

What we have done in 2004
What we will do better in 2005

Section 2

The 3 year vision

Section 3

Conclusion

Section 4

The 2004 numbers

The 2004 numbers

In 2004, we reinforced our competitive position

		Change 2004/2003
Sales ex. VAT		+ 3.1 %
EBITDA (% of sales)	6.8 %	+ 0.9 %
EBIT (% of sales)	4.5 %	- 0.5 %
Net attributable profit (€m)	1 662	+ 2.6 %

The 2004 numbers

We did so while improving our financial ratios

Change 2004/2003

Average net debt reduction	-1.6bn €	- 14.0%
Interest cover	11.6x	+ 10.5 %
Gearing	90%	- 15.9%

The 2004 numbers

2004 results are in line with our revised expectations for the year

	2004	2003
Net Sales	72 668	70 486
Cost of sales	(56 554)	(54 630)
Commercial margin	16 114	15 856
SG&A	(11 793)	(11 478)
Other income/expenses	596	494
EBITDA	4 917	4 871
Depreciation & provisions	1 683	1 620
EBIT	3 234	3 251
Financial costs	(424)	(464)
Income tax	(836)	(846)
Minority interests	(93)	(111)
Equity method	101	107
Amortisation of goodwill	(319)	(318)
Net income Gp share (after GW)	1 662	1 620

The 2004 numbers

As we invested in price, gross margin trended lower

	2004	Change	2003
Commercial margin	16 114	+ 1.6%	15 856
in % of sales	22.2%		22.5%

- The trend in commercial margin reflects significant price investment in all countries and across all formats

The 2004 numbers

However, we have improved SG&A as a % of sales

	2004	Change	2003
SG & A	(11 793)	+ 2.7%	(11 478)
in % of sales	16.2%		16.3%

SG&A as a % of sales has declined by around 10 basis points as a result of

- 10 bp reduction in labour costs and as a % of sales
- 10 bp reduction in general and administrative expenses
- 10 bp increase in rents as a % of sales

The 2004 numbers

As a result, EBITDA has increased by 0.9%

	2004	Change	2003
EBITDA	4 917	+ 0.9%	4 871
in % of sales	6.8%		6.9%

Other products/costs has increased €102m due to

- an increase in rental income, particularly in Asia
- a decrease in pre-opening costs
- an increase in capital gains from on-going divestments

The 2004 numbers

EBITDA growth outside France compensated for the cost of price investment in France

	Change 2004/2003 on current exchange rates	Change 2004/2003 on constant exchange rates	% of sales
France	-6,4%	-6,4%	7,2%
Europe	9,4%	9,3%	6,6%
Americas	24,9%	31,4%	4,3%
Asia	9,5%	19,3%	6,7%
Total	0,9%	1,8%	6,8%

The 2004 numbers

Higher depreciation means that EBIT is slightly down

	2004	Change	2003
EBIT	3 234	- 0.5%	3 251
in % of sales	4.5%		4.6%

- An acceleration of new square metres in France, against broadly flat sales, has meant that depreciation and provisions as a % of sales has increased

The 2004 numbers

We have cut our net debt and reduced our financial costs

	2004	Change	2003
Financial costs	(424)	- 8.5%	(464)

- We have reduced financial costs by €40m due to a reduction of average net debt of €1.6bn
- Financial costs includes provision for shares purchased for option schemes
- The average interest rate increased from 3.59% to 4.02%

The 2004 numbers

The tax charge is down, in line with our expectations, while our associates' contribution is broadly stable

	2004	Change	2003
Tax	(836)	- 1.2%	(846)
Equity acctd cies	101	- 5.4%	107

- The tax charge was down from 30.4% to 29.8%, as expected
- The contribution from associates reflects the deconsolidation of Modelo Continente in November offset by an improved contribution from our finance companies

The 2004 numbers

Minorities have declined, goodwill is stable

	2004	Change	2003
Minorities	(94)	- 15.4%	(111)
Goodwill amortization	(319)	+ 0.4%	(318)

- The reduction in minorities is largely due to France which offset an improvement in profitability in Turkey

