Making the Brand work Harder

Opening remarks

Why “making the brand work harder”?

Why "making the brand work harder"?

- Increase CUSTOMER Awareness
- Increase EMPLOYEE Pride
- Increase SHAREHOLDER Returns

How can we make the brand work harder?

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- Innovation
- Customer knowledge
- Single brand to serve all customer needs

Price leadership is non negotiable… but neither is food innovation

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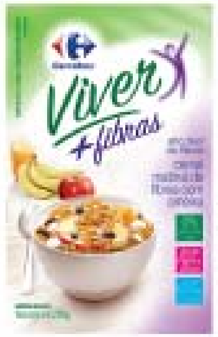
- Agir / Bio in France

- Viver in Brazil



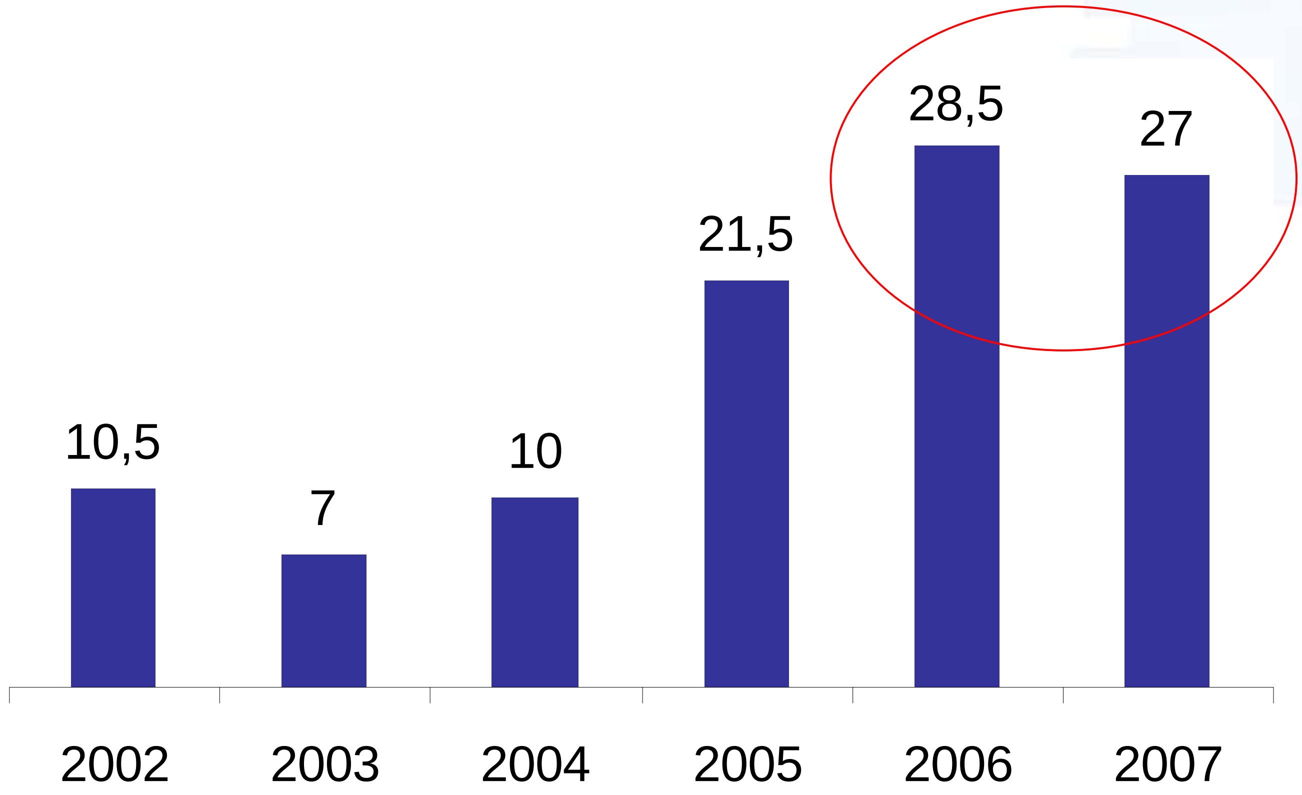
- Sanus in Spain

Price leadership is non negotiable… but neither is non-food innovation

- PEM in France

- Carrefour Home in Spain

The customer knows what he wants….
we have to know the customer



- Loyalty program ranked number one by consumers after launch in April 2004

Source : TNS Sofres – Positive customer perception of loyalty card : difference between positive and negative replies

To serve different customer needs…

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- Evolving from a SINGLE FORMAT to a true MULTIFORMAT Group
- And from a MULTIBRAND to a SINGLE BRAND Group

What can we offer our Spanish customer leveraging the same brand attributes ?

