



Carrefour

ANALYST DAY

*Reinventing  
the hypermarket!*

SEPTEMBER 16th, 2010



# *Reinventing the hypermarket to create value*

PIERRE BOUCHUT

*Reinventing the hypermarket!*

SEPTEMBER 16th, 2010



# Reinventing the hypermarket: one of several levers for value creation

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## Key value creation drivers

### GLOBAL

#### Group-wide value creation drivers

- Client focus
- Operating efficiency
- Purchasing practices improvement
- Carrefour brand

### FINANCE

#### Financial value creation drivers

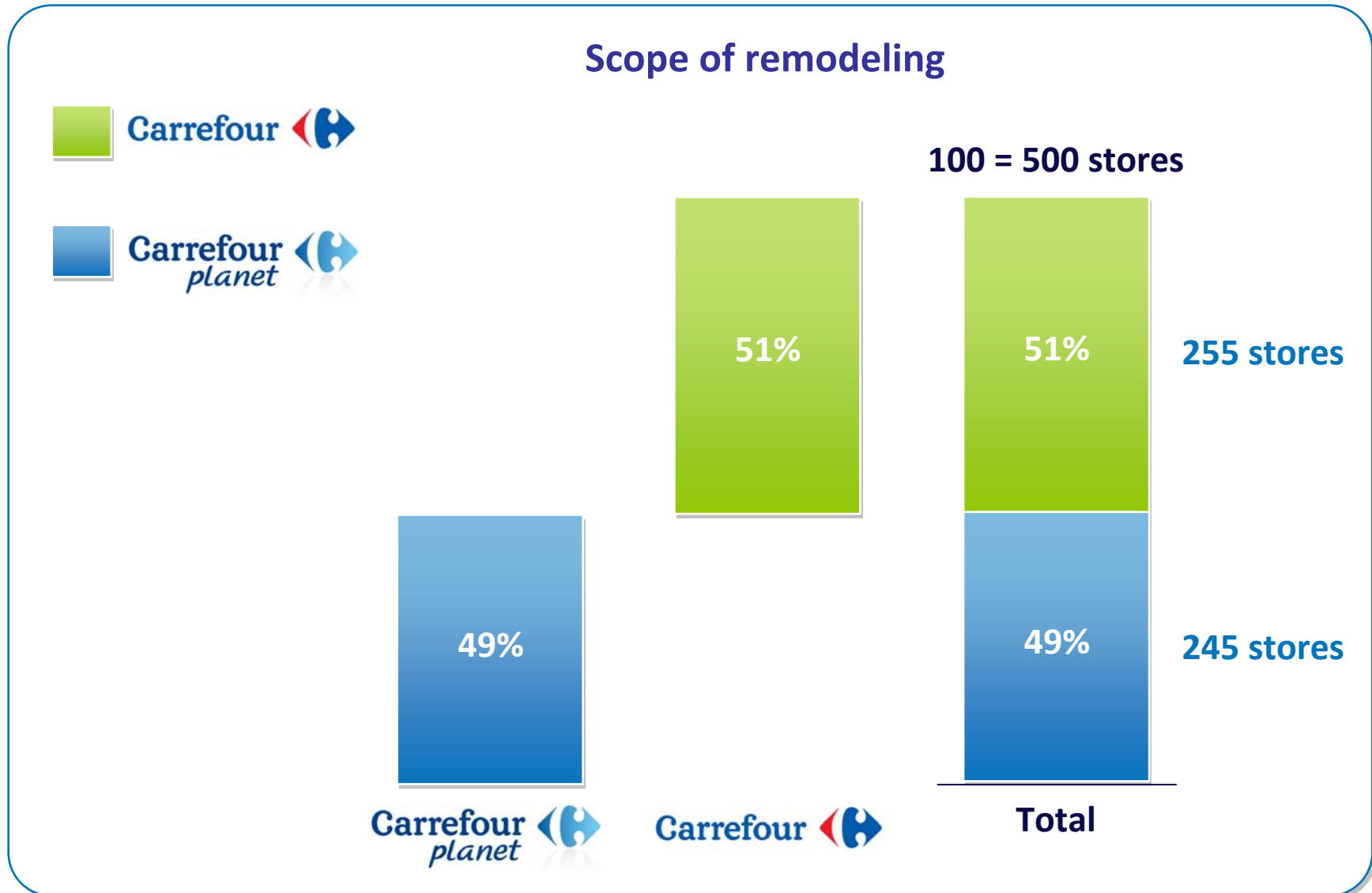
- Capex discipline
- Balance sheet optimisation
- Portfolio management