The 2004 numbers

We have grown earnings per share

	2004	Change	2003
Net profit Gp sh. bef GW	1 981	+ 2.2%	1 938
Net profit Gp sh. after GW	1 662	+ 2.6%	1 620

- EPS before goodwill up 2.5% to 2.73€*
- EPS after goodwill up 2.8% to 2.29€*

*Number of shares used for calculation of eps: 726,299,477. This is an average number of shares, including share options outstanding. The corresponding number in 2003 was 728,070,083

The 2004 numbers

Non-recurring items increased significantly

	2004	Change	2003
Non recurring items Gp Share	(275)	ns	9.1

Non-recurring items in the period reflect mainly

- €(97.8)m impairment charges
- €(90.0)m provision for loss of value in Japan
- €(83.3) charge for restructuring and closure of stores
- €10.6m capital gains on divestment of assets

The 2004 numbers

We have strengthened further our balance sheet

• Inventories decreased by 0.2 days on average, but increased significantly at year end as we stocked-up to avoid availability problems

• Operating working capital nonetheless improved by 0.6 days

• Year end net debt fell by €1.1bn

(m €)	2004	2003		2004	2003
Intangible + fixed assets + financials	25 133	24 542	Shareholders equity	7 586	7 380
Inventories	6 243	5 691	Provisions	1 745	1 649
			Net debt	6 793	7 892
			Net trade payables	11 303	10 478
			Other net debt	3 949	2 834
	31 376	30 233		31 376	30 233

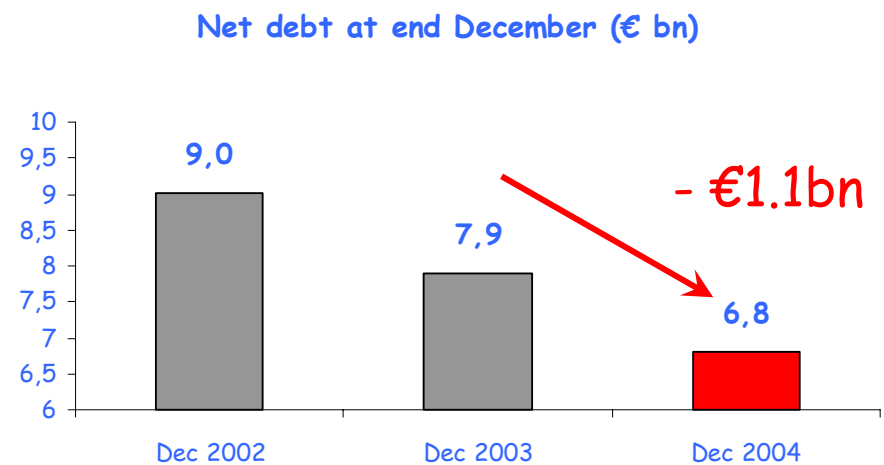
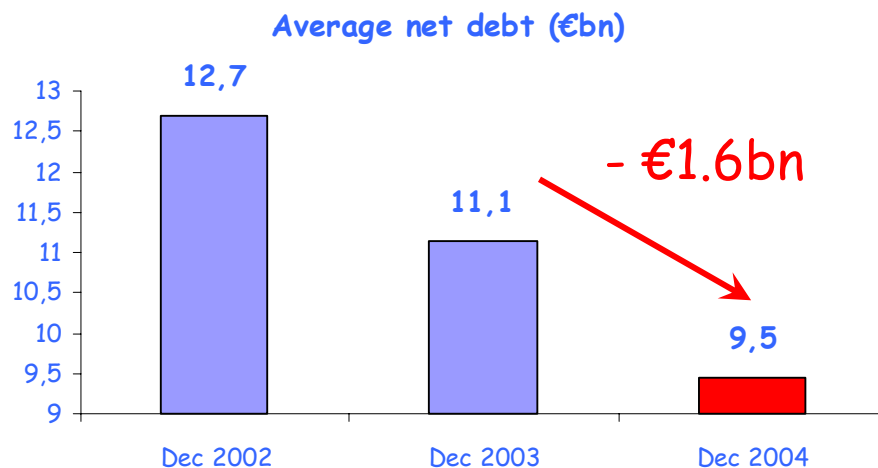
The 2004 numbers

