



# Driving our Growth Markets

Analysts days 11, 12 and 13 June 2008  
Brazil



## Seizing all opportunities

Daniel Magalhães



## Brazil: an improved economic environment

- ▶ A growing market and increased confidence
- ▶ Carrefour fully benefits from GDP growth and increasing consumption
- ▶ Consequences: impact on Carrefour investment strategy



# All indicators on green

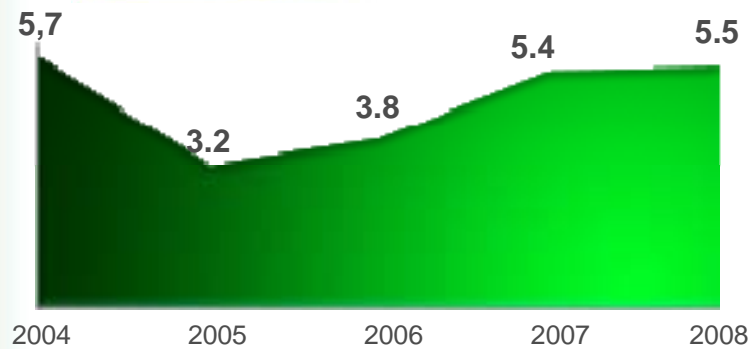


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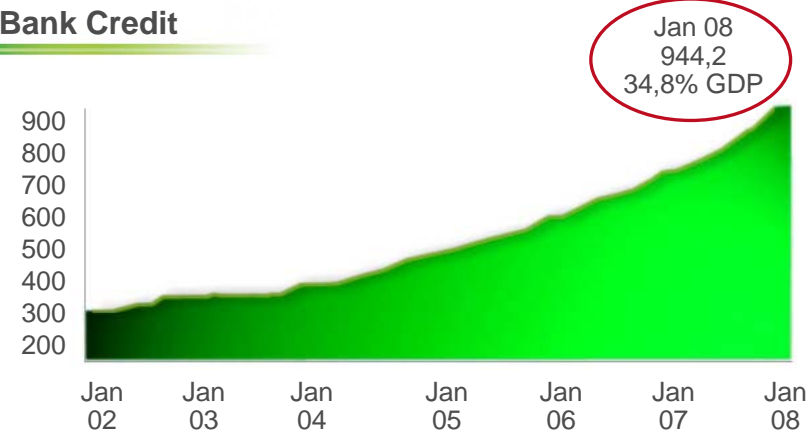
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Consistent GDP growth, higher rates of investment, and a mass consumer market support economic expansion