### LOCAL

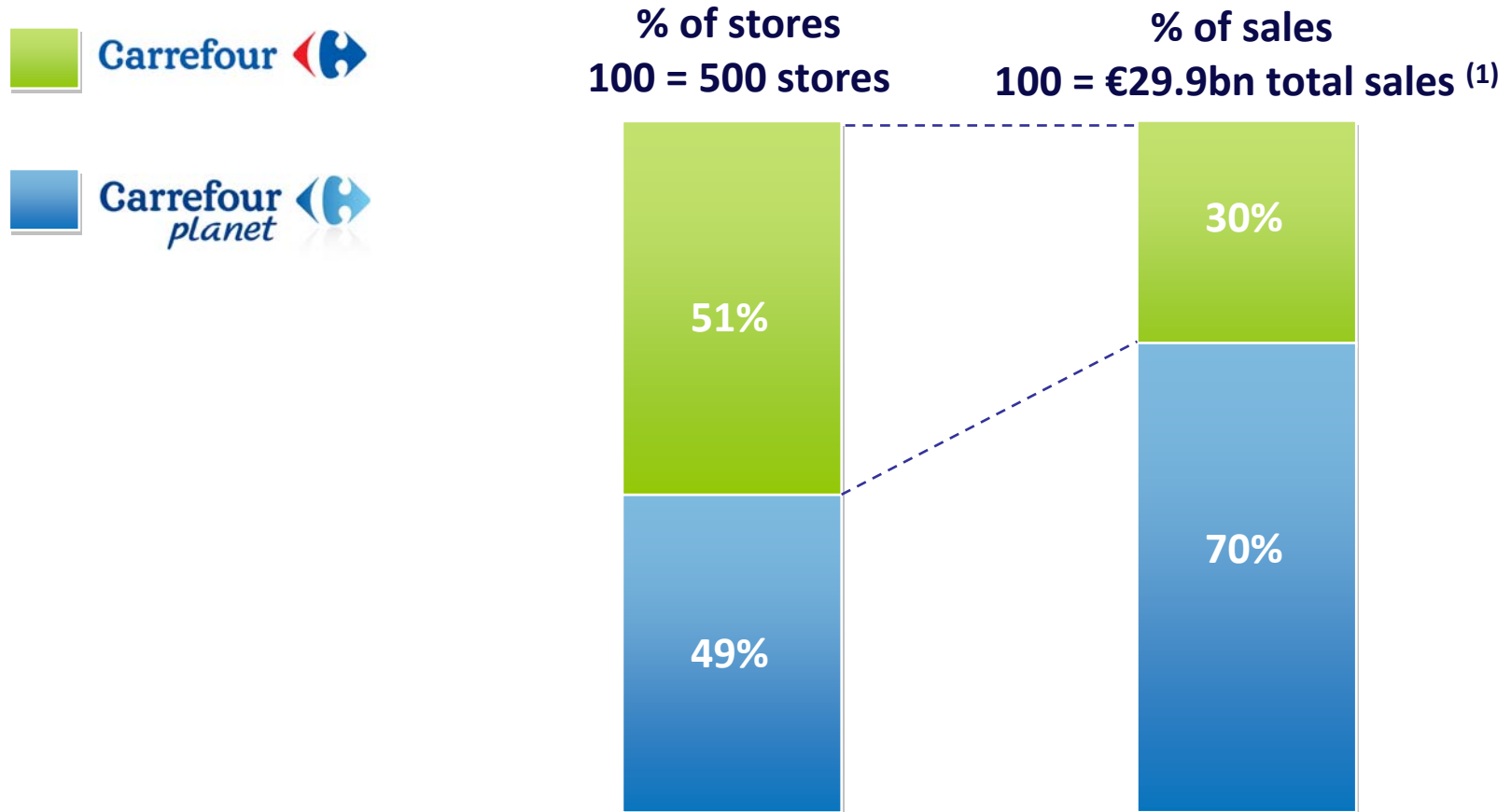
#### Selected BU value creation drivers

- Reinventing the hypermarket
- Selective expansion
- Pooled procurement of equipment and consumables