We have reduced net debt due to strong cash flow and good working capital management

	2004	2003
Net debt opening (in €bn)	(7 892)	(9 021)
Cash Flow	3 406	3 433
Change in working capital	841	323
Cash flow from operations	4 247	3 756
Capex	(2 564)	(2 717)
Free cash flow	1 683	1 039
Financial investments	(439)	(350)
Disposals	940	1 186
Cash flow after investments	2 184	1 875
Dividends / share buy backs	(977)	(505)
Change and others	(108)	(240)
Decrease of net debt	1 099	1 130
Net debt closing	(6 793)	(7 892)

The 2004 numbers

We have reduced average and year end financial debt



The 2004 numbers

We have again improved our financial ratios

	2004	2003
EBITDA / Financial result	11.6 x	10.5 x
EBIT / Financial result	7.6 x	7.0 x
Net debt / Ebitda	1.38 x	1.62 x
Cash Flow / Net debt	50 %	43 %
Gearing	90%	107%

The 2004 numbers

In summary,

- In 2004, we reinforced our competitive position
- The scale of our price investments meant that gross margin fell
- We offset this, however, by an improvement in SG&A. As a result, EBITDA increased by 0.9%
- We reduced net debt due to strong cash flow and good working capital management, and we improved our financial ratios

What we have done in 2004
What we will do better in 2005

Introduction

In 2005, we will accelerate our efforts

- To improve our price image in French hypermarkets
- To win market share in France
- To improve further profitability and ROCE outside France (including cleaning up and upgrading our portfolio of assets)
- To prepare for accelerated growth in 2006 - 2008

Price image

In 2004, we repositioned our French hypermarkets on price

- We cut prices significantly, mainly in dry grocery
- All our stores are now either number one or number two on price locally
- We launched our loyalty card

But our price image is still not strong enough

Price image

In 2005, we will cut prices further

- We will continue to invest whatever is necessary to maximise the impact on our price image
- The target is to be number one on price locally in all our stores
- We will extend our price cuts to fresh food, own label and non-food

Market share

In 2004, we maintained food market share in France*

- We lost 0.3 percentage points of market share in French hypermarkets last year
- Market share gains in supermarkets and hard discount, however, meant we were able to maintain food market share at 24.4%

Maintaining market share is not good enough

*Source: Secodip

Market share

In 2005, we must begin to grow market share

- We are number one locally on price in three quarters of our French hypermarkets. However, our price image is still too weak
- We also must improve our price image through better communication to the consumer
- We must reinforce our non-food offer
- At the same time, we must accelerate growth in new m²

Market share

We also must improve our price image through better communication

- We are adopting a new direct marketing approach which is more price and product oriented (less institutional)
- We will use our database of 6.5 million Carte Carrefour holders to move progressively from mass marketing to targeted marketing (more customer oriented)

Market share

We must reinforce our non-food offer

- We are extending our price cuts to non-food in 2005
- We have selected key non-food categories where we are growing our exclusive brands
 - In apparel, Tex has become the leading brand in France
 - In consumer electronics, we are growing Bluesky and Number One, and have introduced Carrefour Techno
- We are developing a more targeted offer
 - Every day purchases generating profitability
 - New markets creating a modern image
 - Seasonal ranges driving traffic

Market share

We must accelerate growth in new m2 in France

- We will open 260,000 new square metres in France including 60,000 square metres of planned new hypermarket space
- We will enlarge 22 hypermarkets in 2005 versus 11 hypers in 2004. We will also open 26 new supermarkets and enlarge supermarket space by a further 60,000 square metres
- We will also open 75 ED stores, building on a platform strengthened by the acquisition of Treff in 2003 and the franchise agreement with Coop Atlantique in 2004

Growing profits and ROCE outside France

In 2004, we made progress growing profitability and ROCE outside France

- Our sales ex-France grew 8.3% on constant exchange rates
- EBIT ex-France grew 14.6%
- ROCE ex-France in 2004 increased to 11.1% from 8.3% in 2003

However, ROCE outside of France is still too low

Growing profits and ROCE outside France

In 2005, we will improve further our profitability and ROCE outside France

- We expect all countries and all formats to show growth in sales and EBIT in 2005
- We expect a significant improvement in ROCE from our activities outside France in 2005
- We will focus investment in markets where we have the strongest commercial model

