2004
FIRST HALF RESULTS

Analyst meeting – September 1st 2004

Contents

Our challenges today

Our challenges today

Price	We will make all necessary price investments so that we achieve our best ever pricing position across all formats in all countries
Market Share	We will use all our resources to strengthen our pricing position and win market share
Square Metres	We are adding square metres to ensure today's organic growth and tomorrow's like for likes
Debt	Debt reduction remains a priority

Two key operating challenges

- **growing market share in our French hypermarkets**
- **continuing to improve the profitability and the ROCE of our activities ex-France**

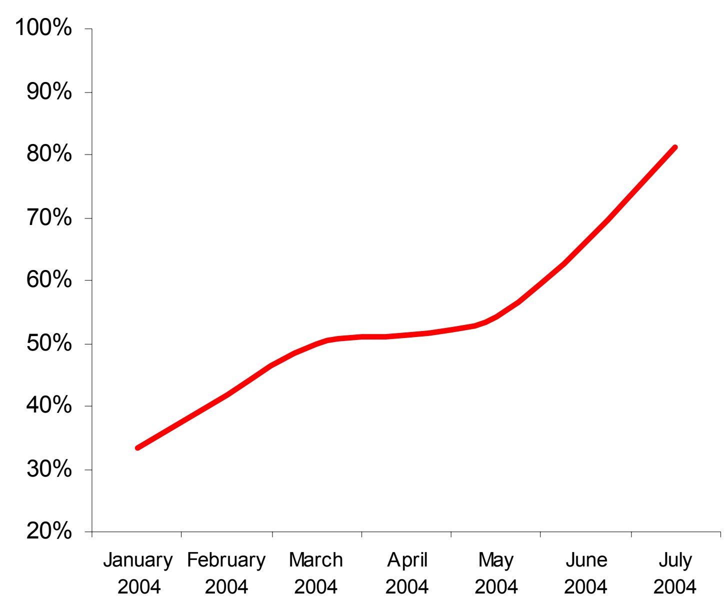
Key steps in the First Half 2004

In France, our pricing position has never been stronger

Our goal is for each hypermarket to be number one on price, or equal number one, in its catchment area in 2005

- Today, 80% of our hypermarkets are now either number one or number two on price in their catchment area versus 65% at the end of June and only 30% at the beginning of the year