# Our plan: convert/remodel all 500 hypermarkets in the G5

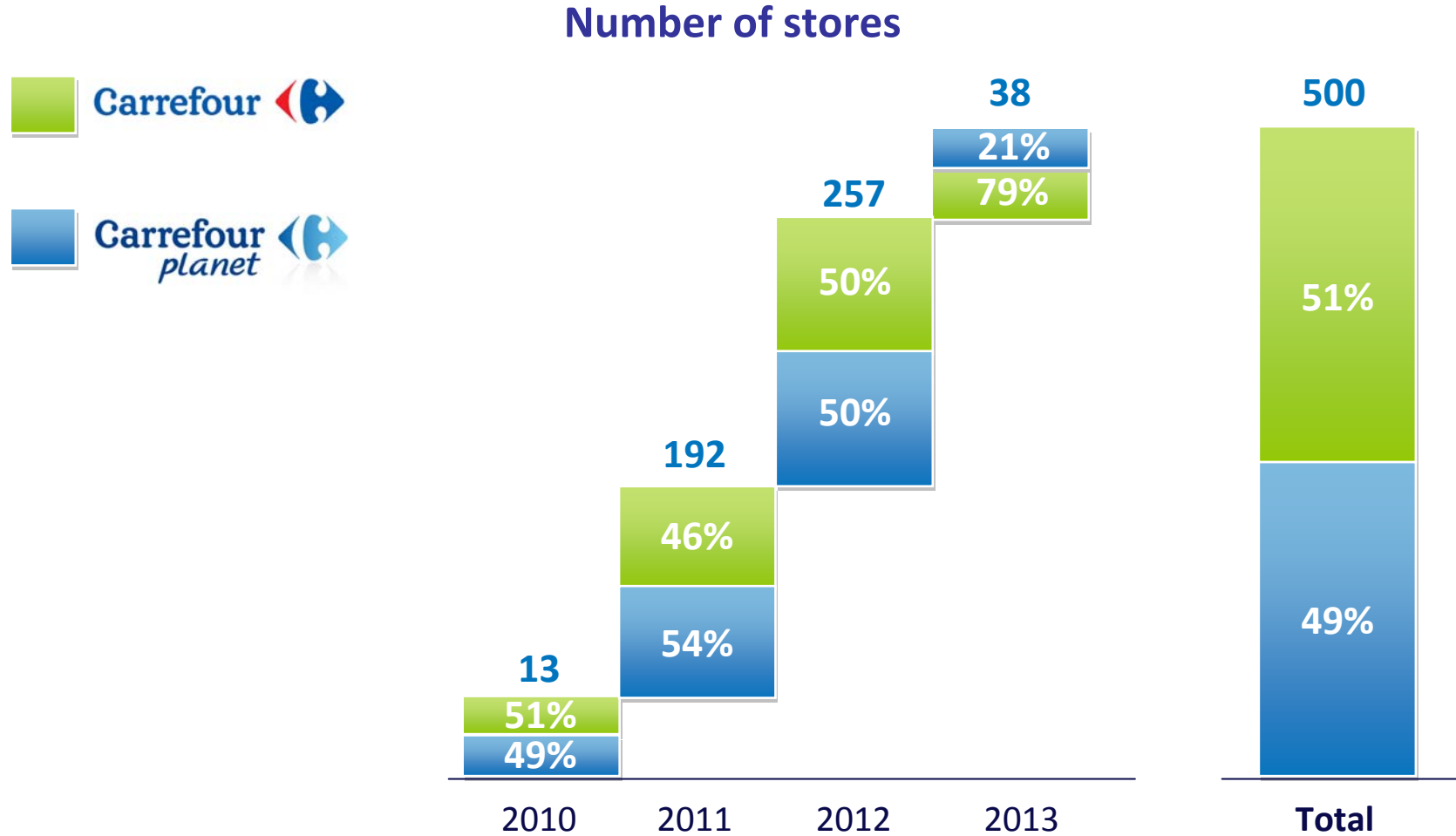


# Carrefour Planet: 70% of our G5 hypermarket sales

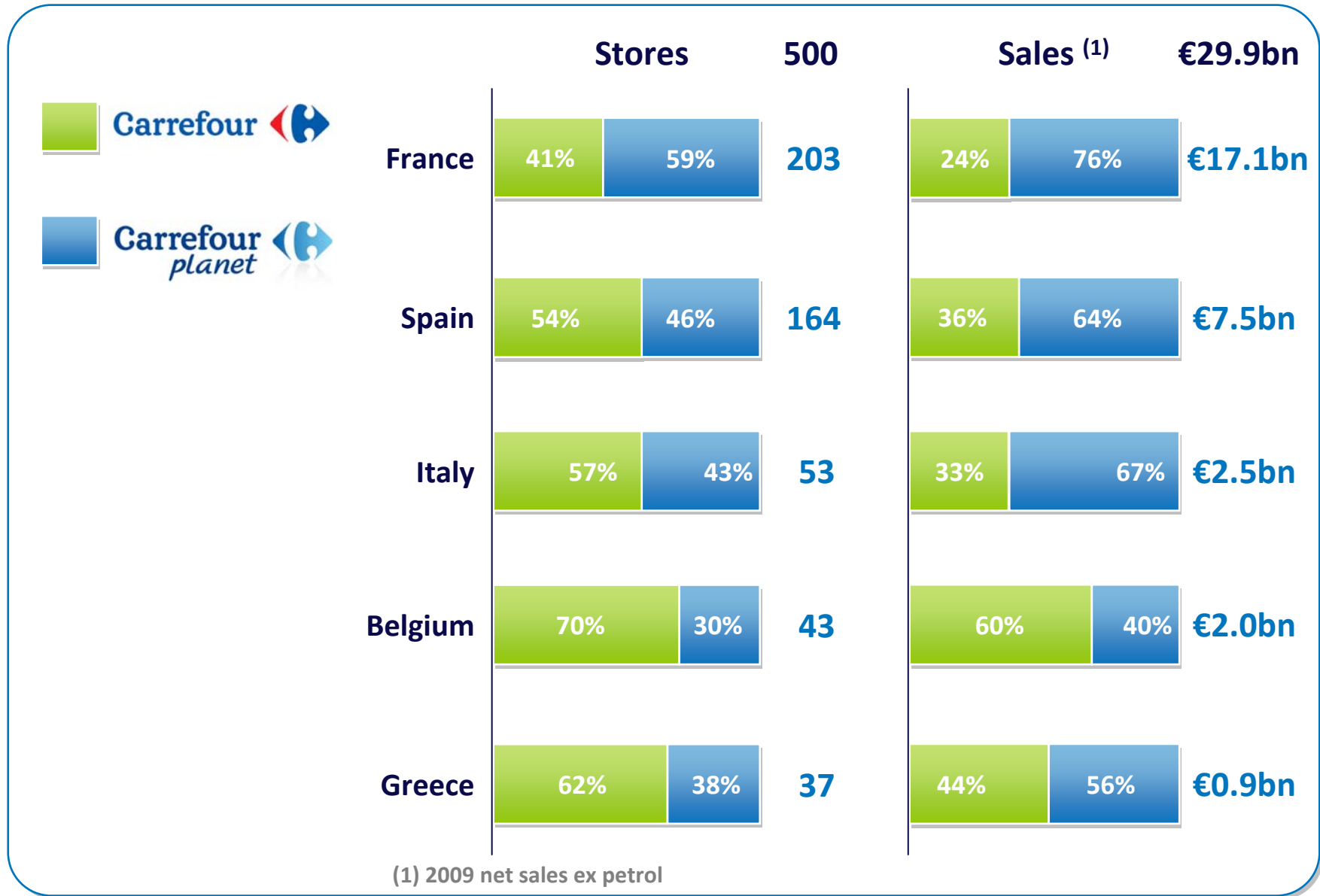


(1) 2009 net sales excluding petrol

# Roll-out plan largely achieved by end 2012



# A differentiated roll-out plan for each market



# Capex of c.€1,500m: disciplined investment for an ambitious roll-out plan

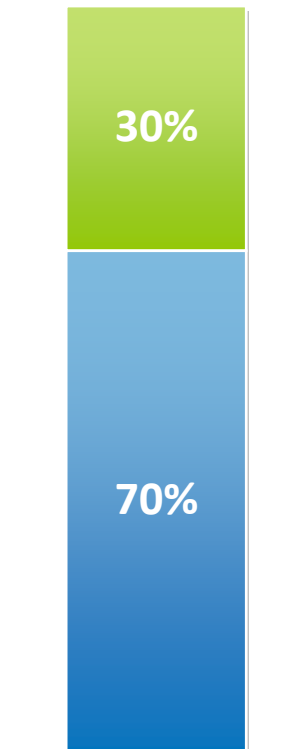


Average capex per hypermarket (in €m)