Growing profits and ROCE outside France

In 2004, we began to divest underperforming or non-core assets

- We sold or closed 18 supermarkets in Spain, 23 in Argentina and 16 in Brazil
- We also sold our 22% stake in Modelo Continente for €345m in November

Growing profits and ROCE outside France

In 2005, we are accelerating our divestment programme

- With the sale of Mexico and Japan we have nearly achieved our initial €1bn programme of divestments
- Every business unit must create value. We will continue to analyse our asset portfolio to determine which business units have sufficient visibility in the medium term to achieve this goal

Growing profits and ROCE outside France

In 2004, we reinforced key markets through acquisitions and partnerships

- We bought 26 stores in Greece from Xinos in July (8 supers, 18 convenience stores)
- We acquired 12 hypermarkets in Poland from Ahold in November
- We reinforced ED's position in France through a franchise agreement with Coop Atlantique in November
- At the end of the year, we concluded a franchise agreement with Ce. Di Marche in Italy (effective 1st January 2005)

However, acquisitions accounted for only 0.3% of sales growth in 2004

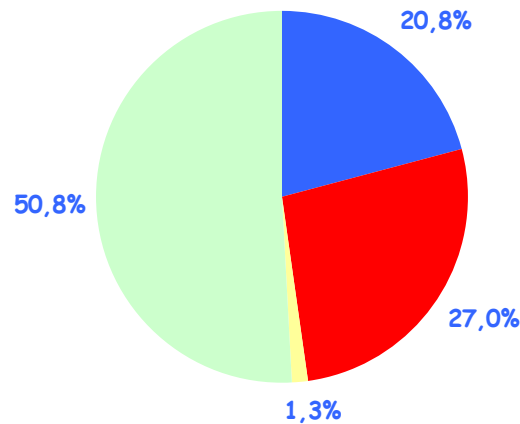
Growing profits and ROCE outside France

In 2005, we will grow faster through acquisitions and partnerships

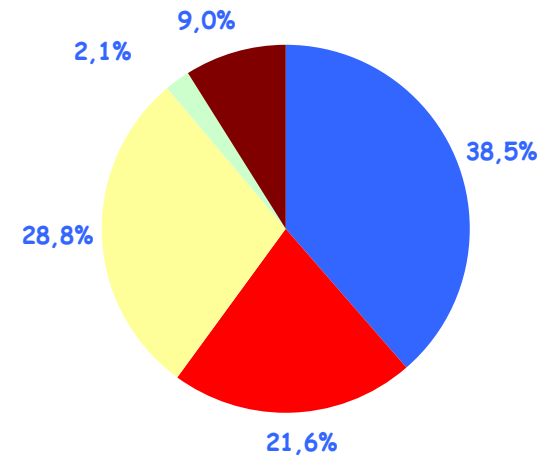
- We have already reinforced our partnerships in Italy and France through new agreements with Finiper and Hyparlo
 - Hyparlo: in January, we reinforced our partnership with the Arlaud family by taking a 50% stake in the holding company which controls the group. We retained our 20% direct stake in Hyparlo
 - Finiper: in March, we announced a new agreement with Brunelli on the 80% of Finiper we do not already own
- We require that all new acquisitions strengthen existing market positions and are ROCE enhancing

Preparing for accelerated growth in 2006-2008

In 2004, we met our target of one million square metres of gross new space



■ France ■ Asia ■ Latin America ■ Europe



■ Hypermarket ■ Supermarket ■ Hard discount ■ C&C ■ Convenience

- France's share of new space increased from 11% in 2003 to 21% in 2004
- Hard discount's share increased from 27% to 29%
- **We will continue to open more space to reinforce strong market positions**

Preparing for accelerated growth in 2006-2008

In 2005, we will again open at least one million square metres of new space

- We will accelerate new store openings in markets where we have already a strong commercial model
- This year, we will open 15 new hypermarkets in China, 7 in Brazil, 6 in Colombia, 5 in Indonesia, 4 in Thailand and 3 in Poland (as well as the 12 acquired from Ahold)
- In total, we expect to open 70 hypermarkets, 140 supermarkets, 620 hard discount stores and 275 convenience stores (including the acquisitions we have already announced)