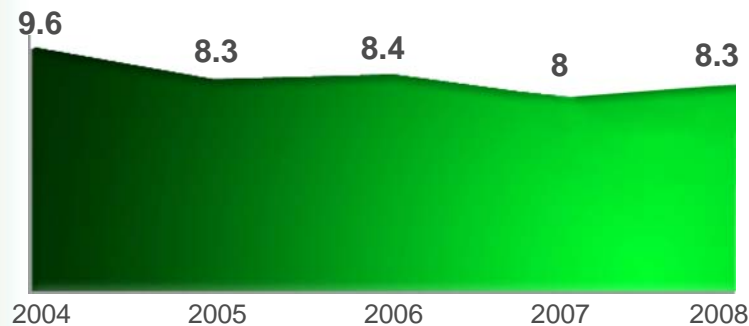
**GDP evolution (%)**



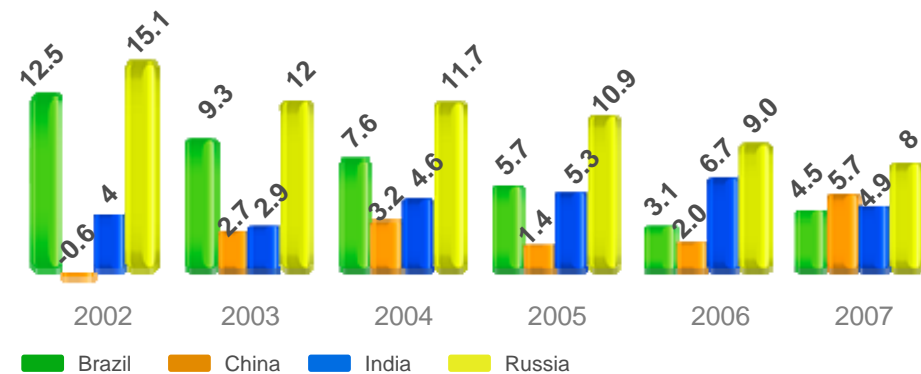
**Bank Credit**



**Unemployment rate (%)**



**Inflation in the Brics (%)**

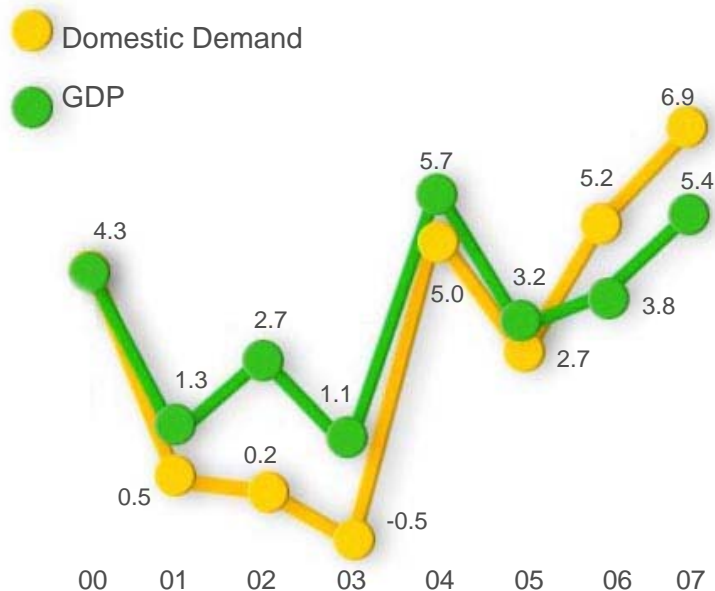


Source: IBGE, publication of ministry of Finance

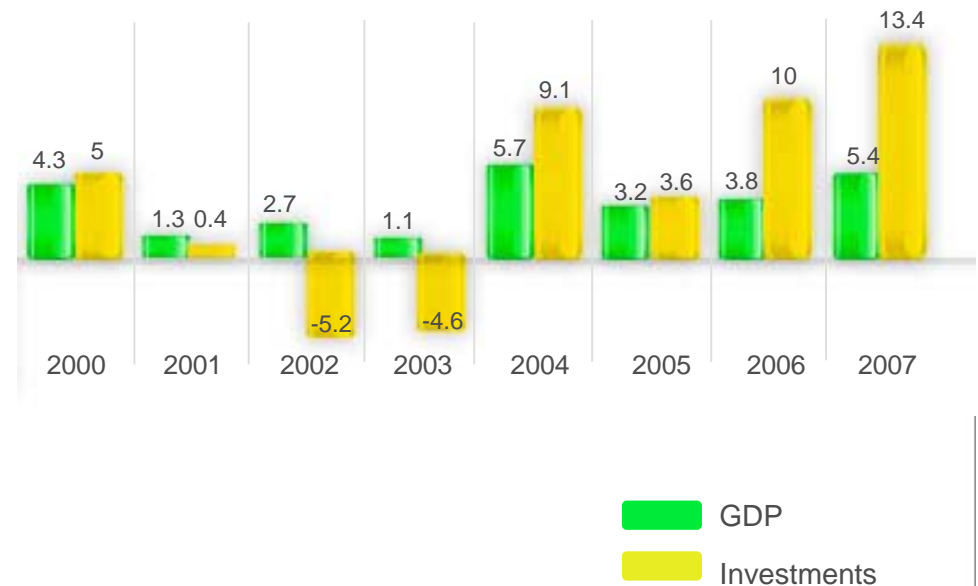
## Strong growth in investment

... driven by the improvement in economic indicators, greater stability and the increase of domestic demand

Domestic demand and growth (%)



Growth in GDP and investments (%)

