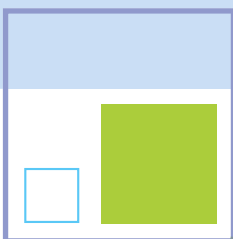




# 2005 ANNUAL REPORT





No.1  
IN EUROPE

No.2  
WORLDWIDE

30  
COUNTRIES

12,028  
STORES

436,474  
EMPLOYEES

14,513,074  
SQ.M OF SALES  
FLOOR AREA

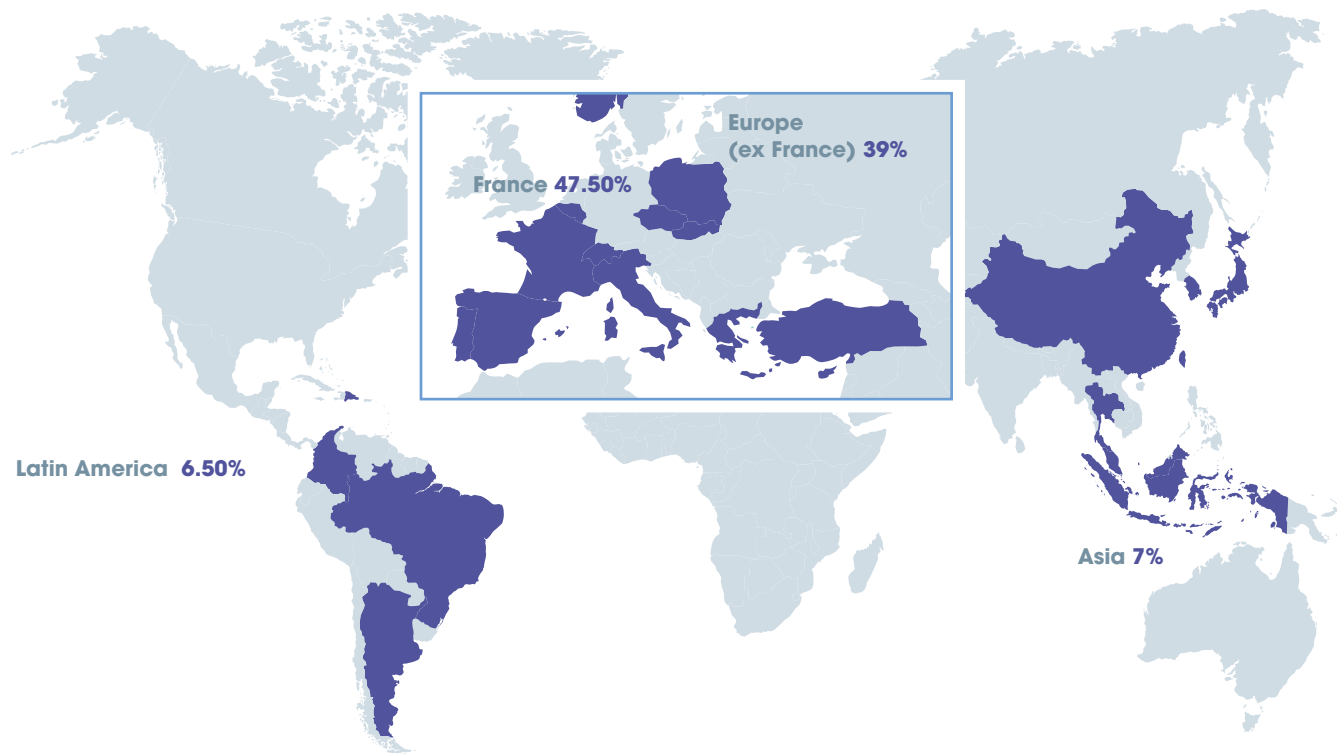
93.614  
BILLION EUROS  
SALES INCL. TAX  
UNDER GROUP  
BANNERS IN 2005

OVER  
3 BILLION  
CASH TRANSACTIONS  
PER YEAR FOR  
ALL FORMATS

# CARREFOUR IN 2005

**An international multi-format Group  
with a presence in 30 countries**

Breakdown of sales (incl. tax) under Group banners by region



## HYPERMARKETS

**Carrefour**

59%  
of Group sales

273,239  
employees

926  
stores

## SUPERMARKETS

**Champion** **GLOBI** **Gima**

24%  
of Group sales

84,047  
employees

2,455  
stores

## HARD DISCOUNT

**Dia** **M** **minipreço**

9%  
of Group sales

41,550  
employees

5,451  
stores

## CONVENIENCE, CASH & CARRY and other businesses

8%  
of Group sales

37,638  
employees

Convenience stores

3,046\*  
stores

Cash & carry

150  
stores

E-commerce

Le cybermarché de Carrefour

\* Excluding the Sherpa and Proxi banners (1,582 stores)

## Store locations as of December 31, 2005

	Year of establishment	Portfolio of stores			HYPERMARKETS		SUPERMARKETS		HARD DISCOUNT		CONVENIENCE		CASH & CARRY		Total
		Number of employees	sales incl. tax under banners in millions of euros	Growth in sales incl. tax under banners at constant exchange rates	Franchised	Franchised	Franchised	Franchised	Franchised	Franchised	Franchised	Franchised			
France	1963	135,103	44,468	-0.6 %	179	37	595	429	782	22	-	1,654	108	25	3,831