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- Before 2003 — Carrefour — Hypermarkets
- Since 2003 — Carrefour — « Minis »
- Since 2005 — Carrefour express — 1 200 m²
- New in 2008 — Carrefour express — 800 m²; Carrefour city — 350 m²; Carrefour On line — Multi format

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What about our other countries?

Argentina

Before 2007 Carrefour

Since 2007 Carrefour express

Since 2007 Carrefour HOME

Poland

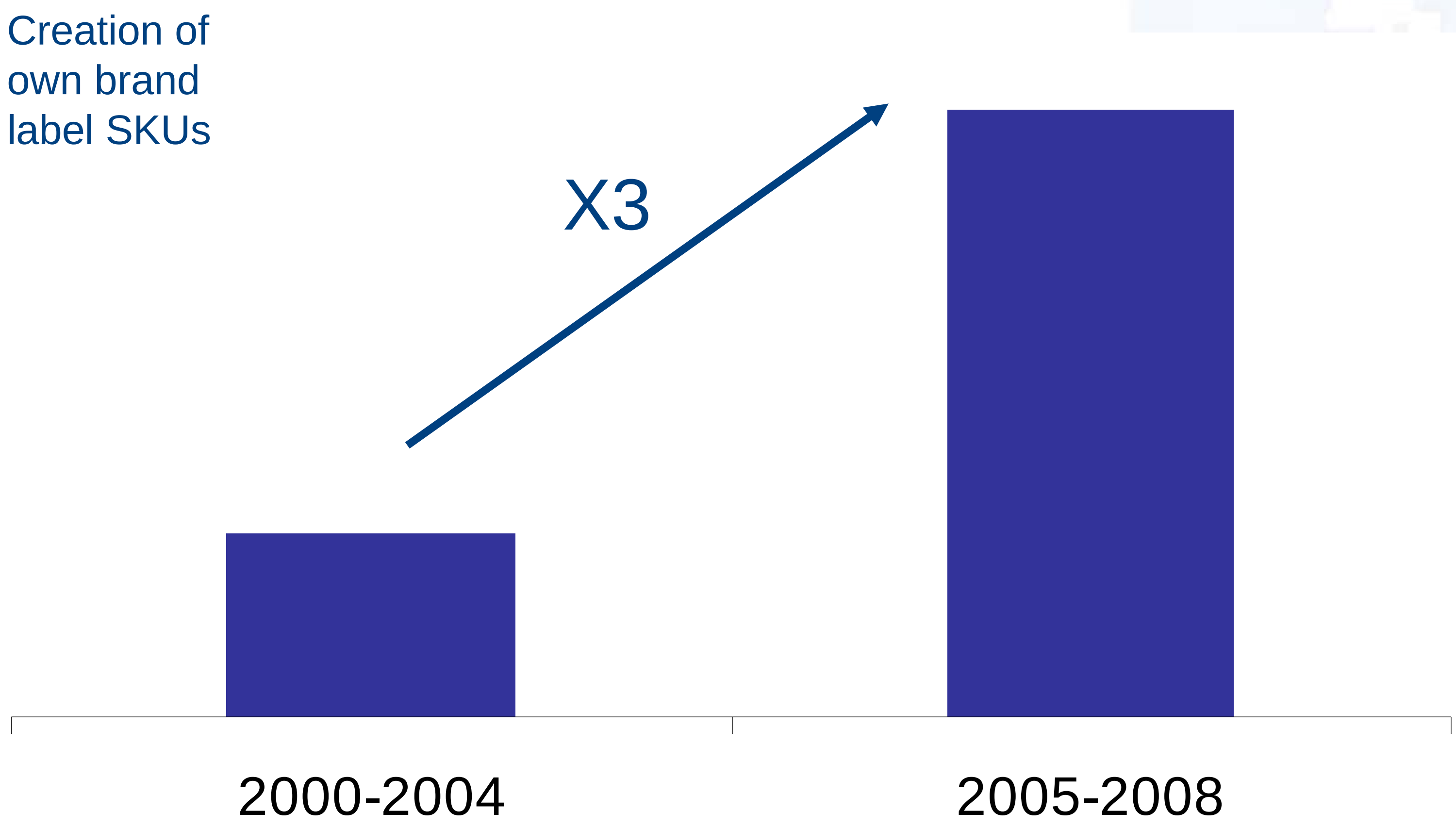
Before 2007 Carrefour

