



## 2005 FIRST HALF RESULTS

Analyst meeting - September 1st 2005

# Summary

What we have delivered so far in 2005

Section 1

The First Half 2005 numbers

Section 2

The key issues going forward

Section 3

Conclusion

Section 4

# What we have delivered so far in 2005

## What we have delivered so far in 2005

**In March, we said that we would accelerate our efforts**

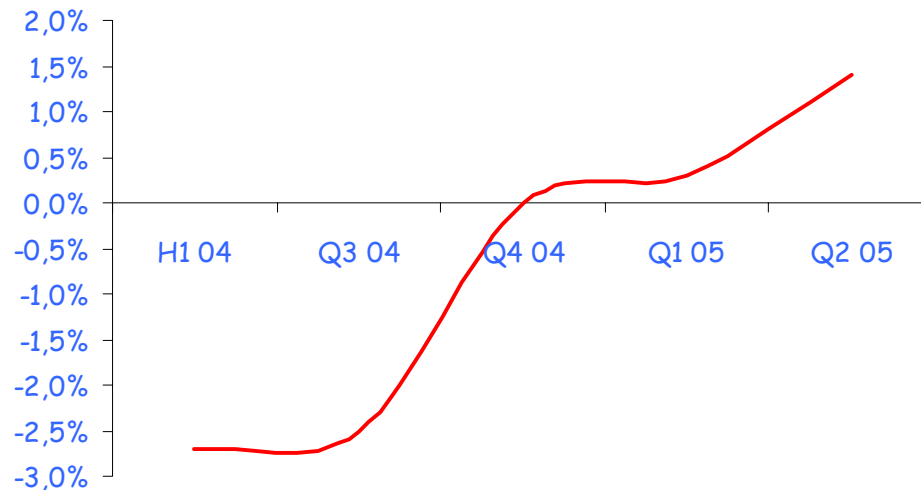
- To improve our price image in French hypermarkets
- To win market share in France
- To improve further profitability and ROCE outside France (including cleaning up and upgrading our portfolio of assets)
- To prepare for accelerated growth in 2006 - 2008

**In each case, we have made important progress**

## What we have delivered so far in 2005

### We are attracting more customers to our French hypermarkets

- An increase in customer transactions is evidence that our offer (price, assortment, range) is increasingly attractive to consumers



## What we have delivered so far in 2005

### We have won market share in France

- The trend in the number of customer transactions in our French hypermarkets has continued to improve, driving market share gains. Strong organic growth in supermarkets, hard discount, and convenience stores, has also driven market share gains
- All Group formats in France gained food market share in France in the First Half. Overall, share increased by 0.7%, according to Secodip
- This was, the first increase of share in France by the group as a whole since 2000

## What we have delivered so far in 2005

### We have improved further profitability outside France (1/2)

- Activity Contribution\* outside France increased by 23.6% in the First Half
- All regions contributed to this increase
- Activity Contribution outside France as a % of sales increased by 37 basis points to 2.65%

*\* Activity Contribution is defined as operating profit before non-recurring items*

## What we have delivered so far in 2005

We have improved further profitability outside France  
(2/2)

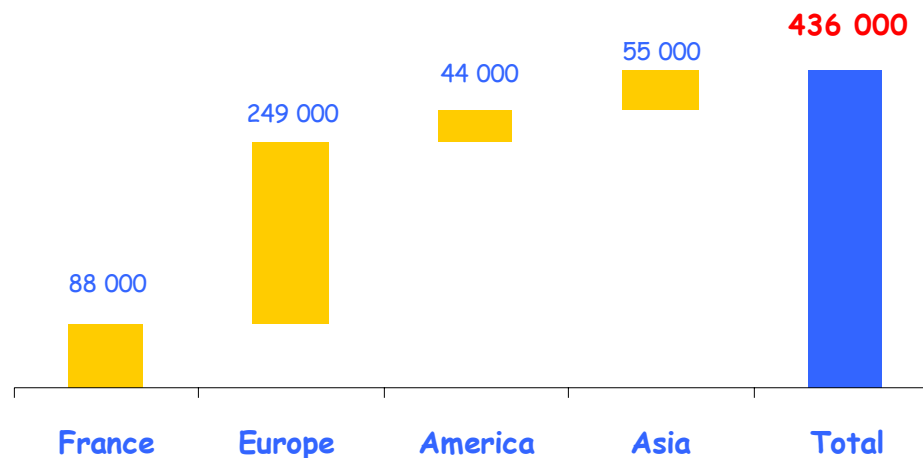
We have cleaned up and upgraded our portfolio of assets

	Date of deconsolidation	Number of Hypermarkets	Number of C&C	<b>TOTAL</b>
Prodirest	January 2005		26	<b>26</b>
Mexico	January 2005	29		<b>29</b>
Japan	January 2005	8		<b>8</b>
<b>TOTAL</b>		<b>37</b>	<b>26</b>	<b>63</b>

## What we have delivered so far in 2005

### We have begun to prepare for accelerated growth from 2006 (1/2)

- We are on track to add around 1.4 million square metres of new space in 2005 through new stores and extensions as well as through tactical acquisitions
- We will open around one million square metres of new space organically in 2005 and will add at least a further 425,000 through acquisitions
- We opened 436 000 m<sup>2</sup> organically in the First Half