Number of stores first or second in their catchment area

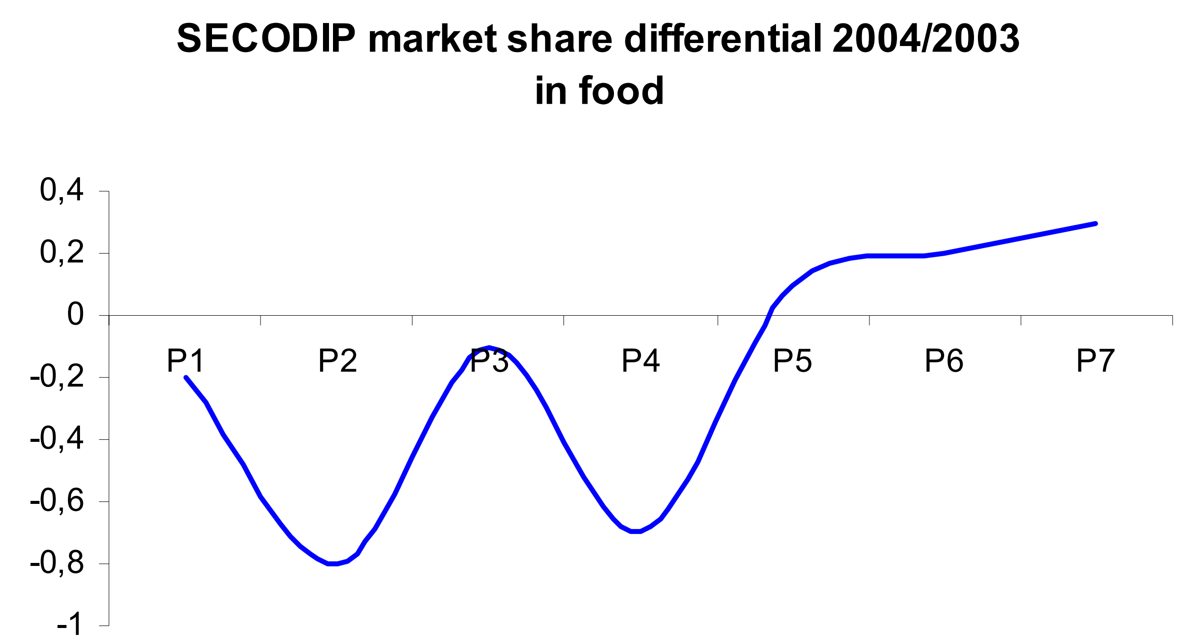


Source GPS

We have begun to win back market share in France

In H1 04, we continued to win market share in supermarkets and hard discount

- In French hypermarkets, we won back food market share over 3 consecutive periods for the first time since 2001



We achieved strong organic sales and earnings growth in Europe ex-France and overseas

Group sales (ex VAT) ex-France grew by 8.7% in H1 04 at constant currency. EBITDA ex-France grew 10% at constant currency

- A strong performance from Asia and Europe ex-France means that we are developing new engines for growth

EBITDA growth by zone

	EBITDA growth* H1 2004 / H1 2003	
France	**1.1%**	→
Europe	**4.8%**	↗
Asia	**7.6%**	↗
Latin America	**67.8%**	↗
Total Group	**3.8%**	

* At current exchange rates

Carrefour

Our opening programme is on track

As in 2003, the store opening programme will be back-end loaded

As part of our efforts to optimise our store portfolio, we have closed 15 supermarkets in Brazil and 11 in Argentina

	H1 2004 openings Under banner	H1 2003 openings Under banner	H1 2004 Total Network
Hypermarkets	17	16	840
Supermarkets	47	68	2361
Hard discount	227	185	4636
Convenience	70	125	2581
Cash and Carry	1	1	200
Total new stores	362	395	10618
Surface created	377 k m²	304 k m²	

We continued to show excellent cash management

Current cash generation permits high rates of organic growth and significant debt reduction

- We reduced average net debt in the First Half by around € 1.5bn. Average net debt is now € 9.6bn versus € 11.1bn in H1 03 (gearing of 114% versus 142%)

- We have improved all financial ratios by around 20% in H1 2004

A summary of our First Half results

In H1 04, we again improved our operating ratios

Our economic model remains unchanged. Net profit has increased as a result of a stable gross margin, stable SG&A as a % of sales, and a lower interest charge

		H1 2004 / H1 2003
• Sales constant FX inc. VAT		+ 4.4%
• EBITDA (% of sales)	5.9 %	+ 3.8%
• EBIT (% of sales)	3.5 %	+ 4.5%
• Net profit (€m) (group share after GW)	531	+ 12.6%

In H1 04, we again improved our financial ratios

We reduced average net debt by € 1.5bn and improved all financial ratios

		H1 2004 / H1 2003
• Average net debt reduction	- 1.5bn €	- 13%
• Interest cover	9.3x	+ 19%
• Gearing	114%	- 19%

First Half 2004 financial review and guidance for the year

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H1 04 results are in line with expectations for the year

Net income Group share (after goodwill) increased 12.6%

Gross margin was fully under control

SG&A is stable as a % of sales

Interest charge down as average net debt falls € 1.5bn

	H1 2004	% change	H1 2003
Sales (net of taxes)	**34 549**	2.9%	**33 588**
Cost of sales	(27 004)	2.9%	(26 253)
Gross margin	**7 545**	2.9%	**7 334**
Gross margin (% sales)	*21.8%*		*21.8%*
SG&A	**(5 826)**	2.5%	**(5 684)**
Percentage of sales	*16.9%*	2.5%	*16.9%*
Other income/expenses	310	1.9%	304
EBITDA	**2 028**	3.8%	**1 954**
EBITDA margin (% sales)	*5.9%*		*5.8%*
Depreciation & provisions	(814)	2.7%	(792)
EBIT	**1 214**	4.5%	**1 162**
EBIT margin (% sales)	*3.5%*		*3.5%*
Financial costs	(218)	(12.7%)	(250)
Income tax	(320)	9.1%	(293)
Minority interests	(30)	(8.9%)	(32)
Equity method	44	0.4%	44
Amortisation of goodwill	(159)	0.8%	(158)
Net income Gp share (after GW)	**531**	12.6%	**472**