Since 2007 Carrefour express

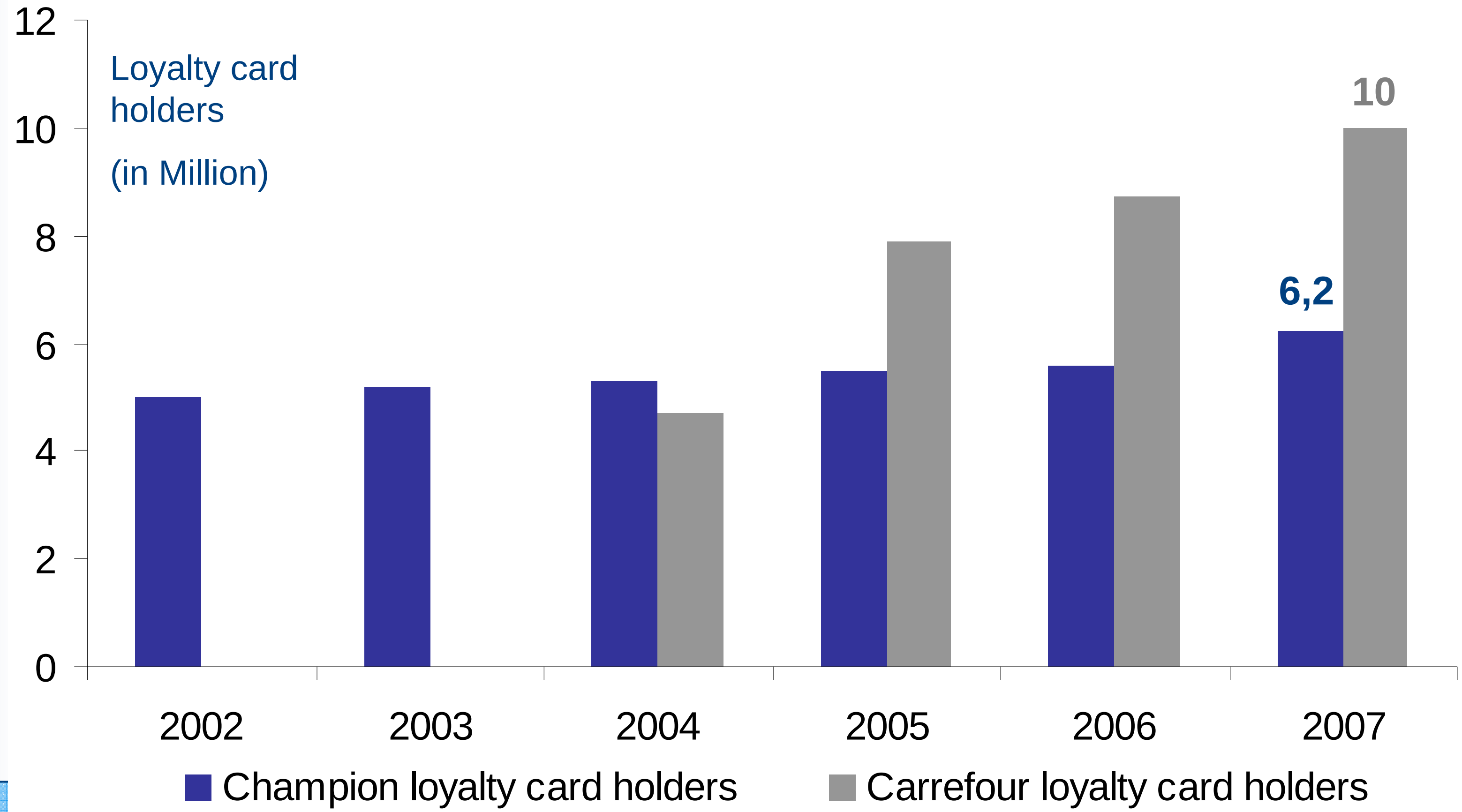
Since 2007 5 minut

What about the French customer?

He likes INNOVATION!

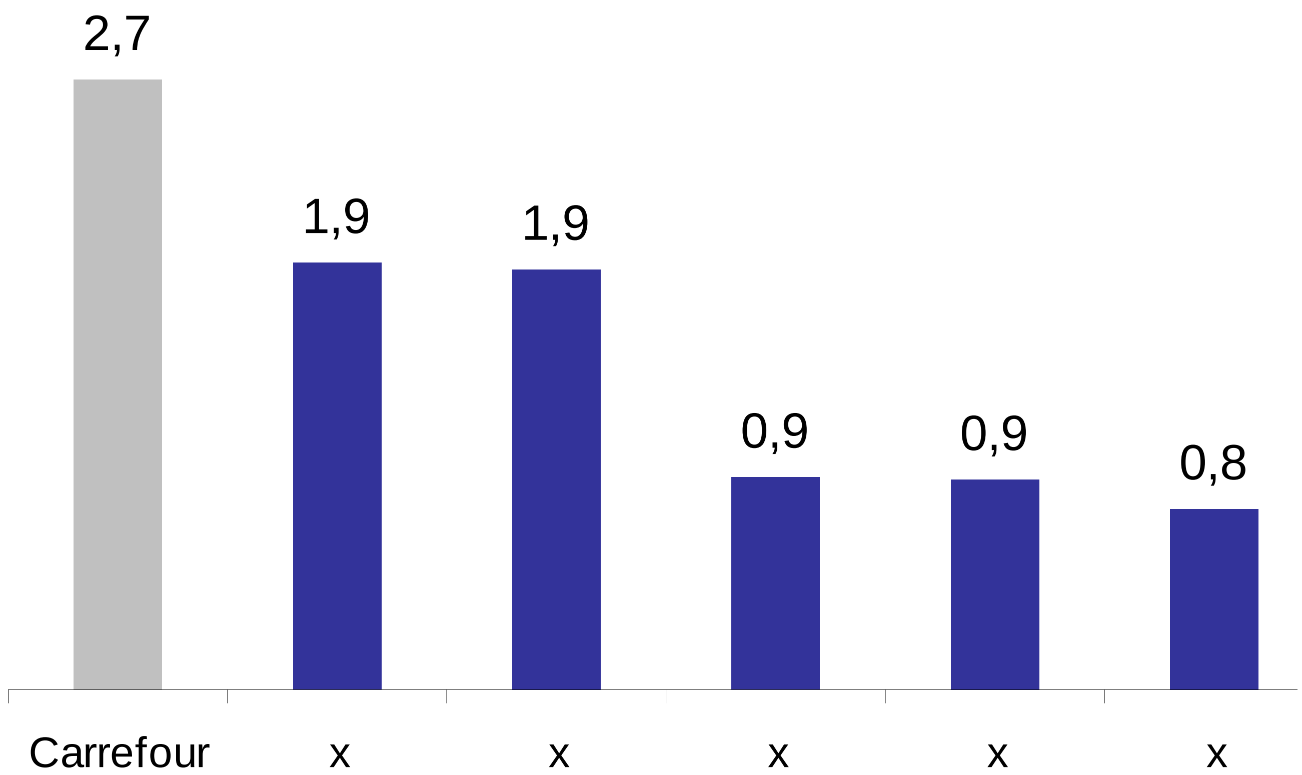


He likes to be CONSIDERED!



He likes the CARREFOUR BRAND!