## What we have delivered so far in 2005

### We have begun to prepare for accelerated growth from 2006 (2/2)

- So far this year, we have acquired 425,000 m<sup>2</sup> of new space through tactical acquisitions in Poland, Italy, Turkey, Cyprus, Brazil and France. Together, these acquisitions would account for more than 1% sales growth in a full year

	Date of consolidation	Number of Hypermarkets	Number of Supermarkets	Number of HD	Number of Convenience	TOTAL
Aligros	July 2005		28		134	162
Hypernova	March 2005	12				12
Gima	July 2005		81			81
Endi	July 2005			45		45
Chris Cash & Carry	August 2005	3	4			7
Sonae	June 2005	10				10
Penny Market	Q4 05			101		101
<b>TOTAL</b>		<b>25</b>	<b>113</b>	<b>146</b>	<b>134</b>	<b>418</b>

## What we have delivered so far in 2005

### The key operating results

		Change H1 2005/ H1 2004
Sales ex. VAT		+ 2.6 %
Pro forma sales ex. VAT*		+ 4.7%
EBITDA (% of sales)	5.7 %	- 0.9 %
Activity contribution (% of sales)	3.6 %	- 3.1 %

*\*Adjusted for the deconsolidation of Mexico, Japan , and food service France as of the 1st January 2005*

## What we have delivered so far in 2005

### The key financial results

		Change H1 2005/ H1 2004
Change in average net debt (€)	-0.2 bn	- 2.2 %
Financial costs (€m)	(218)	- 9.9 %
Tax rate	30.4%	+ 10.1 %
Net income group share (€m) *	687	- 6.9 %

\* On reported 2005 and 2004 figures excluding non recurring items, net income was flat at € 688m versus € 687m in 2004

## What we have delivered so far in 2005

### In summary

- The progress we have made so far this year gives us confidence that a determined and consistent pricing policy will continue to deliver results
- Cost control, and strong growth in profitability ex-France, are key to our new sales-driven economic model

# The First Half 2005 numbers

These numbers are reported under IFRS.

Please refer to the appendices for a reconciliation between H1 2004 results under French Gaap 2004 and IFRS

# The First Half 2005 numbers

## Net income fell in H1

	H1 2005	Change	H1 2004
<b>Net Sales</b>	35 440	+ 2.6 %	34 549
Commercial Margin	7 971	+ 1.2 %	7 874
EBITDA	2 008	- 0.9 %	2 026
<b>Activity Contribution*</b>	<b>1 262</b>	- 3.1 %	<b>1 302</b>
<b>Net Income group share (m€)</b>	<b>687</b>	-6.9 %	<b>737</b>
<i>Net Income from recurring operations group share</i>	<i>688</i>	<i>+0.1%</i>	<i>687</i>

\*Activity Contribution is defined as operating profit before non-recurring items

- Gains/losses on disposals
- Impairment charges
- Restructuring costs

## The First Half 2005 numbers

In the First Half 2005, sales grew 2.6% (+4.7% pro forma)

### Sales ex-VAT per zone

in m €	H1 2005	H1 2004	Change %	Pro forma %
France	16 887	17 063	-1.0%	0.5%
Europe (excl. Fce)	13 495	12 779	5.6%	5.6%
Americas	2 321	2 243	3.5%	16.8%
Asia	2 738	2 464	11.1%	19.1%
<i>Total Group</i>	<i>35 440</i>	<i>34 549</i>	<i>2.6%</i>	<i>4.7%</i>

## The First Half 2005 numbers

### Other revenues increased slightly

	2005	Change	2004
<b>Other revenues</b>	<b>468</b>	<b>+3.8%</b>	<b>451</b>

- The increase in Other Revenues was mainly due to an increase in the revenue contribution of financial subsidiaries

## The First Half 2005 numbers

As anticipated, significant price investment caused commercial margin to decline

	H1 2005	Change	H1 2004
<b>Commercial margin</b>	<b>7 971</b>	<b>+ 1.2 %</b>	<b>7 874</b>
in % of sales	22.5%		22.8%

- Commercial margin in France fell 90 basis points, reflecting significant price cuts across all formats
- Commercial margin also fell in Asia and the Americas
- More common buying, and market share gains, enabled commercial margin to increase in Europe and in hard discount

## The First Half 2005 numbers

### SG&A as a % of sales decreased

	H1 2005	Change	H1 2004
<b>SG &amp; A</b>	<b>(5 968)</b>	+ 2 %	<b>(5 853)</b>
in % of sales	16.8 %		16.9%

- SG&A in France fell by €60m, despite an increase in wage rates
- Overall, labour costs as a percentage of sales were flat



## The First Half 2005 numbers

Mainly as a result of our pricing activity, Group Activity Contribution was down slightly

	H1 2005	Change	H1 2004
<b>Activity contribution</b>	<b>1 262</b>	<b>- 3.1 %</b>	<b>1 302</b>
in % of sales	3.6 %		3.8%

## The First Half 2005 numbers

Activity Contribution outside France increased, largely compensating for a decline in France

	H1 05	H1 04	Chg H1 05 / H1 04
FRANCE	770	903	-14,7% 
EUROPE EX FRANCE	392	339	15,6%
ASIA	87	63	38,1%
AMERICAS	14	-3	
TOTAL EX FRANCE	493	399	23,6% 
TOTAL GROUP	1 262	1 302	-3,1%