As we invest in price, gross margin is fully under control

Commercial margin is broadly stable

A 20 basis point decline in French gross margin was offset by gross margin increase in Europe and Asia. Here, gross margin increased as a result of buying synergies, supply chain improvements and turnarounds after strong price investments in all countries

	H1 2004	H1 2003	% change
Net sales (mn €)	**34 549**	**33 588**	**+ 2.9%**
Commercial margin	**21.8%**	**21.8%**	**+ 2.9%**
SG&A	16.9%	16.9%	+ 2.5%
Other income / expenses	0.9%	0.9%	+ 1.9%
EBITDA margin	5.9%	5.8%	**+ 3.8%**
Depreciation and prov	2.4%	2.4%	+ 2.7%
EBIT margin	**3.5%**	**3.5%**	**+ 4.5%**

SG&A was stable as a % of sales

SG&A as a % of sales is stable at 16.9%.

Investment in marketing and advertising costs and higher rents from leased stores were offset by lower costs as a result of back office reengineering

	H1 2004	H1 2003	Change
Net sales (mn €)	**34 549**	**33 588**	**+ 2.9%**
Commercial margin	**21.8%**	**21.8%**	+ 2.9%
SG&A	16.9%	16.9%	+ 2.5%
Other income / expenses	0.9%	0.9%	+1.9%
EBITDA margin	5.9%	5.8%	**+ 3.8%**
Depreciation and prov	2.4%	2.4%	+ 2.7%
EBIT margin	**3.5%**	**3.5%**	**+ 4.5%**

EBITDA margin continues to increase

Other products/costs constant as a % of sales due to stability of property income

EBITDA margin up 10 basis points to 5.9%

	H1 2004	H1 2003	Change
Net sales (mn €)	**34 549**	**33 588**	***+ 2.9%***
Commercial margin	**21.8%**	**21.8%**	**+ 2.9%**
SG&A	16.9%	16.9%	*+ 2.5%*
Other income / expenses	**0.9%**	**0.9%**	***+ 1.9%***
EBITDA margin	**5.9%**	**5.8%**	***+ 3.8%***
Depreciation and prov	2.4%	2.4%	*+ 2.7%*
EBIT margin	**3.5%**	**3.5%**	***+ 4.5%***

We have again increased EBIT

Depreciation and provisions increased in line with group sales growth on current currency

Strong growth in Europe ex France and in Asia, and recovery in Latin America, have contributed to 4.5% growth in EBIT

	H1 2004	H1 2003	Change
Net sales (mn €)	**34 549**	**33 588**	**+ 2.9%**
Commercial margin	21.8%	21.8%	+ 2.9%
SG&A	16.9%	16.9%	+ 2.5%
Other income / expenses	0.9%	0.9%	+ 1.9%
EBITDA margin	5.9%	5.8%	**+ 3.8%**
Depreciation and prov	2.4%	2.4%	+ 2.7%
EBIT margin	**3.5%**	**3.5%**	**+ 4.5%**

We have cut our net debt and reduced our financial costs

Strong gain in financial income due to reduction of average net debt of € 1.5bn

Average interest rate stable at 4.0%

(m €)	H1 2004	H1 2003	Change
Financial costs	**(218)**	**(250)**	**(12.7%)**
Profit before tax	996	912	+ 9.2%
Tax	(320)	(293)	+ 9.1%
Equity acctd cies	44	44	+ 0.4%
Minorities	(30)	(32)	(8.9%)
Net profit Gp sh. bef GW	**690**	**630**	**+ 9.6%**
GW amortization	(159)	(158)	+ 0.8%
Net profit Gp sh. after GW	**531**	**472**	**+ 12.6%**