Preparing for accelerated growth in 2006-2008

And we will prepare for accelerated growth in 2006 - 2008

- Although we can guarantee one million square metres in 2005, this is not enough. We need to 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

Summary

In summary, in 2004

- We repositioned our French hypermarkets on price and we maintained food market share in France overall
- We grew profitability and ROCE outside France. As a result, we grew group EBITDA, despite a fall in France
- We began to divest underperforming or non-core assets while, at the same time, reinforcing our position in key markets
- We met our target of one million square metres of gross new space

Summary

But in 2005, we have to achieve four key goals

- Strengthen our price image in France by investing what is necessary and communicating better
- Grow customer traffic in our French hypermarkets to win market share
- Improve significantly profitability and ROCE outside of France
- Prepare for accelerated growth in 2006 - 2008

Management structure

Our new management structure is key to this process

- Changes to corporate governance: more collegiate
- Changes to top management: simpler organisation, more efficient
- Changes to the reporting lines of country managers: more direct
- Local management: more customer oriented with more decision-making on product offer and category management

Guidance

What about 2005 guidance?

- **We are confident** in the quality of our teams, our commercial strategy, our healthy cost structure
- **We are cautious** in predicting changes to the legal environment, the competitive environment, trends in consumption
- **What we can promise:**
 - All necessary price investments to reinforce our price image
 - At least one million square metres of new retail space
 - Group ROCE over 20%, driven by improvement outside of France

The 3 year vision

The 3 year vision




Our main strategic priority is to achieve sustainable sales growth

- We need to accelerate our organic growth (one million square metres is not enough)
- We must be among the top 3 players in each market where we choose to trade
- We need an economic model which allows us to grow EBIT in line with sales and create value

The 3 year vision

Our main strategic priority is to achieve sustainable sales growth

- We need average sales growth between 2006 and 2008 of 5-10% (on constant currency)

	2004 (%)		
New space	3		3 - 5
Like for like	1		1 - 3
Acquisitions	0		1 - 2
Total	4		5 - 10

Conclusion

Conclusion

- We have been underperforming our potential
- We understand our strengths and our weaknesses
- We will go faster
 - growing sales in France
 - improving profitability and ROCE outside France
 - divesting assets
 - opening new square metres
- Our main strategic priority is to achieve sustainable profitable sales growth

Conclusion

Imagine a Carrefour which could combine...

Our consumer electronics offer in France



Conclusion

Imagine a Carrefour which could combine...

Our general merchandise offer in Argentina



Conclusion

Imagine a Carrefour which could combine...

Our apparel offer in Spain



Conclusion

Imagine a Carrefour which could combine...

Our fresh offer in Italy



Conclusion

Imagine a Carrefour which could combine...

The local adaptation of our stores in Asia



Conclusion

Imagine a Carrefour which could combine...

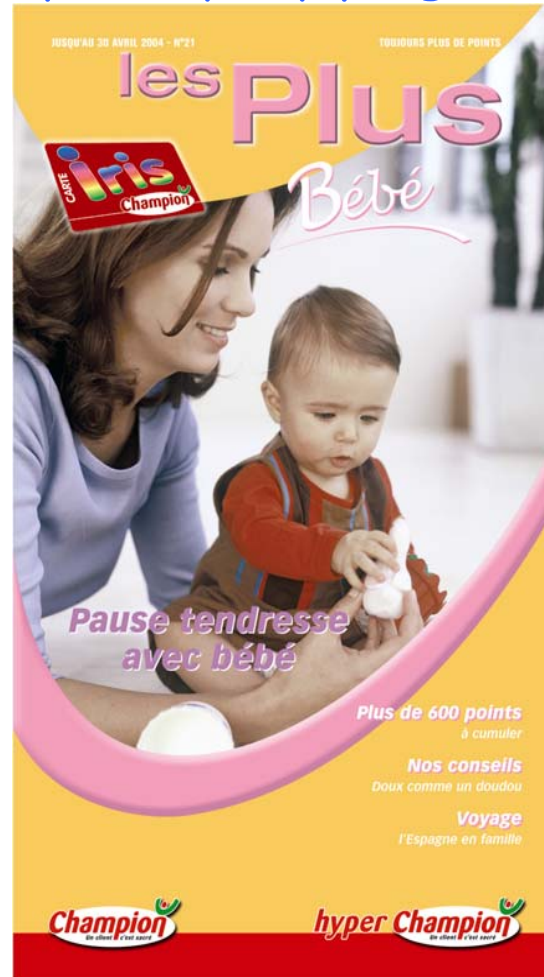
The clear assortment and ranging of MaxiDia