## The First Half 2005 numbers

### Non recurring items were flat

	H1 2005	Change	H1 2004
<b>Non recurring items</b>	<b>5</b>	<b>+ 9.5 %</b>	<b>4</b>

- Non recurring items represents the net result of non recurring income (mainly capital gains on disposals) and non recurring costs i.e. provisions on tangible and intangible assets in Turkey and Korea in 2004, and restructuring costs in 2005
- Non recurring items also includes the cost of our stock option plans

## The First Half 2005 numbers

### Financial costs decreased by 10%

	2005	Change	2004
<b>Financial costs</b>	<b>(218)</b>	- 10%	<b>(243)</b>

- Average net debt fell by €0.2bn
- The average cost of borrowing fell from 4.07% to 3.84%

## The First Half 2005 numbers

The pro forma tax charge and the contribution from associates both declined

	H1 2005	Change	H1 2004
Tax rate	30.4%	+ 10.1 %	27.6%
Equity acctd cies	13.9	- 9.7 %	15.4

- The pro forma tax charge is down from 31.2% to 30.1%, reflecting the mix of earnings between France and the rest of the world
- Associates takes into account the deconsolidation of minority stake in Modelo Continente and Romania

## The First Half 2005 numbers

### Minorities increased

	H1 2005	Change	H1 2004
<b>Minorities</b>	<b>(56.6)</b>	<b>16.2 %</b>	<b>(48.7)</b>

- Minority interests increased by €8m, principally as a result of an improvement in profitability in Turkey

## The First Half 2005 numbers

Earnings per share declined in line with net income

	H1 2005	Change	H12004
Net Income Group Share	687	-6.9%	737
EPS Group share (after dilution)*	0.96	- 6.4%	1.03

*\* On reported 2005 and 2004 figures excluding non recurring items, EPS Group share was flat at €0.96 versus €0.96 in 2004.. For details of earnings per share before and after recurring items see appendix on page 47*

## The First Half 2005 numbers

Thanks to strong cash flow, and despite higher capital expenditure and dividends, net debt remained stable on constant accounting principles

	H1 2005	H1 2004
<b>Net debt opening (in €bn)</b>	<b>(6 770)</b>	<b>(7 851)</b>
<b>Cash Flow</b>	<b>1 535</b>	<b>1 487</b>
Cash flow from operations	(600)	170
Capex	(1 226)	(928)
<b>Free cash flow</b>	<b>(1 931)</b>	<b>(750)</b>
Financial investments	(594)	(201)
Disposals	714	244
<b>Cash flow after investments</b>	<b>(1 811)</b>	<b>(707)</b>
Dividends / capital increase	(624)	(583)
Change & others	(56)	(43)
<b>Net debt on constant accounting principals</b>	<b>(9 261)</b>	<b>(9 184)</b>
IAS 32 / 39	(615)	
<b>Net debt closing</b>	<b>(9 876)</b>	<b>(9 184)</b>

## The First Half 2005 numbers

The balance sheet\* remains strong, with stable net debt on constant accounting principles, even with higher capital expenditure and dividends

- Net debt at end H1 increased by €0.7bn as a result of the first time application of IAS 32/39
- Stock increased by 0.9 days, reflecting Q2 sales growth
- Shareholders' equity increased by 5%

*\* For summary of balance sheet, see appendix on page 48*

## The First Half 2005 numbers

### Financial ratios have again improved

	H1 2005	H1 2005 without IAS 32/39	H1 2004
Activity contribution bef depreciation / Fin. result	9.8 x	9.8 x	8.8 x
Activity contribution / Financial result	6.2 x	6.2 x	5.6 x
Cash Flow / Net debt	15.6 %	16.4 %	15.8 %
Gearing	120 %	108 %	121 %

# The First Half 2005 numbers

## In summary

- Activity Contribution outside France increased significantly and largely compensated for a decline in contribution from France, as price investments weighed on commercial margin
- Net debt at the end of the period was stable on pro forma accounting principles despite the acceleration of capital expenditure and the increase in the dividend payout in the period. With a lower cost of borrowing, financial charges fell
- Overall, the trend in First Half earnings reflects the execution of our strategy - consistent pricing and customer focus, cost reduction, accelerated capital expenditure, and sound financial management

# The key issues going forward

## The key issues going forward

**We remain cautious and realistic about the environment**

- **The economy:** we have seen deflation and weak volumes across most of Europe since the end of last year. These trends were even more apparent in the second quarter, and are unlikely to ease in the second half
- **Competition:** We will build on our price strategy in France and will remain proactive in developing our offer, despite a challenging economic and competitive environment

## The key issues going forward

### The trend in French profitability in H2 and beyond (1/2)

- The main price repositioning in dry grocery and fresh in hypermarkets is behind us, although ongoing price leadership in our hypermarkets remains a priority
- The main focus of hypermarket price repositioning today is on non-food. In addition, we are reinforcing price investment in supermarkets in the Second Half
- In parallel, we are working to upgrade our assortment range (innovative products, development of private label, strengthening non-food), as well as improving the quality of our stores