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

The tax rate is the same as H1 03. As last year, we expect a lower tax charge in H2

Associates line stable reflecting an improving contribution from our financial service companies offset by a lower contribution from associates and the divestment of Costco UK

(m €)	H1 2004	H1 2003	% change
Financial costs	(218)	(250)	(12.7%)
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Carrefour

Goodwill and minorities are stable

(m €)	H1 2004	H1 2003	% change
Financial costs	(218)	(250)	(12.7%)
Profit before tax	996	912	+ 9.2%
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Carrefour

We have grown earnings in line with expectations for the year

EPS after goodwill up 12.3% to € 0.73

EPS before goodwill up 9.9% to € 0.95

(m €)	H1 2004	H1 2003	% change
Financial costs	(218)	(250)	(12.7%)
Profit before tax	996	912	+ 9.2%
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We have no material non-recurring items

No material non-recurring items in the period

(m €)	H1 2004	H1 2003	% change
Non recurring items	**0**	**39**	**ns**
Minorities	(6)	0	**ns**
Net profit Gp share	**537**	**510**	**5.3%**

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

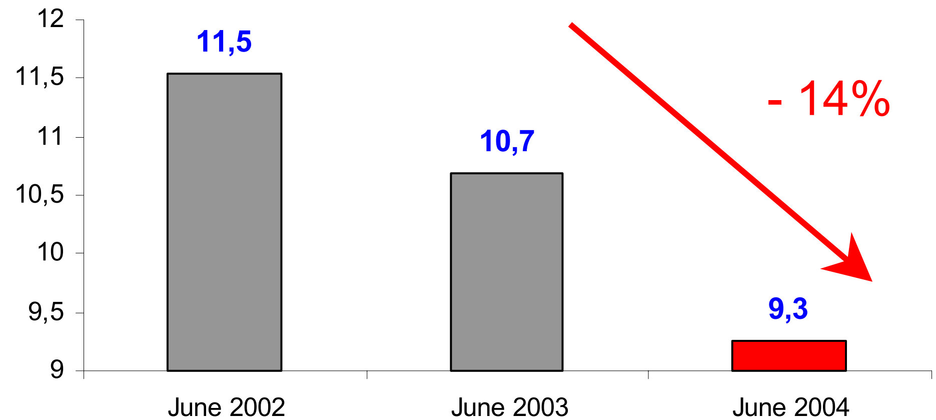
We have cut net debt from € 10.7bn in H1 2003 to € 9.3bn in H1 2004

Cash flow up 6%

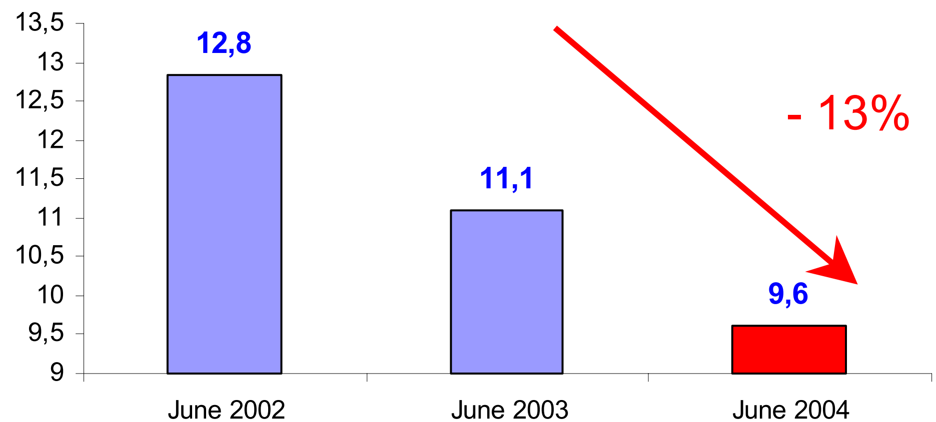
	H1 2004	H1 2003
Net debt opening (in €bn)	(7,892)	(9,021)
Cash Flow	**1,454**	**1,368**
Change in working capital	(1,323)	(1,476)
Cash flow from operations	**131**	**(108)**
Capex	(924)	(954)
Free cash flow	**(793)**	**(1,062)**
Financial investments	(161)	(258)
Disposals	243	337
Cash flow after investments	**(711)**	**(983)**
Dividends / capital increase	(565)	(484)
Change and others	(82)	(206)
Increase / decrease of net debt	**(1,358)**	**(1,673)**
Net debt closing	(9,250)	(10,694)