Carrefour ~ €1.9m

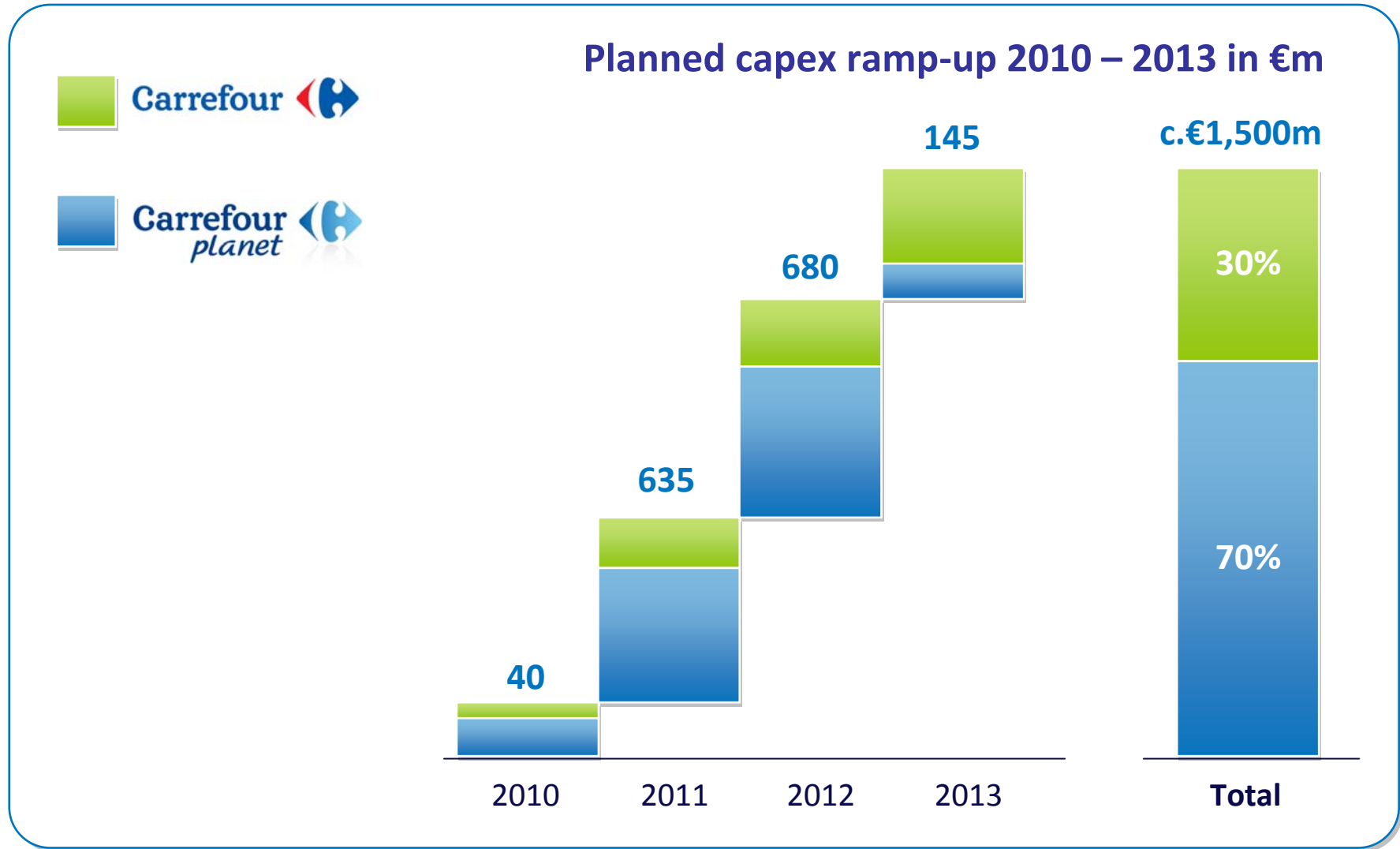
Carrefour planet ~ €4.2m

c.€1,500m



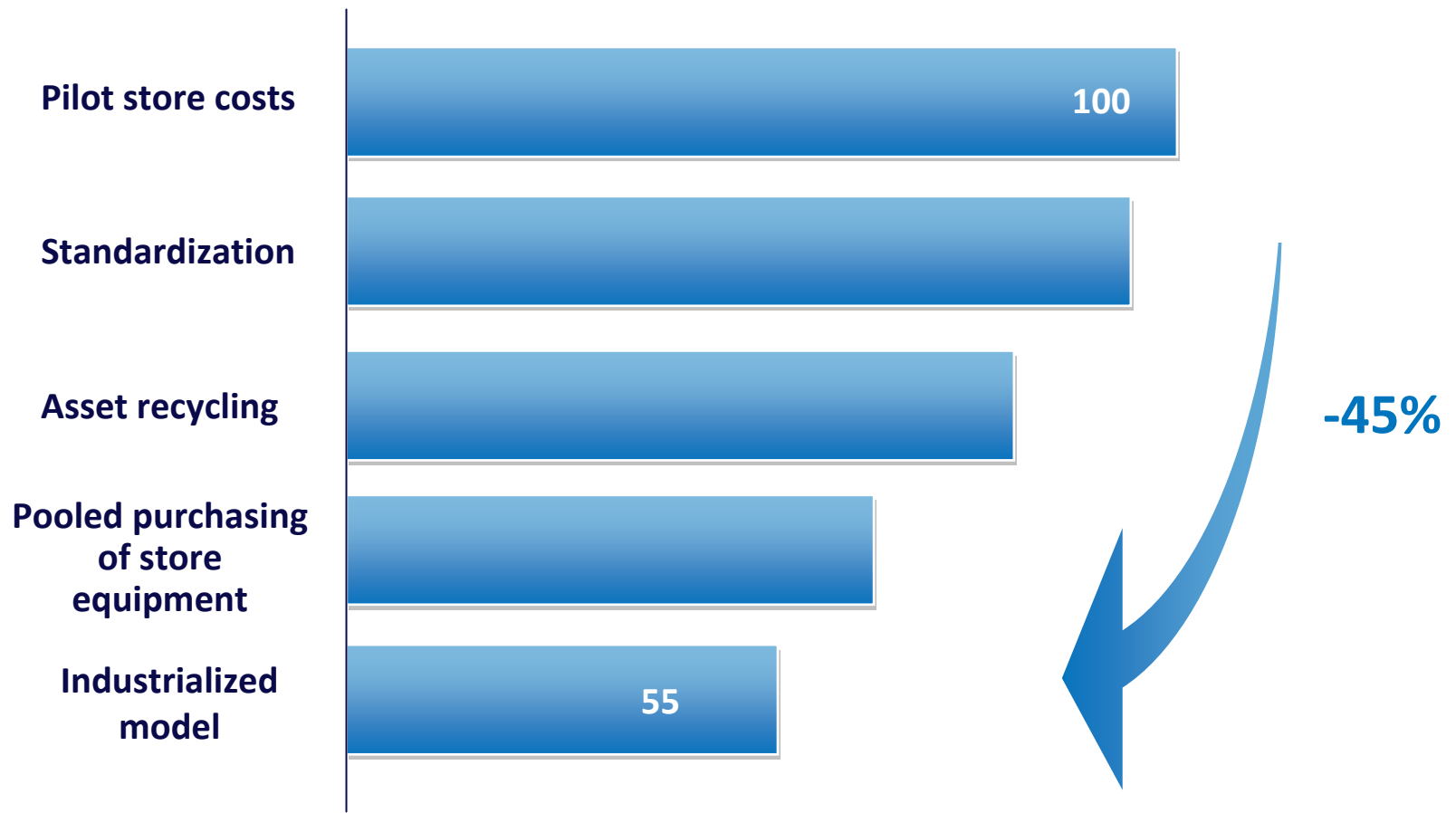
Total