## The key issues going forward

### The trend in French profitability in H2 and beyond (2/2)

- Tight control of costs, and SG&A improvement, is key to our ability to finance these investments
- In the Second Half, Activity Contribution in France is likely to trend in the same direction as in the First Half
- After significant price repositioning over the last two years, 2006 should see the re-launch of profitable growth

## The key issues going forward

### How we adapt our supermarkets to new market conditions (1/4)

- We believe that supermarkets continue to offer good opportunities for growth
- However, supermarkets can grow only if they are able to differentiate versus other formats
- We have already begun to upgrade the quality of our supermarkets across the group, extending stores to accommodate a wider range of non-food, developing new formats, and, when necessary, transferring stores to different banners

## The key issues going forward

### How we adapt our supermarkets to new market conditions (2/4)

#### France

- Champion is one of the few supermarkets in France to win market share in 2004 (+0.2%) and over the first six months of 2005 (+0.2%).
- We are expanding and upgrading the Champion store portfolio, as we seek to increase the differentiation of our supermarket offer
- We are on track to extend 100 stores and remodel a further 100 by the year end. Stores extended in 2004 are currently showing positive like for like sales growth of 8%
- In larger stores, we can accommodate a wider range. Non-food now accounts for 10% of sales versus 3% five years ago

## The key issues going forward

### How we adapt our supermarkets to new market conditions (3/4)

#### Spain

- We are adopting radical solutions to eliminate losses in our Spanish supermarket business
- Between 2001 and 2004, we suffered from a "stop and go" policy, opening 69 stores and closing 69
- Our strategy today is based on re-branding and reformatting the stores we want to keep
- We have transferred 5 supermarkets to the Maxi Dia concept and 11 "mini-hypermarkets" to the Carrefour banner and have reformatted the remaining 165 stores to a "soft discount" format. Further action will be taken when the sales performance of these stores has been analysed

## The key issues going forward

### How we adapt our supermarkets to new market conditions (4/4)

#### Italy

- We are strengthening GS through organic growth, new format development, and through acquisitions
- We will open 6 new supermarkets this year. In addition, we are converting our larger stores to a mini hypermarket concept; medium size stores are being re-branded as GS Superstores; and we are testing a soft discount in some of the smaller stores
- So far this year, we have integrated the stores acquired from Ce Di Marché, strengthened our partnership with Finiper and acquired Aligros

## The key issues going forward

### The opportunity for profitable growth from 2006 (1/2)

- We need average sales growth between 2006 and 2008 of 5-10%

	2004 (%)	2006 ⇒ (%)	Status
New space	3	3 - 5	On track
Like for like	1	1 - 3	Initiatives underway
Acquisitions	0	1 - 2	Achieved in 2005 for 2006
<b>Total</b>	<b>4</b>	<b>5 - 10</b>	

## The key issues going forward

### The opportunity for profitable growth from 2006 (2/2)

- The new economic model of the group is based on growing Activity Contribution in line with sales, without putting at risk our competitive pricing position
- We will continue to drive growth outside of France, as we have done in the First Half. A greater contribution from our new engines for growth in Europe, Asia and Latin America means that France will become progressively less important as a profit driver for the group
- An improving trend in Activity Contribution of Carrefour outside France should again mainly compensate for a declining trend in France in the Second Half 2005

# Conclusion

# Conclusion

## Our convictions

- We will be consistent and determined in the application of our strategy focused on customers and growth. We have abandoned the "stop and go" policies of the past (prices, expansion, allocation of resources). We will continue to do what we have promised to do
- In the Second Half, we will
  - invest further in price competitiveness, not just in France
  - identify additional opportunities for cost productivity
  - reinforce organic and external growth in those markets where we choose to trade
  - continue to upgrade our asset portfolio

# Conclusion

## Our convictions

- Going forward, we will focus on the operational priorities already outlined in the First Half
  - Developing a closer relationship with our customers
  - Restoring customers' confidence in our ability to offer great everyday value
  - Strengthening our non-food offer
  - Reinforcing our expansion skills

## Conclusion

### Our convictions

- We have done our homework in the First Half. We are realistic. There is much to do and it will take time. However, we are optimistic that with the quality of our people, the means at our disposal, and with a determined attitude, we can make the transition from an economic model based on margin expansion to one based on profitable sales growth

# Appendices

# Breakdown of H1 profit and loss account

	H1 2005	H1 2004
<b>Net Sales</b>	35 440	34 549
Other revenues	468	451
Cost of sales	(27 937)	(27 126)
<b>Commercial margin</b>	<b>7 971</b>	<b>7 874</b>
<b>SG&amp;A</b>	<b>(5 968)</b>	<b>(5 853)</b>
<b>EBITDA</b>	<b>2 008</b>	<b>2 026</b>
Depreciation & provisions	(741)	(719)
<b>Activity contribution</b>	<b>1 262</b>	<b>1 302</b>
Non recurring items	5	4
<b>EBIT</b>	<b>1 267</b>	<b>1 307</b>
Financial costs	(218)	(243)
Income tax	(319)	(293)
Equity method	14	15
Minority interests	(57)	(49)
<b>Net income from recurring Operations - Gp share</b>	<b>687</b>	<b>737</b>