Spain	1973	67,903	13,619	2.1 %	136	5	143	-	1,891	828	-	-	-	-	3,003
Italy	1993	26,061	7,320	2.7 %	50	1	238	214	-	-	155	820	16	1	1,495
Belgium	2000	18,422	5,285	0.4 %	56	-	79	185	-	-	-	206	-	-	526
Greece and Cyprus	1991	13,366	2,295	12.1 %	19	-	148	-	267	95	52	103	-	-	684
Portugal	1992	5,250	1,306	4.3 %	7	-	-	-	292	98	-	-	-	-	397
Poland	1997	15,397	1,173	23.1 %	32	-	71	-	-	-	-	-	-	-	103
Switzerland	2001	2,501	645	0.7 %	9	3	-	-	-	-	-	-	-	-	12
Turkey	1993	8,677	1,359	37.7 %	12	-	86	-	339	24	-	-	-	-	461
<b>Total</b>		<b>292,680</b>	<b>77,468</b>	<b>0.8 %</b>	<b>500</b>	<b>46</b>	<b>1,360</b>	<b>828</b>	<b>3,571</b>	<b>1,067</b>	<b>207</b>	<b>2,783</b>	<b>124</b>	<b>26</b>	<b>10,512</b>

### Latin America

Brazil	1975	48,354	3,944	-1.8 %	99	-	35	-	201	35	-	-	-	-	370
Argentina	1982	19,066	1,519	14.1 %	28	-	114	-	319	33	-	-	-	-	494
Colombia	1998	5,492	664	28.5 %	21	-	-	-	-	-	-	-	-	-	21
<b>Total</b>		<b>72,912</b>	<b>6,127</b>	<b>-5.7 %</b>	<b>148</b>		<b>149</b>		<b>520</b>	<b>68</b>					<b>885</b>

### Asia

China	1995	35,414	2,064	26.3 %	70	-	8	-	225	-	-	-	-	-	303
Taiwan	1989	9,591	1,353	11.1 %	37	-	-	-	-	-	-	-	-	-	37
South Korea	1996	6,326	1,538	9.4 %	31	-	-	-	-	-	-	-	-	-	31
Thailand	1996	7,432	484	8.2 %	23	-	-	-	-	-	-	-	-	-	23
Indonesia	1998	7,979	518	33.9 %	20	-	-	-	-	-	-	-	-	-	20
Malaysia	1994	3,537	226	10 %	8	-	-	-	-	-	-	-	-	-	8
Singapore	1997	603	97	6.2 %	2	-	-	-	-	-	-	-	-	-	2
<b>Total</b>		<b>70,882</b>	<b>6,280</b>	<b>9.7 %</b>	<b>191</b>		<b>8</b>		<b>225</b>						<b>424</b>