- Carrefour brand ranked number one by customers



Source : Study « Capital Enseigne » Shopper Trends 2006

We listen to our customers

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- Accelerate innovation
- Analysing the test results (brand convergence)
- Targeting each customer individually

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2007 - 2010

2007 guidance

- Q4: good start
- We confirm our guidance for 2007
  - Sales growth faster than 2006
  - Growth in Activity Contribution, but at a slower rate than sales

2008: the French environment

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- Invoice price inflation 2007 (around 8% YTD)
- Return of dry grocery inflation in selling prices since the beginning of Q4 2007
- Apparently, reform of law in two steps
  - January 2008 — Implementation of triple net
  - End H1 2008 — Start of discussions about the liberalization of negotiations

2008-2010: outlook for our French activities

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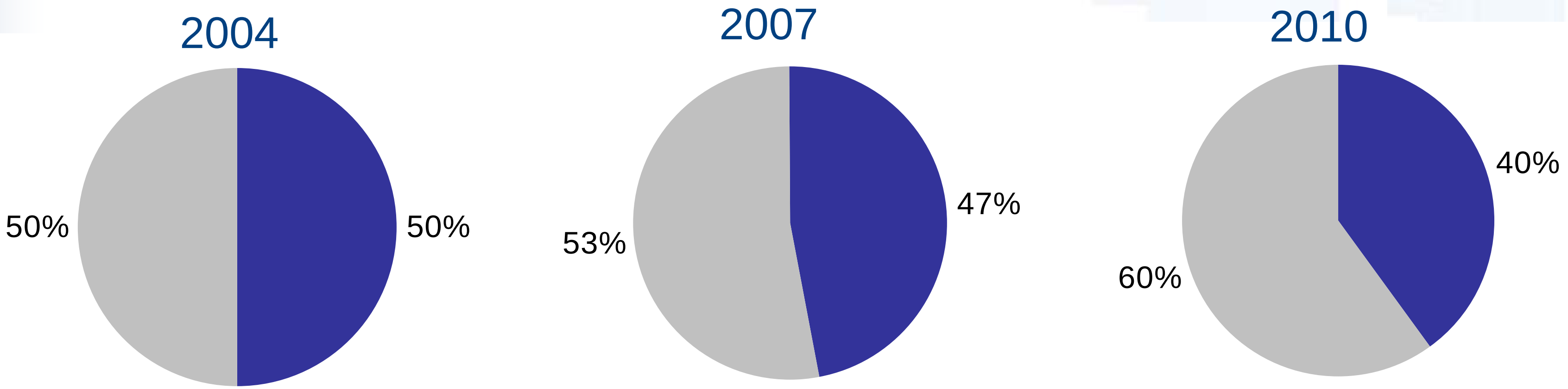
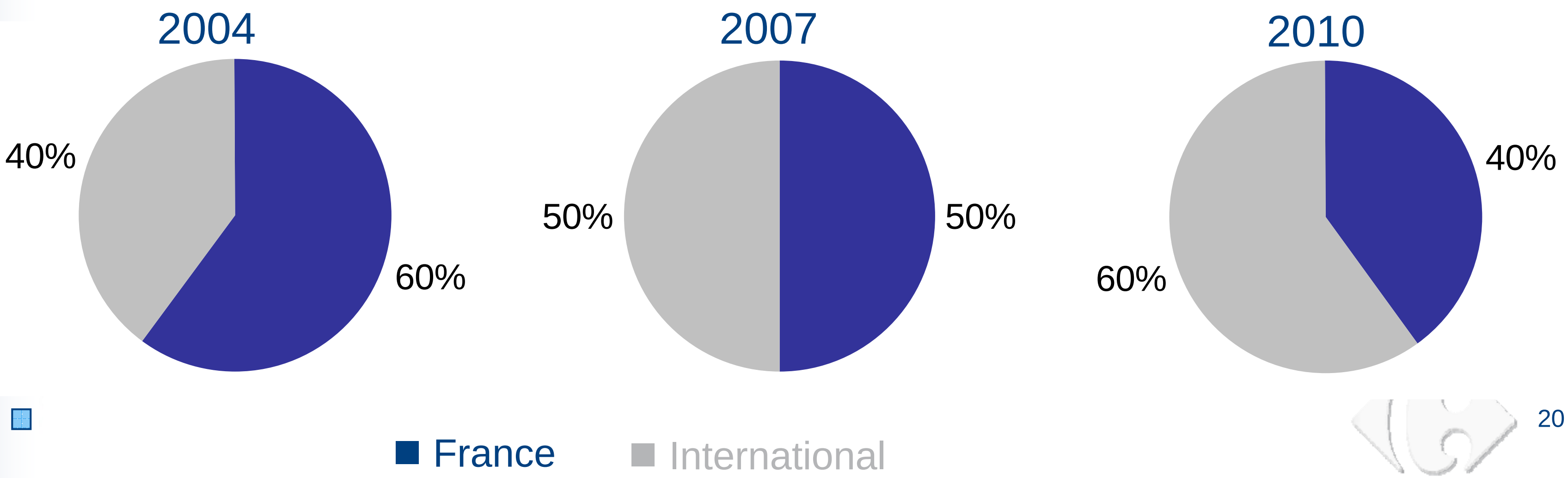
- Price competitiveness non negotiable
- Roll out of commercial models
- Improvement of costs
- Growing sales and profits