Conclusion

Imagine a Carrefour which could combine...

The success of our Champion loyalty programme



Conclusion

For Carrefour to fulfill its potential

- We must share best practice better and more widely across the group
- We have to develop a real multiformat strategy
- We must regain our « quart d'heure d'avance » (spirit of innovation)
- Operating management must have the freedom to focus on the customer

Appendices

Consolidated store network at end of December 2004

	HYPER	SUPER	HARD DISC	CASH & C	PROXI	TOTAL
Argentina	28	114	310			452
Brazil	85	97	178			360
Colombia	15					15
Mexico	29					29
AMERICAS	157	211	488			856
China	56	6	164			226
Korea	27					27
Japan	8					8
Taiwan	34					34
Indonesia	15					15
Malaysia	8					8
Singapore	2					2
Thailand	20					20
ASIA	170	6	164			340
FRANCE	179	588	630	129		1 526
Spain	121	190	1 836	32		2 179
Belgium	56	77			1	134
Switzerland	8					8
Greece	16	120	251		60	447
Italy	38	226		14	133	411
Poland	17	70				87
Portugal	7		286			293
Czech rep	10					10
Slovakia	4					4
Turkey	11	7	233			251
Romania						-
Other						-
EUROPE	288	690	2 606	46	194	3 824
TOTAL GROUP	794	1 495	3 888	175	194	6 546

Consolidated net sales per format / zone

million €	France	Europe	Americas	Asia	Total	% sales
Hypermarkets	18 500	14 901	3 595	5 061	42 057	57,9%
Supermarkets	7 494	4 956	856	4	13 310	18,3%
Hard discount	2 121	3 473	247	35	5 876	8,1%
Other	7 608	3 793	23	-	11 424	15,7%
Total	35 723	27 122	4 721	5 101	72 668	100,0%
% zone	49,2%	37,3%	6,5%	7,0%	100,0%	-

Stores under banner (incl. Franchisees and partners)

	HYPER	SUPER	HARD DISC	CASH & C	PROXI	TOTAL
Argentina	28	114	333			475
Brazil	85	97	208			390
Colombia	15					15
Mexico	29					29
AMERICAS	157	211	541			909
China	56	6	164			226
Korea	27					27
Japan	8					8
Taiwan	34					34
Indonesia	15					15
Malaysia	8					8
Singapore	2					2
Thailand	20					20
ASIA	170	6	164			340
FRANCE	216	1 022	642	157	1 638	3 675
Spain	126	190	2 651	32		2 999
Belgium	56	263			176	495
Switzerland	11					11
Greece	16	120	327		134	597
Italy	39	380		14	695	1 128
Poland	17	70				87
Portugal	7		370			377
Czech rep	10					10
Slovakia	4					4
Turkey	11	7	239			257
Romania	4					4
Other	24	107			56	187
EUROPE	325	1 137	3 587	46	1 061	6 156
TOTAL GROUP	868	2 376	4 934	203	2 699	11 080

Sales incl. VAT under banners per format / zone

million €	France	Europe	Americas	Asia	Total	% sales
Hypermarkets	23 394	19 085	4 303	5 508	52 290	57,7%
Supermarkets	13 366	8 280	1 036	5	22 687	25,0%
Hard discount	2 332	4 824	321	41	7 518	8,3%
Other	5 635	2 551	-	-	8 186	9,0%
Total	44 727	34 740	5 660	5 554	90 681	100,0%
% zone	49,3%	38,3%	6,2%	6,1%	100,0%	-