## Partner countries (franchised)

Belgium	2000	-	-	-	-	-	-	62	-	-	-	-	-	-	62
United Arab Emirates	1995	-	-	-	-	10	-	-	-	-	-	-	-	-	10
Saudi Arabia	2004	-	-	-	-	2	-	-	-	-	-	-	-	-	2
Oman	2000	-	-	-	-	1	-	-	-	-	-	-	-	-	1
Qatar	2000	-	-	-	-	1	-	-	-	-	-	-	-	-	1
Egypt	2002	-	-	-	-	3	-	-	-	-	-	-	-	-	3
Tunisia	2001	-	-	-	-	1	-	4	-	-	-	-	-	-	5
Romania	2001	-	-	-	-	5	-	-	-	-	-	-	-	-	5
France (French overseas territories)	1988	-	-	-	-	9	-	39	-	-	56	-	-	-	104
Dominican Republic	2000	-	-	-	-	1	-	-	-	-	-	-	-	-	1
Norway	2004	-	-	-	-	-	-	5	-	-	-	-	-	-	5
Japan	2000	-	-	-	-	8	-	-	-	-	-	-	-	-	8
<b>Total</b>						<b>3,739</b>		<b>41</b>		<b>110</b>		<b>56</b>		<b>207</b>	

### Group total

93,614

HYPERMARKETS	Franchised	839	87	SUPERMARKETS	Franchised	1,517	938	HARD DISCOUNT	Franchised	4,316	1,135	CONVENIENCE	Franchised	207	2,839	CASH & CARRY	Franchised	124	26	Total	12,028
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groupe**carrefour**

**2**

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# MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD



Fiscal year 2005 represented a fundamental stage in the development of the Carrefour group. We can indeed be proud and satisfied with the progress we have made since our shareholders decided to make a number of profound changes in April 2005. Strengthened by the implementation of a mode of corporate governance equal to the challenges faced by the Group and by the appointment of a new management team willing and able to deal with those challenges, the Carrefour group has energetically prepared the ground for its return to sustainable value creation.

As evidence of this strategic turnaround, the Group had the foresight to rethink its structure, define and stabilize its pricing strategy, revive innovative initiatives, move out of countries and activities which were underperforming or no longer of strategic importance, and accelerate the pace of its development. Thanks to the involvement, enthusiasm and motivation of all of its employees, the Group is now in a position to be confident about its renewed competitiveness and can devote its creativity to the service of its customers.

I would like to stress, in particular, the excellent functioning of the Group's governing bodies, whose complementarity and collegial administration provide us with a method of managing the company that is perfectly suited to the diversity of its store formats and its extensive geographical network. More generally, the Group's new principles of organization contribute to a high level of responsiveness in the face of competition, and help to promote decentralized decision-making and quicker implementation of decisions, resulting in a higher level of customer satisfaction throughout the world.



As fundamental qualities in an increasingly competitive international context, responsiveness and efficiency once again figure prominently among the strong points of the Carrefour group. Confronted with its major international competitors, these qualities will enable it to meet tomorrow's challenges and provide better responses to the demands of the constantly changing global retail distribution market.

I have confidence in the ability of the Group's management team to continue the satisfactory implementation of our strategy and successfully complete the major projects already underway, which are beginning to give us a glimpse of the Carrefour group of the future.

Lastly, as a major economic and social player on the international scene, the Carrefour group must exercise its activities in a socially responsible way. In this regard, the Group's

employees contribute each day to the improvement of product quality, to customer safety and to local economic development, and are doing their part to protect the environment.