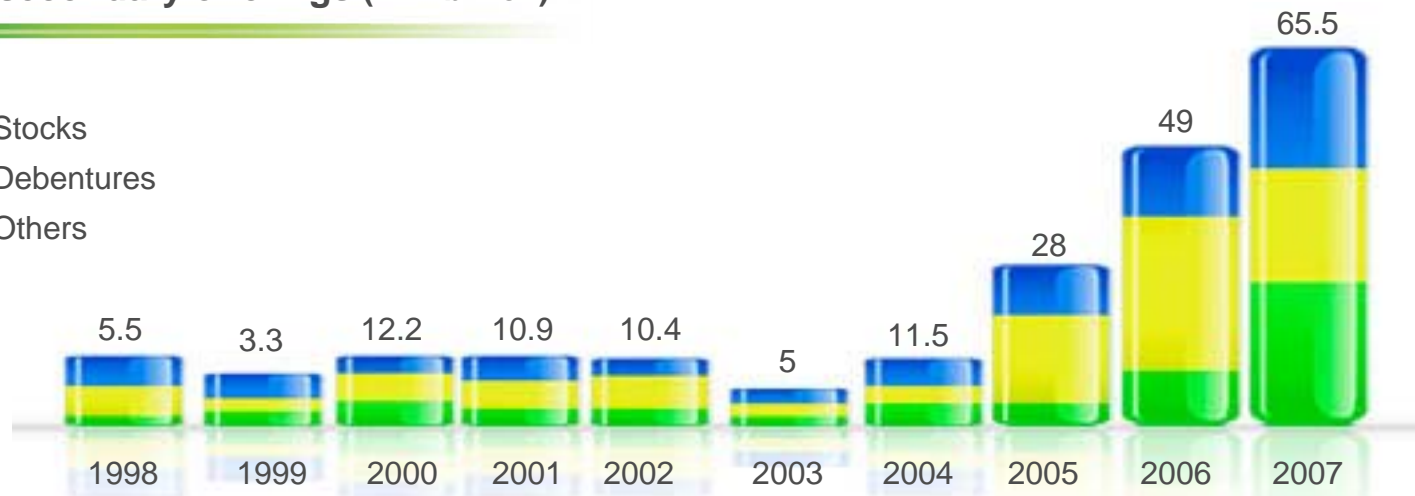




## Booming capital markets

Capital market – primary and secondary offerings (in € billion)

-  Stocks
-  Debentures
-  Others



World champion in IPOs in 2007



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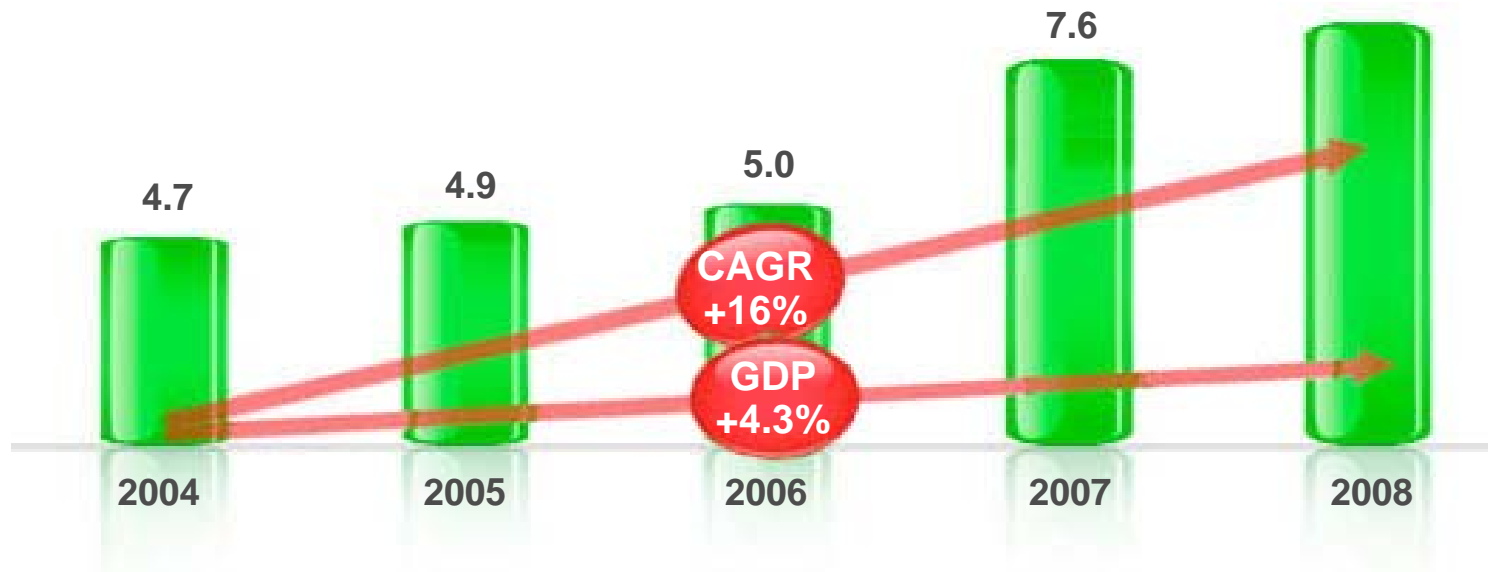