# G5 hypermarket reinvention: most capex spent in 2011 and 2012

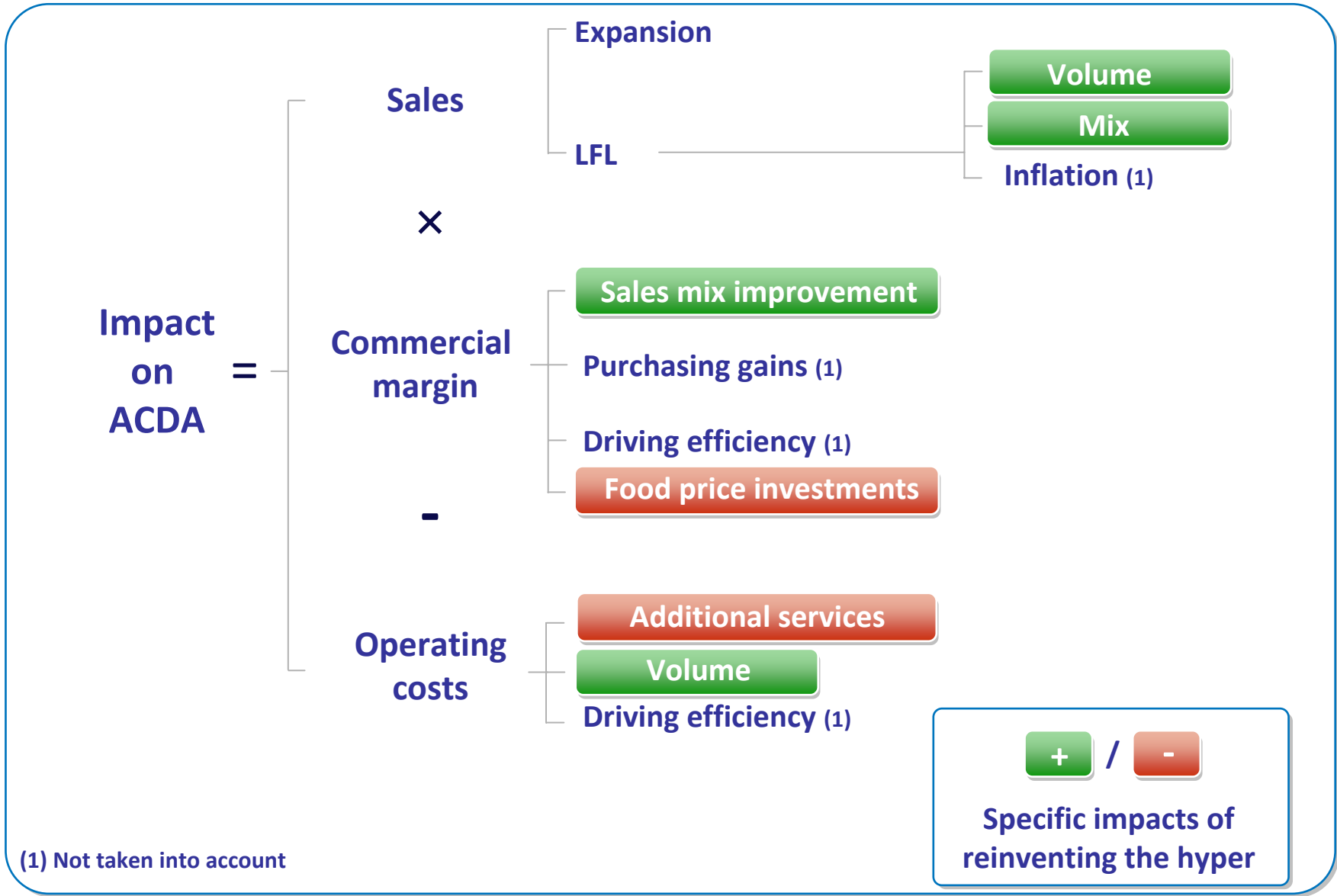


# An industrialized roll-out to reduce remodeling costs