We have reduced average and period end financial debt

Net debt at end June (€ bn)



Average net debt (€bn)



We have strengthened further our balance sheet

Carrefour benefits from a strong balance sheet

Net debt at end June fell from €10.7 bn in H1 2003 to less than €9.3 bn in 2004

Shareholders' equity increased by 7% to €8.1bn

(m €)	H1 2004	H1 2003		H1 2004	H1 2003
Intangible + fixed assets + financials	24 718	24 829	Shareholders equity	8 103	7 556
Inventories	5 794	5 596	Provisions	1 634	1 733
			Net debt	**9 250**	**10 694**
			Net trade payables	9 138	8 872
			Other net debt	2 387	1 570
	30 512	**30 425**		**30 512**	**30 425**

We have improved our financial ratios

Interest cover increased by around 20%

A similar rate of improvement expected for the full year

	H1 2004	H1 2003
EBITDA / Financial result	**9.3 x**	**7.8 x**
EBIT / Financial result	**5.6 x**	**4.6 x**
Net debt / EBITDA	4.6 x	5.5 x
Cash Flow / Net debt	16%	13%
Gearing	**114%**	**142%**

Our performance in H1 04 leaves us on track to achieve our targets for the year

- Around 5% sales increase including tax and at constant exchange rates
- Double digit increase in EPS before and after GW
- Net debt reduced by more than € 500m
- ROCE of 19%

Our programme for the next 12 months

Five priorities for the next 12 months

1 - Improving our pricing position and winning back market share in our French hypermarkets

- Carrefour has all necessary means to be price leader
- We have made progress in H1 04 but there is still work to do

2 - Growing profitability and Return on Capital Employed ex-France

- All business units ex-France are required to show operating (EBIT) and financial (ROCE) improvement
- We plan to make disposals of non core and non profitable assets, which should raise around 1 billion euros

Five priorities for the next 12 months

3 - Achieving strong organic growth

- Our broad base of activities enables us to open at least 1 million of new square metres per year
- We may have the opportunity to accelerate the opening of new square metres in France
- We will take advantage of tactical acquisitions to reinforce market share in existing countries
- We plan to create a single European real estate company in which we will hold our French hypers and supers assets and those of our hypers in Italy and Spain

Five priorities for the next 12 months

4 - Reducing debt

- We retain significant opportunities to reduce working capital
- We remain committed to an on-going reduction of debt

5- Increasing shareholders' return

- We plan to increase the dividend pay-out
- We also plan to buy back shares to take advantage of the current share price. These shares will then be cancelled

1. We will improve our pricing position and win back market share in our French hypermarkets

- **We are improving our pricing position by cutting prices significantly**
  - In H1 04, we invested € 135m in our pricing in our French hypermarkets. Relative to the market, we are now the cheapest we have ever been, according to the GPS index
  - We will invest a further € 200m in the Second Half
  - We will continue to cut prices in 2005 and beyond
  - We have financed this investment through € 90m of cost savings in H1. We expect € 65 m of savings in H2

1. We will improve our pricing position and win back market share in our French hypermarkets

- **We have made a major effort to communicate clearly the price cuts to the consumer in the store as well as through external advertising**
  - We launched our first major institutional advertising campaign since 2000 in H1 in addition to 9 major campaigns reinforcing our price image
    - best value with Number One and Produits Carrefour Internationaux
    - price cuts on national brands
    - the launch of our Carte Carrefour loyalty programme
  - Around 20% more campaigns are planned for H2 04 versus H2 03