# Carrefour's accelerated growth: combination of macroeconomic factors and our actions

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Gross revenues (in € billion)



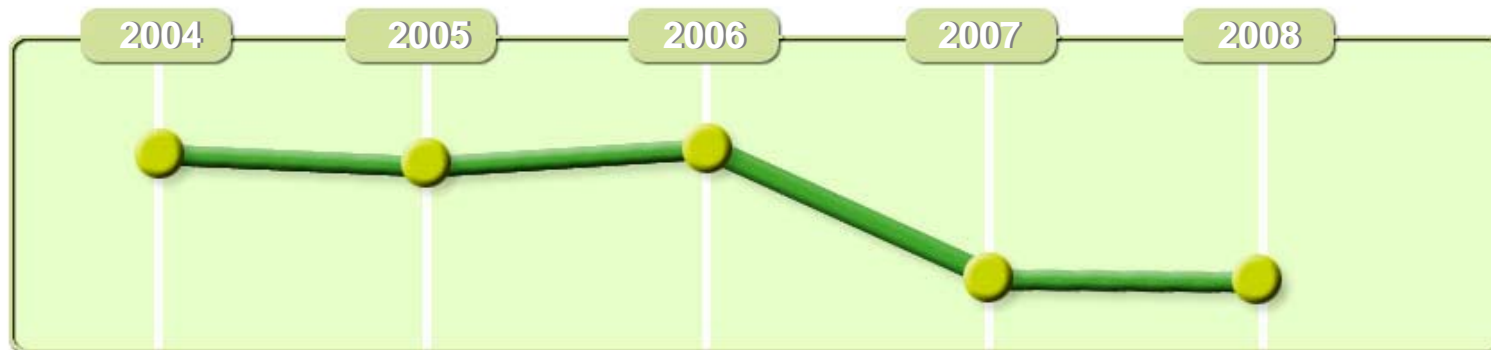


## Consistent cost control with no impact on customer perception

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### Reduction in distribution costs





## 2004-2008 : Carrefour's growth in EBITDA far outpaces GDP

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Carrefour Brazil confirms this trend with a CAGR of 22.4% in EBITDA while GDP grew 4.3% over the same period