## Earnings per share details

	H1 2005	Change	H1 2004
<b>EPS from recurring operations Gp sh. (bef. dilution)</b>	0.98	- 0.5%	0.98
<b>EPS from recurring operations Gp sh. (after dilution)</b>	0.96	- 0.2%	0.96
<b>EPS Group share (bef. dilution)</b>	0.97	- 7.3%	1.05
<b>EPS Group share (after dilution)</b>	0.96	- 6.4%	1.03

- Number of shares used for calculation of EPS before dilution: 707,826,065. This is an average number of shares, not including share options outstanding. The corresponding number in 2004 was 705,119,550
- Number of shares used for calculation of EPS after dilution: 718,278,550. This is an average number of shares, including share options outstanding. The corresponding number in 2004 was 719,717,765
- Non recurring items include: gains on disposals, impairment charges, discontinuing activities, restructuring costs

## Breakdown of H1 balance sheet

(m €)	H1 2005	H1 2004		H1 2005	H1 2004
Intangible + fixed assets + financials	26 784	25 317	Shareholders equity	8 205	7 517
Inventories	5 539	5 238	Provisions & deferred tax	2 658	2 411
Bank loans portfolio	3 283	3 009	<b>Net debt</b>	<b>9 876</b>	<b>9 184</b>
			Net trade payables	9 678	9 491
			Bank loans refinancing	2 920	2 698
			Other liabilities	2 269	2 263
	<b>35 606</b>	<b>33 564</b>		<b>35 606</b>	<b>33 564</b>

## Stores under banner (incl. Franchisees and partners)

	HYPER	SUPER	HARD DISC	CASH & C	CONVENIENCE	TOTAL
Argentina	28	114	339			481
Brazil	94	97	217			408
Colombia	17					17
<b>AMERICAS</b>	<b>139</b>	<b>211</b>	<b>556</b>			<b>906</b>
China	61	8	201			
Korea	29					
Japan	8					
Taiwan	34					
Indonesia	16					
Malaysia	8					
Singapore	2					
Thailand	20					
<b>ASIA</b>	<b>178</b>	<b>8</b>	<b>201</b>			<b>387</b>
<b>FRANCE</b>	<b>216</b>	<b>1 024</b>	<b>658</b>	<b>130</b>	<b>1 650</b>	<b>3 678</b>
Spain	137	176	2 668	29		3 010
Belgium	56	261			188	505
Switzerland	11					11
Greece	16	135	337		143	631
Italy	41	405		18	813	1 277
Poland	31	69				100
Portugal	7		380			387
Czech rep	11					11
Slovakia	4					4
Turkey	12	7	288			307
Romania	4					4
Other	24	108			56	188
<b>EUROPE</b>	<b>354</b>	<b>1 161</b>	<b>3 673</b>	<b>47</b>	<b>1 200</b>	<b>6 435</b>
<b>TOTAL GROUP</b>	<b>887</b>	<b>2 404</b>	<b>5 088</b>	<b>177</b>	<b>2 850</b>	<b>11 406</b>

## Sales incl. VAT under banners per format / zone

million €	France	Europe	Americas	Asia	Total	% sales
Hypermarkets	11 036	9 527	2 057	3 091	25 710	57.8%
Supermarkets	6 445	4 101	535	7	11 088	25.0%
Hard discount	1 232	2 526	206	30	3 994	9.0%
Other	2 355	1 279	-	-	3 634	8,2%
<b>Total</b>	<b>21 067</b>	<b>17 433</b>	<b>2 799</b>	<b>3 127</b>	<b>44 426</b>	<b>100%</b>
% zone	47.4%	39.2%	6.3%	7.0%	100%	-

# Consolidated store network at end of June 2005

	HYPER	SUPER	HARD DISC	CASH & C	CONVENIENCE	TOTAL
Argentina	28	114	312			454
Brazil	94	97	186			
Colombia	17					
<b>AMERICAS</b>	<b>139</b>	<b>211</b>	<b>498</b>			<b>848</b>
China	61	8	201			
Korea	29					
Taiwan	34					
Indonesia	16					
Malaysia	8					
Singapore	2					
Thailand	20					
<b>ASIA</b>	<b>170</b>	<b>8</b>	<b>201</b>			<b>379</b>
<b>FRANCE</b>	<b>179</b>	<b>592</b>	<b>641</b>	<b>108</b>		<b>1 520</b>
Spain	132	176	1 861	29		2 198
Belgium	56	78				134
Switzerland	8					8
Greece	16	135	258		53	462
Italy	40	223		17	135	415
Poland	31	69				100
Portugal	7		286			293
Czeck rep	11					11
Slovakia	4					4
Turkey	12	7	268			287
Other						
<b>EUROPE</b>	<b>317</b>	<b>688</b>	<b>2 673</b>	<b>46</b>	<b>188</b>	<b>3 912</b>
<b>TOTAL GROUP</b>	<b>805</b>	<b>1 499</b>	<b>4 013</b>	<b>154</b>	<b>188</b>	<b>6 659</b>

## Consolidated net sales per format / zone

million €	France	Europe	Americas	Asia	Total	% sales
Hypermarkets	8 761	7 302	1 711	2 706	20 480	57.8%
Supermarkets	3 643	2 433	445	6	6 527	18.4%
Hard discount	1 115	1 843	156	26	3 140	8.9%
Other	3 367	1 916	9	-	5 292	14.9%
<b>Total</b>	<b>16 887</b>	<b>13 495</b>	<b>2 321</b>	<b>2 738</b>	<b>35 440</b>	<b>100%</b>
<b>% zone</b>	<b>47.6%</b>	<b>38.1%</b>	<b>6.5%</b>	<b>7.7%</b>	<b>100%</b>	<b>-</b>