EBITDA per zone

	2003	2004	Change 2004/2003	*
France	2 766	2 588	-6,4%	
Europe	1 629	1 782	9,4%	
Americas	164	205	24,9%	
Asia	313	342	9,5%	
Total	4 871	4 917	0,9%	

* At current exchange rates

EBIT per zone

	2003	2004	Change 2004/2003	*
France	2 144	1 965	-8,3%	
Europe	952	1 070	12,4%	
Americas	13	50	297,5%	
Asia	143	149	4,0%	
Total	3 251	3 234	-0,5%	

* At current exchange rates

Breakdown of non-recurring items

Principal elements

Impairment charges	- stores	€ (28.4) m	(Korea, Poland and Taiwan)
	- goodwill	€ (45.4) m	(Supermarkets in Brazil)
	- other assets	€ (24.0) m	(depreciation of systems currently being updated)
Total		€ (97.8) m	

Provision for loss of value in Japan	€ (90.0) m
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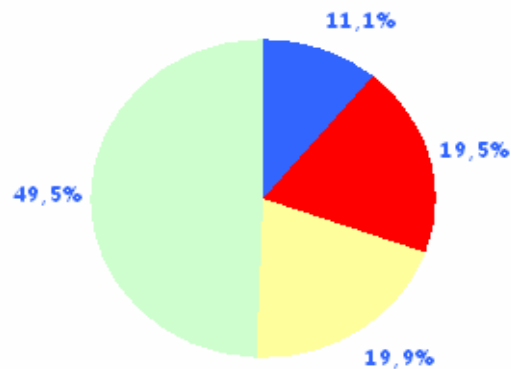
Restructuring and closure of stores	- restructuring	€ (18.3) m	(Primarily France and Italy)
	- closure of stores	€ (65.0) m	(Spain, Argentina, Brazil)
Total		€ (83.3) m	

Capital gains on divestment of assets	€ 10.6 m	(Modelo Continente, optical Business in the Czech Republic)
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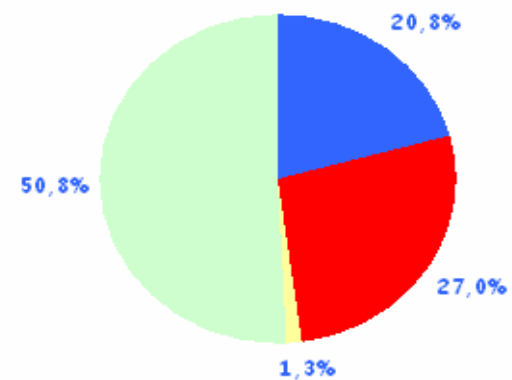
Other elements	€ 14.3 m
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Expansion in 2003 and 2004 per zone /format

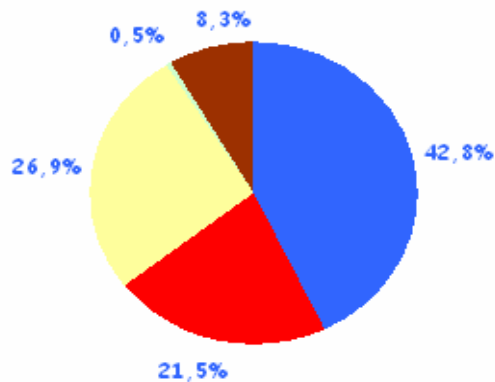
2003 *



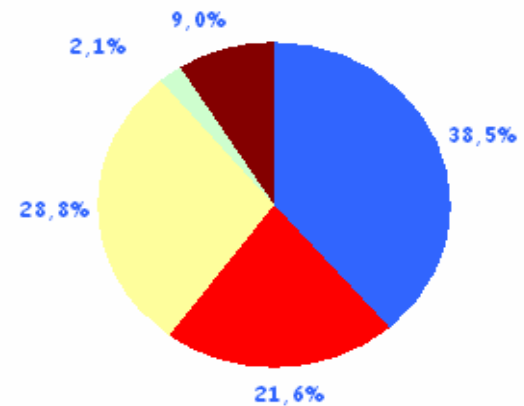
2004 *



2003 *



2004 *



* Including franchised stores

2005 calendar impact on sales in France