1. We will improve our pricing position and win back market share in our French hypermarkets

We now have 3.8 million holders of the Carte Carrefour (5.6 million holders including Pass)

We are signing up 35,000 households a week

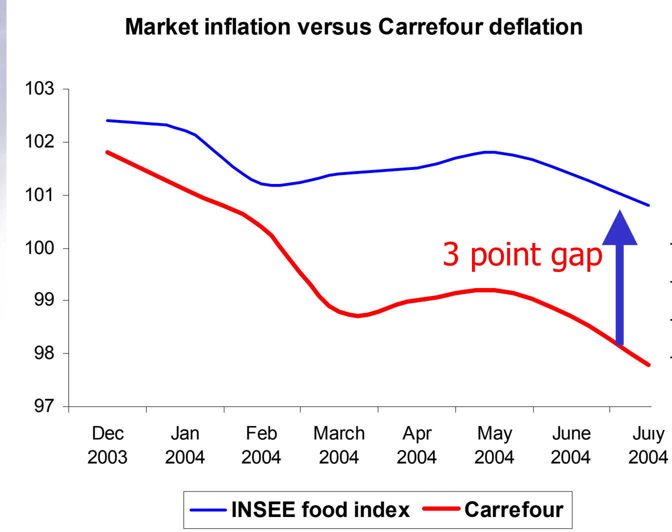
15% average volume uplift of 243 products offered under "réductions libres"

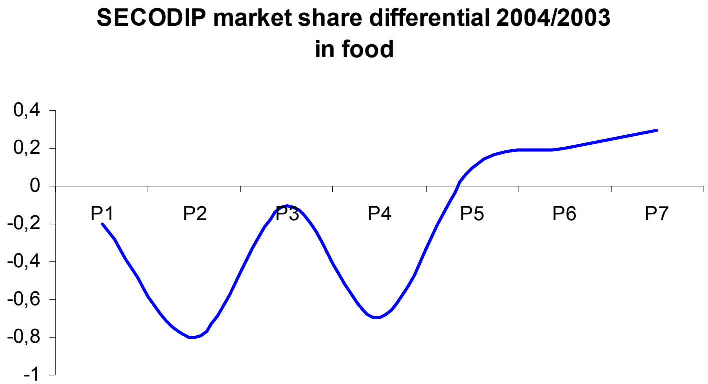
- **We are using our loyalty card more effectively**

1. We will improve our pricing position and win back market share in our French hypermarkets

We are more competitive on price today than we have ever been

- Our objective for each hypermarket is to be number one, or equal number one, on price in each catchment area
- We expect that all our hypermarkets will be either number one or number two in their catchment area by the end of the year
- **We have begun to win back market share, despite the negative impact of our own deflation**





2. We will grow profitability and ROCE ex-France

- **We require all business units ex-France to show operating (EBIT) and financial (ROCE) improvement**
  - Our activities ex-France have grown strongly since June 2000
  - However, we expect an even better operating performance over the next twelve months

2. We will grow profitability and ROCE ex-France

- **Our activities ex-France have shown strong growth since 2000**
  - We have doubled the EBIT contribution from our European acquisitions (Belgium, Italy and Greece) since June 2000
  - Ex Japan, Asia has nearly doubled its EBIT contribution since June 2000
  - Dia has maintained an annual rate of 11.2% sales growth and 26.5% EBIT growth over the last five years

2. We will grow profitability and ROCE ex-France

- **We expect significantly better operating performance over the next twelve months**
  - Spain’s EBIT contribution will increase as hypermarkets profits increase and losses in Spanish supermarkets are eliminated
  - Greece EBIT margin will trend towards the European average
  - We expect EBIT margin in Belgium of 2-3% in the medium term
  - We will break even for the first time in Poland in 2004
  - “Clusterisation” will help drive recovery in Latin America. We will have losses again in our Brazilian supermarkets this year
  - Asia profits will grow as we leverage a strong commercial model, reflected in current excellent like for likes