2008-2010: outlook for our international activities

Sales

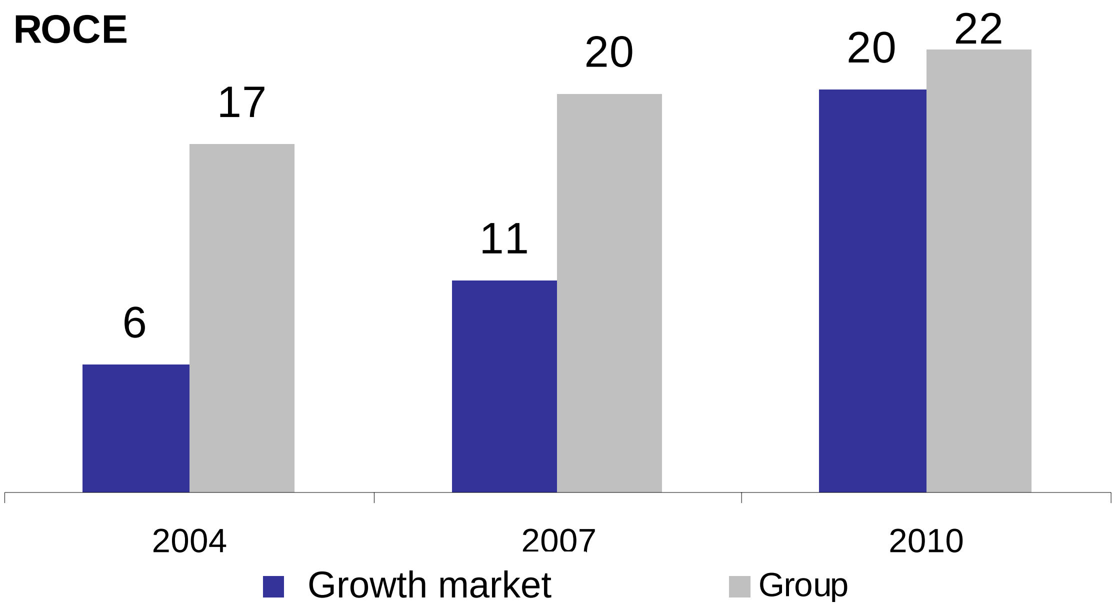


Activity contribution



We are reinforcing our capital allocation discipline

- 11 business units divested since 2005
- Next stage: refining of capital allocation within each format and country
- Tactical acquisitions to accelerate growth in key markets financed by operating Free Cash Flow



2008-2010: our targets

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- Sales growth of 6-8% (excluding acquisitions)
- Activity Contribution faster than sales growth
- Organic Free Cash Flow of €1.5 bn per annum
- Increase in ROCE to at least 22%

Conclusions

- We have only begun to capitalise on the strengths of the Carrefour brand
- Making the brand work harder will help us grow sales and profits in France
- We will accelerate even further the performance of our growth markets