## Targeted remodeling costs index



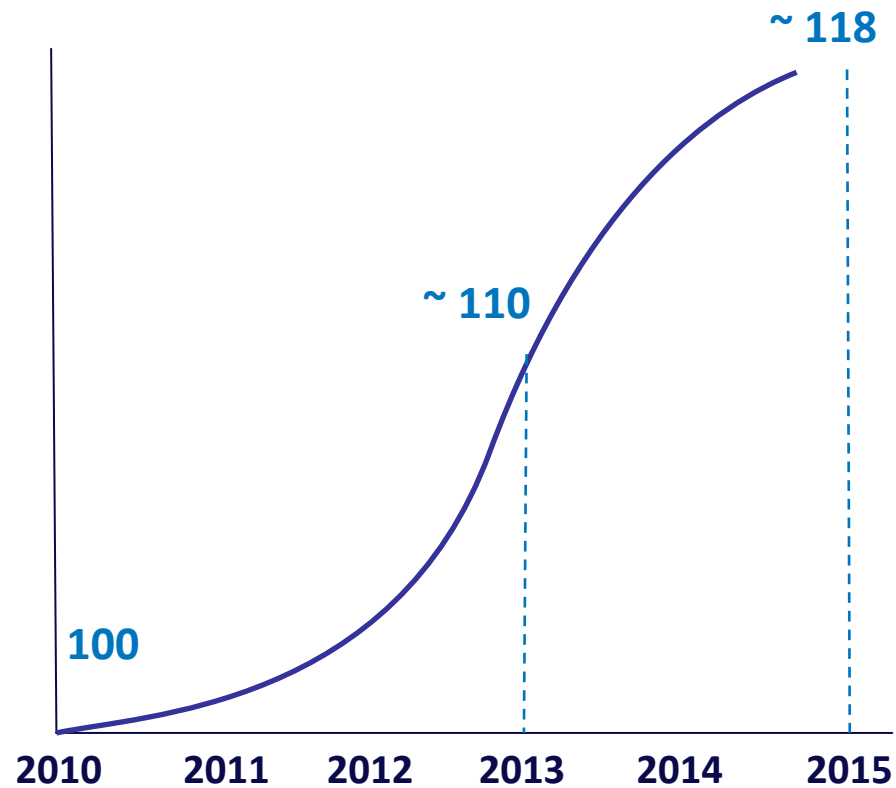
# The ACDA forecast includes only specific impacts of the hypermarket reinvention