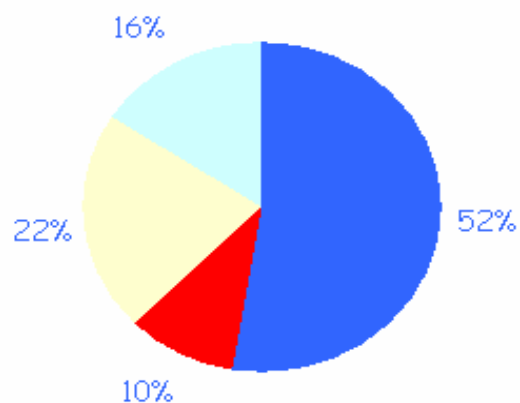
## Activity contribution and EBIT per zone

	Activity contribution			EBIT		
	H1 05	H1 04	Change % 2005/2004	H1 05	H1 04	Change % 2005/2004
France	<b>770</b>	903	-14.7%	<b>751</b>	925	-18.8%
Europe	<b>392</b>	339	15.6%	<b>414</b>	338	22.5%
Asia	<b>87</b>	63	38.1%	<b>86</b>	61	41.0%
Americas	<b>14</b>	-3		<b>16</b>	-18	
<b>TOTAL</b>	<b>1 262</b>	1 302	-3.1%	<b>1 267</b>	1 307	-3.0%

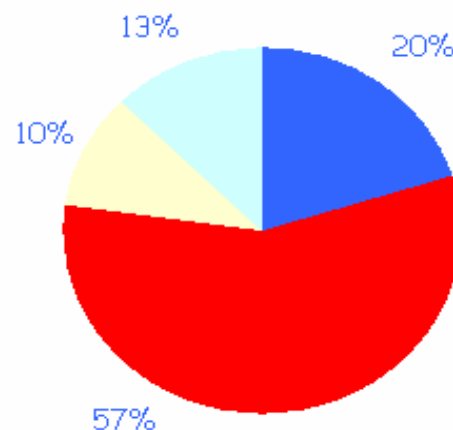
# New store openings in H1 2004

	Dec. 2004	Openings	Additions	Disposals/ Transfers	June 2005
<b>HYPERMARKETS</b>	<b>868</b>	<b>16</b>	<b>22</b>	<b>19</b>	<b>887</b>
France	216				216
Europe ex Fce	325	4	14	-11	354
Latin America	157	4	8	30	139
Asia	170	8			178
<b>SUPERMARKETS</b>	<b>2 376</b>	<b>22</b>	<b>33</b>	<b>27</b>	<b>2 404</b>
France	1 022	2	8	8	1 024
Europe ex Fce	1 137	18	25	19	1 161
Latin America	211				211
Asia	6	2			8
<b>HARD DISCOUNT</b>	<b>4 934</b>	<b>208</b>	<b>4</b>	<b>58</b>	<b>5 088</b>
France	642	14	4	2	658
Europe ex Fce	3 587	135		49	3 673
Asia	164	38		1	201
Latin America	541	21		6	556
<b>CONVENIENCE STORES</b>	<b>2 699</b>	<b>86</b>	<b>95</b>	<b>30</b>	<b>2 850</b>
France	1 638	23	2	13	1 650
Europe ex Fce	1 061	63	93	17	1 200
<b>CASH AND CARRY</b>	<b>203</b>	<b>6</b>	<b>2</b>	<b>34</b>	<b>177</b>
France	157	2	1	30	130
Europe ex Fce	46	4	1	4	47
<b>TOTAL COUNTRIES</b>	<b>11 080</b>	<b>338</b>	<b>156</b>	<b>168</b>	<b>11 406</b>

