



Paris, 30 June 2009

Seven strategic initiatives to transform Carrefour Update on estimated first-half performance

Transforming the Group: seven strategic initiatives

Carrefour today held an Investor Day in Paris focusing on the implementation of its transformation plan.

During the course of the day, Chief Executive Officer Lars Olofsson and the Group's management team presented the seven strategic initiatives that make up the transformation plan, aimed at

- Becoming the preferred retailer to generate higher growth
- Improving the efficiency of our organization to generate higher margins

By 2012, the Group expects these transforming initiatives to yield gains totalling €4.5 billion, mainly in France, Spain, Italy and Belgium (Carrefour's "G4" countries). The gains will consist of:

- €3.1 billion of cost savings, through a far-reaching overhaul of the operating model,
- €1.4 billion of further gains from reducing inventories by 7 days

These initiatives will give Carrefour the resources to bolster its market share and expand in its priority growth markets.

Implementing this transformation plan will require total capital expenditure of €500 million and will entail one-off expenses of approximately €1 billion between 2009 and 2012.

The Investor Day presentations, which are available on the www.carrefour.com website, and site visits had two main themes:

- customer-oriented culture and innovation
- Enhancing and transforming the operating model

Customer-oriented culture and innovation

To become the preferred retailer, Carrefour is implementing three strategic initiatives designed to:

- Revitalize the Carrefour brand, through clearer positioning, consistent brand management, ongoing convergence between store banners and the launch of new Carrefour-brand products

- Improve the price image, by extending to France the *Carrefour Competitive Pricing* program already implemented in Spain, which allows enhanced pricing management through a better balance of everyday low prices, promotional offers and loyalty benefits
- Optimizing and reinventing the hypermarket through extensive efforts to improve assortment, the shopping experience, store and site attractiveness and rightsizing stores

Enhancing and transforming the operating model

To transform the Group and make it more agile and more competitive while improving execution, Carrefour has adopted four initiatives:

- Simplify the Group's organisation and structures through the sharing of certain functions within the G4 countries
- Disseminate and adopt the best practices that exist within the Group, particularly through the creation of three Carrefour Competence Centres
- Overhaul the operating model to optimize operating costs and reduce inventories, while improving customer service.
- Sell better in order to buy better, through the reorganisation of our purchasing processes, the launch of the *Business Development Program* with our suppliers, increased centralisation of food purchasing for Carrefour-branded products and the development of global sourcing in non-food.

Update on expected first-half financial performance

During the Investor Day, Carrefour also gave an update on its expected first-half performance.

In the first half of 2009, total sales including VAT should stand at about 46 billion euros. Ex-petrol, at constant exchange rates and adjusted for calendar effect, first-half sales should be slightly higher this year than in the same period last year, and the increase in the second quarter of 2009 should be above that of the first quarter of 2009. This performance reflects the Group's resilience in the face of the sharp economic downturn. In France, Carrefour achieved a slight improvement in sales, demonstrating the appeal of the Group's commercial offering. Market share over the first five months rose for the first time in three years, by 0.3 points according to TNS WorldPanel (cumulative figures at 17 May 2009). Second-quarter figures showed a decline in sales in Spain compared to the first quarter, but a slight improvement in Belgium, Italy and Carrefour's main growth markets.

Carrefour expects its Activity Contribution to be around €1 billion in the first half of 2009. This figure reflects the combination of the recession in Spain and more particularly Carrefour's decision to invest in prices and promotional offers in France to the tune of €210 million. Activity Contribution remained stable in Latin America and Asia. In addition, first-half figures benefited from only around a third of the €500 million cost savings programme announced on 12 March 2009, with the remainder to be achieved by year-end.

Carrefour's first-half net income is likely to be impacted by non-recurring items estimated at €550 million before tax. These items include €400 million of impairment charges in Italy. They will not have any cash impact in the first half, and the cash impact will be limited to around €100 million in the second half and beyond.

If sales trends in the second half of 2009 remain similar to those of the first half, our Activity Contribution should stand at between €2.7bn and €2.8bn for the full year, supported by our cost-reduction program.

Lars Olofsson summarised the highlights of the Investor Day as follows:

"We are making rapid progress in implementing the seven strategic initiatives that will transform Carrefour. The large cost savings and efficiency gains resulting from these initiatives will give us greater resources to pursue our ambitions. The cost of implementing our strategic decisions, combined with the very tough economic environment, will affect operating income in the short term. However, our resilient sales performance, along with encouraging market share gains in the first few months of 2009, comfort us in our determination to continue along the path we have set out. By innovating, transforming the Group and strengthening our customer-oriented culture, Carrefour will become the preferred retailer and achieve sustained profitable growth."

A video interview with Lars Olofsson, CEO of Carrefour, on the group strategy update is available now on www.carrefour.com and <http://w3.cantos.com/carrefour>

Investor Relations: Alessandra Girolami, Rémy Dumoulin
Shareholder Relations: Céline Blandineau
Press relations: Publicis Consultants

Tel: +33 (0)1 55 63 39 00
Tel: +33 (0)805 902 902 (toll-free in France)
Tel: +33 (0) 1 57 32 89 99