### Brazil Ebitda





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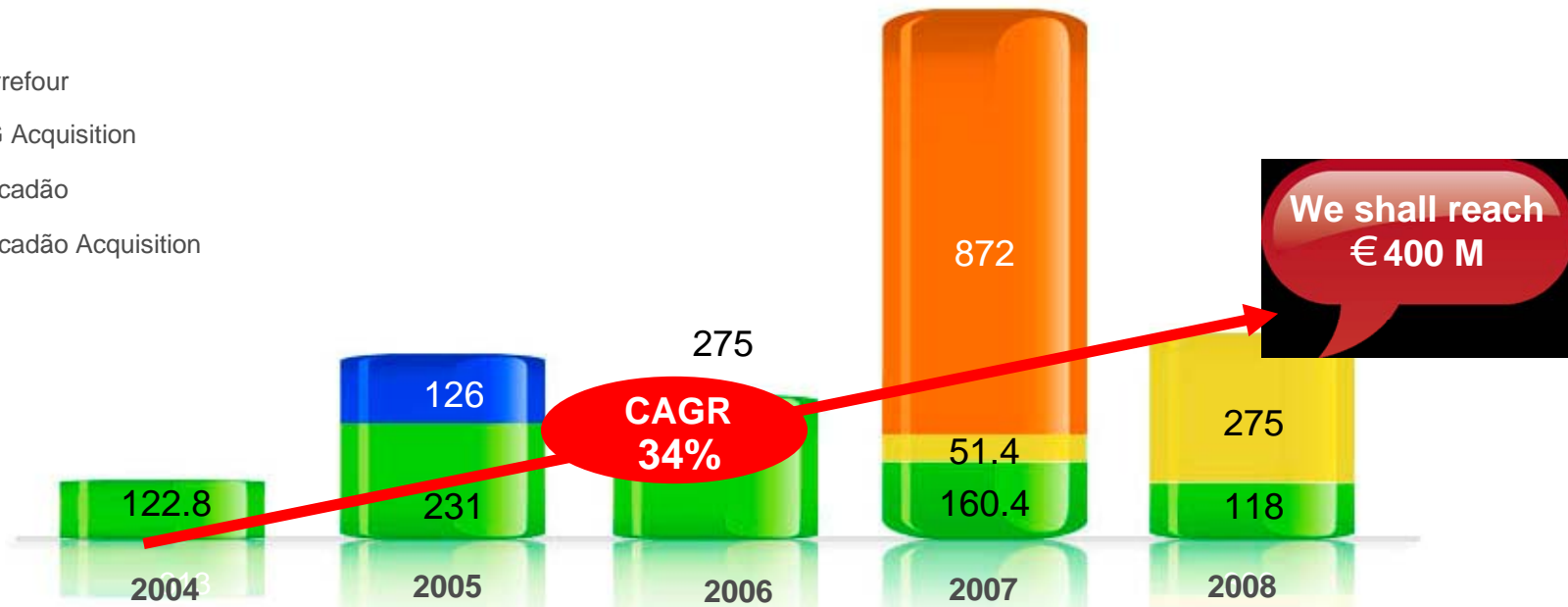
# 2008: doubling of organic investments over 2007

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## Investments (in € million)