# Breakdown of organic new square metres by format and zone



■ Hypermarkets ■ Supermarkets ■ Hard discount ■ Others



■ France ■ Europe Ex France ■ Americas ■ Asia

# Reconciliation between IFRS and French GAAP

# Income Statement at June 30<sup>th</sup>, 2004

	J04 FR GAAP	Amortiz. / 40 ans	Adjustments	Classification changes	J04 IFRS proforma
<b>Net sales</b>	<b>34 548,7</b>				<b>34 548,7</b>
Other revenues			(0,1)	451,5	451,4
Revenues of ordinary activities			(0,1)	451,5	35 000,0
Cost of sales	(27 004,1)		(5,3)	(116,6)	(27 126,0)
<b>Commercial margin</b>	<b>7 544,6</b>		<b>(5,3)</b>	<b>334,9</b>	<b>7 874,1</b>
<i>Commercial margin rate</i>	21,8%				22,8%
SG&A	(5 826,5)		4,8	(31,1)	(5 852,8)
Other income (expense)	309,6		14,5	(324,1)	
Depreciation & provisions	(813,9)	76,6	1,6	16,5	(719,1)
<b>Activity contribution</b>		<b>76,6</b>	<b>15,6</b>	<b>(3,8)</b>	<b>1 302,2</b>
Non-recurring items			(14,8)	19,0	4,2
<b>EBIT</b>	<b>1 213,8</b>	<b>76,6</b>	<b>0,8</b>	<b>15,4</b>	<b>1 306,6</b>
Interest income (expense)	(218,2)		(27,0)	2,4	(242,8)
<b>Income before tax</b>	<b>995,6</b>	<b>76,6</b>	<b>(26,1)</b>	<b>17,8</b>	<b>1 063,8</b>
Income tax	(320,1)	(21,2)	16,9	31,3	(293,1)
<i>Income tax rate</i>	-32,1%				-27,6%
Net profit from recurring operations of consolidated companies	44,3			(28,9)	15,4
Minority interests	(29,6)	(2,2)	(2,7)	(14,2)	(48,7)
Net income from recurring operations before goodwill amortization - group share	690,2	53,2	(11,9)	5,9	737,4
Amortization of goodwill	(159,4)		159,4		0,0
<b>Net income from recurring operations after goodwill amortization - group share</b>	<b>530,9</b>	<b>53,2</b>	<b>147,5</b>	<b>5,9</b>	<b>737,4</b>
Non recurring income (expense)	0,4			(0,4)	
Discontinuing activities group share				0,7	0,7
Discontinuing activities minority interests					
Net result	560,9	55,4	150,1	20,3	786,7
<b>Net result group share</b>	<b>537,5</b>	<b>53,2</b>	<b>147,5</b>		<b>738,2</b>

# Income Statement at June 30<sup>th</sup>, 2004 - Adjustments

	Adjustments	End of GW amortization	Leases (IAS 17)	Employee benefits (IAS 19)	Inventories (IAS 2)	Stock-options (IFRS 2)	Accrued expenses	Other ajustments
<b>Net sales</b>								
Other revenues	(0,1)						(0,1)	
Revenues of ordinary activities	(0,1)						(0,1)	
Cost of sales	(5,3)				(16,2)		10,9	
<b>Commercial margin</b>	<b>(5,3)</b>				<b>(16,2)</b>		<b>10,9</b>	
<i>Commercial margin rate</i>								
SG&A	4,8		12,5	(7,6)	(0,1)		(2,3)	2,4
Other income (expense)	14,5			7,7			6,8	
Depreciation & provisions	1,6		(7,0)				0,1	8,6
<b>Activity contribution</b>	<b>15,6</b>		<b>5,5</b>	<b>0,1</b>	<b>(16,3)</b>		<b>15,4</b>	<b>11,0</b>
Non-recurring items	(14,8)					(14,8)		
<b>EBIT</b>	<b>0,8</b>		<b>5,5</b>	<b>0,1</b>	<b>(16,3)</b>	<b>(14,8)</b>	<b>15,4</b>	<b>11,0</b>
Interest income (expense)	(27,0)		(9,1)	(12,5)			0,2	(5,5)
<b>Income before tax</b>	<b>(26,1)</b>		<b>(3,6)</b>	<b>(12,4)</b>	<b>(16,3)</b>	<b>(14,8)</b>	<b>15,6</b>	<b>5,4</b>
Income tax	16,9		1,0	1,7	6,9	5,3	(4,7)	6,7
<i>Income tax rate</i>								
Net profit from recurring operations of consolidated companies								
Minority interests	(2,7)		0,5		1,6		(0,4)	(4,4)
Net income from recurring operations before goodwill amortization - group share	(11,9)		(2,1)	(10,7)	(7,9)	(9,6)	10,5	7,8
Amortization of goodwill	159,4	159,4						
<b>Net income from recurring operations after goodwill amortization - group share</b>	<b>147,5</b>	<b>159,4</b>	<b>(2,1)</b>	<b>(10,7)</b>	<b>(7,9)</b>	<b>(9,6)</b>	<b>10,5</b>	<b>7,8</b>
Non recurring income (expense)								
Discontinuing activities group share								
Discontinuing activities minority interests								
Net result	150,1	159,4	(2,6)	(10,7)	(9,5)	(9,6)	10,9	12,1
<b>Net result group share</b>	<b>147,5</b>	<b>159,4</b>	<b>(2,1)</b>	<b>(10,7)</b>	<b>(7,9)</b>	<b>(9,6)</b>	<b>10,5</b>	<b>7,8</b>