2. We will grow profitability and ROCE ex-France

- **Business units and investments which are not likely to meet their ROCE targets will be divested**
  - We expect cash inflow of around €1 billion due to the disposal of non core and non profitable business units and investments. Non-profitable stores will also be closed
  - The cash raised from asset disposals will be used mainly to invest in new square metres (organic growth and/or tactical acquisitions)

3. We will achieve strong organic growth

- **We are able to leverage our skills as a multi format retailer and our broad geographic base of activities to open at least 1m square metres a year**
  - Breakdown by country; biggest contributors are:
    - France around 200,000 m²
    - Spain with around 150,000 m²
    - China with over 200,000 m²
    - Italy with 40,000 m²
    - Greece with over 70,000 m²
    - Brazil, Colombia, Indonesia each with around 50,000 m²
  - Breakdown by format:
    - Around 500,000 m² for hypermarkets
    - More than 150,000 m² for supermarkets
    - Around 300,000 m² for hard discount
    - Around 90,000 m² for convenience stores

3. We will achieve strong organic growth

- **We are now adding significant new space in France**
  - From 1999 to 2002, Carrefour added only 40,000 sqm of new space owing to regulatory constraints on new store openings. During the same period, hard discounters opened more than 600,000 sqm of new space
  - In 2003, we began to restore organic growth through openings and extensions. In 2004, we expect to extend existing hypermarkets by 40,000 sqm this year alone in addition to 80,000 sqm of new space in supermarkets, 40,000 sqm in hard discount and 40,000 sqm in convenience stores
  - We will take advantage of all opportunities to accelerate our programme

3. We will achieve strong organic growth

- **We have strong growth opportunities outside of France across a broad range of countries and formats**
  - We are opening more hypermarkets in China than in any other country
  - Taking into account market conditions, demographics and the legal environment, we see opportunities to accelerate new store openings in markets such as Thailand, Korea, Indonesia, Poland, Greece, Turkey, Colombia and Brazil where we have developed a strong commercial model

3. We will achieve strong organic growth

- **We will build on Dia's leadership as the third biggest discounter in the world**
  - We are opening around 600 new stores per year, and we expect to have over 6,000 Dia stores worldwide by 2006
  - New opportunities for growth and new markets are under study
  - Over the last five years, Dia sales have increased by 11.4% a year
  - This rate of growth should increase to 14% over the medium term as we achieve our target of nearly €10 bn of sales from Dia in 2006.

3. We will achieve strong organic growth

- **We are creating a single real estate holding company in which we will hold all French hypermarkets and supermarkets assets, and those of the Spanish and Italian hypermarkets**
  - The estimated market value of this property is around € 8 billion versus book value of less than € 3 billion
  - Our objective is to create a more simple legal and administrative structure in which to own, and manage, our European real estate
  - Longer term, we might consider inviting minority investors to take a stake in this company if we need to raise cash to finance an acquisition

4. We will reduce our debt

- **Our strong cash flow gives us the opportunity to sustain high rates of organic growth as well as paying down debt**
  - Our priority is to open at least 1m new square metres per year
  - We are also committed to reducing net debt by an average of € 500m a year over the next three years
  - The cash left over we will return to shareholders
- **We plan to reduce net debt by 20% between 2003 and 2006**

5. We will increase shareholders return

- **We will return cash to our shareholders when we have achieved our targets for organic growth and debt reduction**
  - We intend to increase the dividend payout from 33% to around 40%
  - We also plan to take advantage of the current share price to buy back shares
  - We expect to purchase between 3 to 5% of our shares over the next twenty four months. These shares will then be cancelled

Conclusion

Conclusion

Today we are on track to deliver

- Our best ever pricing position across all formats in all countries
- Our best ever ROCE
- The necessary square metres to ensure today's organic growth and tomorrow's like for likes
- A balance sheet strong enough to allow us to achieve all our operating and financial targets at the same time
- An increased return to shareholders, through a higher payout and share buy backs

Carrefour

Analyst meeting – September 1st 2004