- Carrefour
- BIG Acquisition
- Atacadão
- Atacadão Acquisition

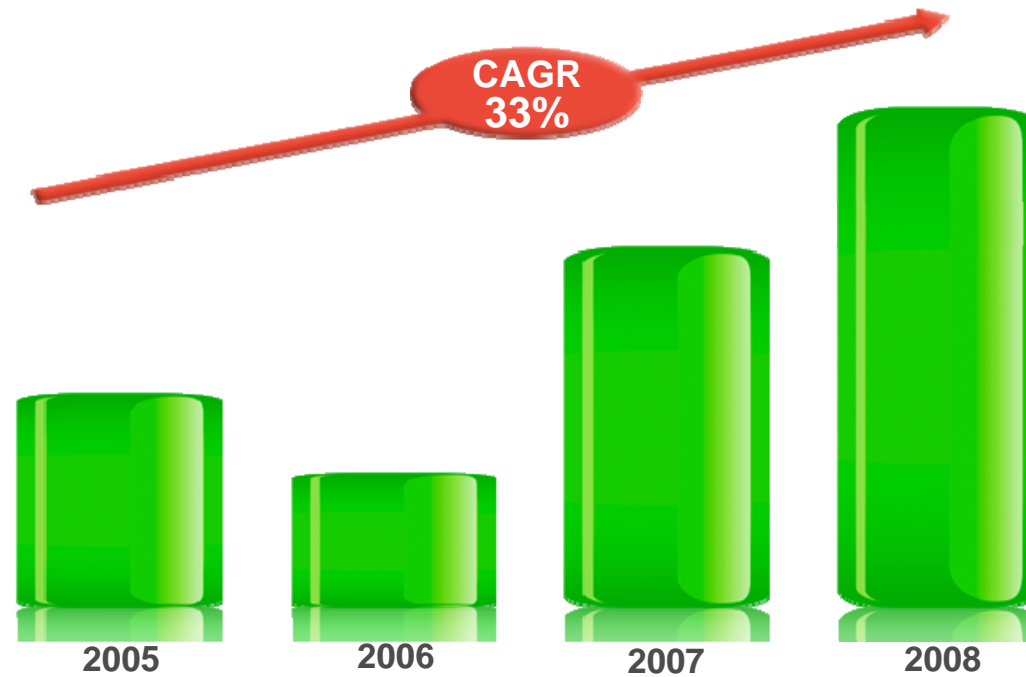




## Strong operational cash flow generation

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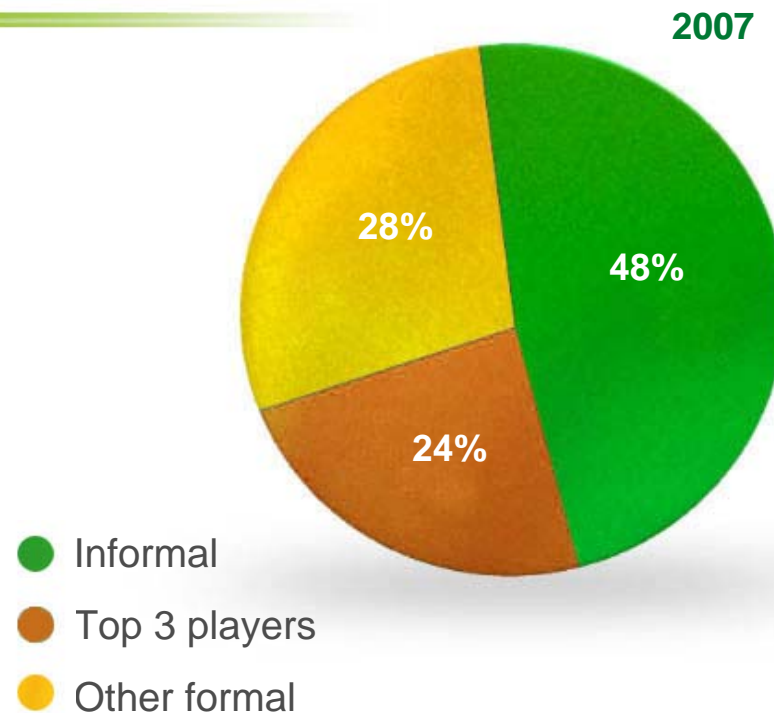
## A simplified tax code creates new opportunities

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The government has been working to simplify taxation models and to reduce the 48% market share of informal businesses

% of market share and informal market



Source: Abras, McKinsey  
Internal Analysis



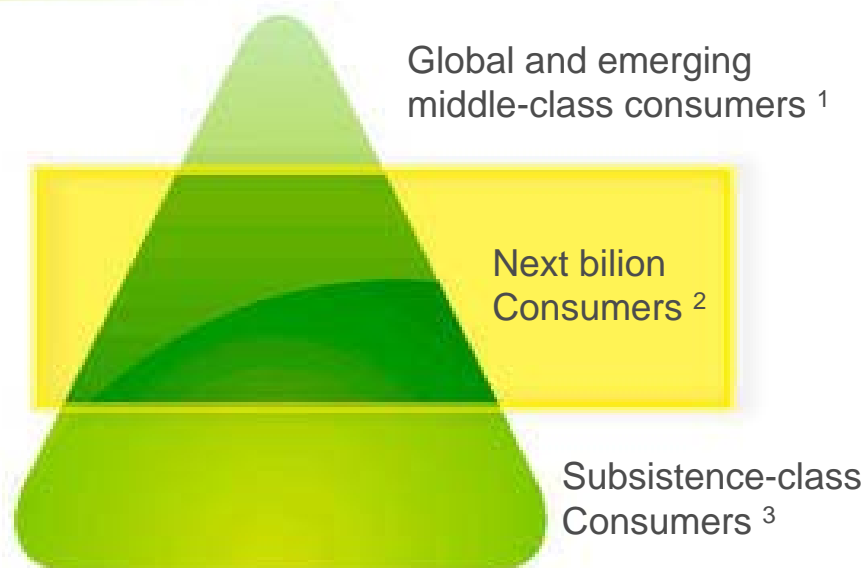
## The middle class: the next billion consumers

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Our investments are focused in this segment

### Brasilian households



1. Global: a monthly household income above US\$ 875; middle class: a monthly household income between US\$ 700 and \$ 875;
2. A monthly household income between US\$ 100 and \$ 700;
3. A monthly household income between below US\$ 100.

Source: BCG



## Carrefour in Brazil: unique growth opportunities

### We have a unique proposal in terms of:

- ▶ Brand strength
- ▶ Models adapted to our customers
- ▶ Fair prices
- ▶ New business potential
- ▶ Aggressive expansion
- ▶ Strong bank to underpin purchases
- ▶ Trained and motivated team
- ▶ Shareholder return

**To remain a  
leader in the  
hearts of our  
customers**