(1) Not taken into account

# G5 hypermarkets: c18% sales increase over five years excluding inflation

Estimated incremental like-for-like sales



**CAGR  
2010/13  
~3.2%**

**CAGR  
2010/15  
~3.4%**

# Hypermarket reinvention: Positive impact on operating margin

## IMPACT ON GROSS MARGIN

Sales mix

Lower food prices

## IMPACT ON OPERATING COSTS

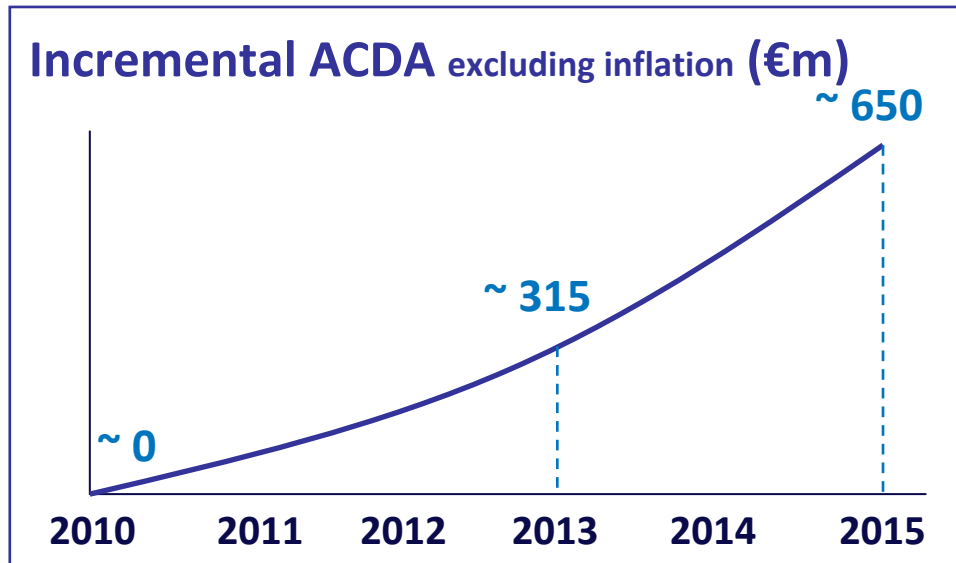
Volume increase

Additional services

Positive impact on  
AC margin of ~10bp

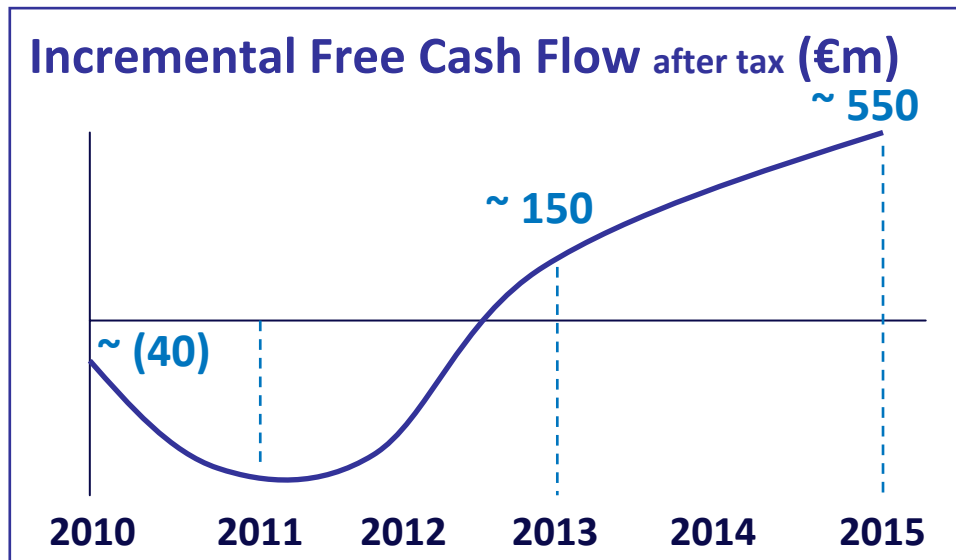
Even before positive impact on AC margin from the operating efficiency initiatives in the Transformation Plan

## Very significant value creation



### Incremental ACDA 2015

- ~ 13% of 2009 Group ACDA



- NPV ~ €3,300m <sup>(2)</sup>
- Pay Back ~ 5 years

(1) Including Property  
 (2) DCF at 6.8% average WACC  
 with terminal value at 7.5x ACDA

## Summary: the key financials

	TARGET	TIMING
Number of hypermarkets	500	2010 – early 2013
Capex	€ 1,500m	2010-2013
Incremental LFL sales ex. inflation <i>Incremental LFL sales CAGR</i>	+18% ~ +3.2% ~ +3.4%	2010-2015 <i>2010-2013</i> <i>2010-2015</i>
Incremental ACDA (€m)	~650	2015
Incremental FCF (€m)	~ 550	2015