# Income Statement at June 30<sup>th</sup>, 2004 - Classification changes

	Classification changes	Integration of financial companies	Classification of non recurring	Others
<b>Net sales</b>				
Other revenues	451,5	247,9		203,6
Revenues of ordinary activities	451,5	247,9		203,6
Cost of sales	(116,6)	(94,9)		(21,7)
<b>Commercial margin</b>	<b>334,9</b>	<b>153,0</b>		<b>181,9</b>
<i>Commercial margin rate</i>				
SG&A	(31,1)	(72,8)		41,7
Other income (expense)	(324,1)	(1,0)		(323,1)
Depreciation & provisions	16,5	(5,6)		22,2
<b>Activity contribution</b>	<b>(3,8)</b>	<b>73,5</b>		<b>(77,3)</b>
Non-recurring items	19,0		(61,3)	80,3
<b>EBIT</b>	<b>15,4</b>	<b>73,5</b>	<b>(61,3)</b>	<b>3,0</b>
Interest income (expense)	2,4	0,1	5,4	(3,0)
<b>Income before tax</b>	<b>17,8</b>	<b>73,6</b>	<b>(55,9)</b>	<b>0,0</b>
Income tax	31,3	(24,3)	55,6	
<i>Income tax rate</i>				
Net profit from recurring operations of consolidated companies	(28,9)	(28,9)		
Minority interests	(14,2)	(20,4)	6,2	
Net income from recurring operations before goodwill amortization - group share	5,9	(0,0)	5,9	0,0
Amortization of goodwill				
<b>Net income from recurring operations after goodwill amortization - group share</b>	<b>5,9</b>	<b>(0,0)</b>	<b>5,9</b>	<b>0,0</b>
Non recurring income (expense)	(0,4)		(0,4)	
Discontinuing activities group share	0,7		0,7	
Discontinuing activities minority interests				
Net result	20,3	20,4	(0,7)	0,0
<b>Net result group share</b>	<b>(0,0)</b>	<b>(0,0)</b>	<b>0,0</b>	<b>0,0</b>

# Balance Sheet at June 30<sup>th</sup>, 2004

In €m

Assets	J2004 FR GAAP	Adjustments	Classification changes	J2004 IFRS	Amortization / 40 ans	J2004 IFRS pro forma
Intangible assets	10 045	153	(363)	9 988		9 835
Tangible assets	12 385	(349)	63	11 750	77	12 176
Financial assets	2 289	(270)	489	2 238		2 508
Investment properties	0	498	0	996		498
Bank loans portfolio	0	3 009	0	6 018		3 009
Other receivables	1 783	145	(139)	1 933		1 788
<b>Total</b>	<b>26 502</b>	<b>3 186</b>	<b>50</b>	<b>32 923</b>	<b>77</b>	<b>29 815</b>

In €m

Liabilities	J2004 FR GAAP	Adjustments	Classification changes	J2004 IFRS	Amortization / 40 ans	J2004 IFRS pro forma
Shareholders equity - group share	7 215	(729)	0	5 756	54	6 540
Minority interests	888	142	0	1 171	2	1 032
<b>Shareholders equity</b>	<b>8 103</b>	<b>(588)</b>	<b>0</b>	<b>6 928</b>	<b>56</b>	<b>7 571</b>
<b>Provisions</b>	<b>1 634</b>	<b>488</b>	<b>259</b>	<b>2 869</b>		<b>2 381</b>
Net debt	9 250	(81)	15	9 103		9 184
Operating working capital	3 344	596	313	4 849		4 253
Bank loans refinancing	0	2 698	0	5 396		2 698
Other liabilities	4 171	72	(537)	3 778	21	3 727
<b>Total</b>	<b>26 502</b>	<b>3 185</b>	<b>50</b>	<b>32 923</b>	<b>77</b>	<b>29 815</b>

# Balance Sheet at June 30<sup>th</sup>, 2004 - Adjustments

In €m

Assets	Financial companies (IAS 27)	End of GW amortization	Investment properties (IAS40)	Employee benefits (IAS 19)	Leases (IAS 17)	Inventories (IAS 2)	Preopenings costs and rebates (IAS 8)	Deferred taxes (IAS 12)	Others
Intangible assets		159							(6)
Tangible assets			(498)		197				(48)
Financial assets	(270)								
Investment properties			498						
Bank loans portfolio	3 009								
Other receivables	28			2		151	(40)		4
<b>Total</b>	<b>2 767</b>	<b>159</b>	<b>0</b>	<b>2</b>	<b>197</b>	<b>151</b>	<b>(40)</b>	<b>0</b>	<b>(50)</b>

In €m

Liabilities	Financial companies (IAS 27)	End of GW amortization	Investment properties (IAS40)	Employee benefits (IAS 19)	Leases (IAS 17)	Inventories (IAS 2)	Preopenings costs and rebates (IAS 8)	Deferred taxes (IAS 12)	Others
Shareholders equity - group share	(0)	159		(325)	(35)	(371)	(38)	(81)	(38)
Minority interests	186			(2)	(6)	(34)	(2)	3	(3)
<b>Shareholders equity</b>	<b>186</b>	<b>159</b>	<b>0</b>	<b>(327)</b>	<b>(41)</b>	<b>(405)</b>	<b>(40)</b>	<b>(78)</b>	<b>(41)</b>
Provisions	81			329				78	
Net debt	(319)				238				
Operating working capital	40					556			
Bank loans refinancing	2 698								
Other liabilities	81								(9)
<b>Total</b>	<b>2 767</b>	<b>159</b>	<b>0</b>	<b>2</b>	<b>197</b>	<b>151</b>	<b>(40)</b>	<b>0</b>	<b>(50)</b>

# Shareholders equity at June 30<sup>th</sup>, 2004

<b>FR GAAP (before appropriation)</b>	<b>8 104</b>
IAS 2 (Inventories)	(405)
IAS 19 (Employee benefits)	(327)
IAS 27 (Integration of financial companies)	186
IAS 12 (Deferred taxes)	(82)
IAS 8 (accrued expenses)	(40)
IAS 17 (leases)	(41)
End of goodwill amortization	159
Others	(40)
<b>IFRS (before appropriation)</b>	<b>7 514</b>
Amortization of constructions / 40 years	56
<b>IFRS pro forma</b>	<b>7 570</b>