In view of the progress we made in 2005, I am more than ever convinced that the Carrefour group is in a strong position to ensure that 2006 will mark a return to profitable and sustainable growth, which is the best guarantee of lasting value creation.

Luc Vandeveldde

# INTERVIEW WITH THE CHAIRMAN OF THE MANAGEMENT BOARD

## **José Luis Duran, with the publication of the 2005 Annual Report, what is your overall assessment of the year 2005?**

2005 represents a crucial turning point in the Carrefour group's strategy. We confronted this crucial period against a difficult background of intensified competition, weaker consumer spending in Europe and a rapidly changing regulatory environment in France. In the light of this situation, we not only rethought our economic model and our strategy, but above all our ambitions. By tracing out the most direct route from the existing situation to our objectives, we dared to break a number of taboos. In particular, we broke with a policy of short-term results, which favoured margin growth to the detriment of growth in sales and long-term results. Our objective is to be among the three leading players in the retail distribution sector in each of our markets.

And the first results are already in:

- We have found the way back to growth, with the opening of more than a million square metres of new sales floor area through organic growth, in addition to 425,000 sq.m from tactical acquisitions, whilst the average pace of growth over the last five years never exceeded one million square metres.
- Our sales increased by 6.1% on a like-for-like basis and by 4.3% worldwide at constant exchange rates, and by 28% in Latin America, 20.5% in Asia, 6.1% in Europe (excluding France) and 1.2% in France.
- We have recaptured market share in grocery retailing\* as a result of our determined pricing policy, particularly in France. In this market, our entire range of banners gained market share of 0.6 point in grocery retailing in 2005 and, as a result of their pricing offensive, Carrefour hypermarkets in France increased their market share by 0.3 point. This shows the exceptional vitality of the hypermarket format when we offer customers the best product range at the best price.

Thanks to the efforts made in 2005, the Carrefour group has built a firm foundation for stronger and more sustainable growth in 2006. That is also why we withdrew from four countries (Japan, Mexico, the Czech Republic and Slovakia) and why we disposed of two of our activities (catering outlets in France and the cash & carry business in Spain) where the Group was no longer in a position to maintain its leadership position. From now on, we are concentrating all our resources on our strategic assets (i.e. those that show a potential for profitability and strong growth). Today, the course is clear for us and our teams.

## **What is your outlook for 2006-2008?**

The strategy begun in 2005 is a fundamental strategy designed for the medium term (through to 2008), and we are pursuing it with determination. We are controlling costs in all regions. Our average net debt is improving, in spite of rising investments and dividends.

\* Sources: Nielsen and Secodip.

Our financial expenses are down by 6%. Our net income per share from recurring operations is stable overall and our healthy net cash flow ensures that we have the resources we need to carry out our strategic plan.

Although I remain cautious, I am optimistic: the Group has a high potential for growth. Over the 2006-2008 period, we will open on average twice as many hypermarkets throughout the world as between 2001 and 2004. In fact, we plan to add 1.5 million sq.m annually through organic growth and we will take advantage of the best opportunities for tactical acquisitions. Naturally, we will pay scrupulous attention to the allocation of capital and to the profitability of all these investments.

### **How do you intend to build loyalty among your customers?**

Our customers are at the heart of the Carrefour group's strategy. The best proof that we have regained the trust of our customers is an increase in sales and in our grocery market share in France. The new pricing strategy in France that



## INTERVIEW WITH THE CHAIRMAN OF THE MANAGEMENT BOARD

I have already mentioned was a necessary prerequisite, and we plan to maintain our competitiveness in 2006. And we are going even further, by strengthening our initiatives in the area of customer relations. To that end, we still need to increase our understanding of current trends in our customers' purchasing behaviours, customs and lifestyles.

This can be accomplished by making better use of our databases. On the basis of this improved understanding of the attitudes of our customers and by more clearly anticipating their expectations, we can adapt our product range accordingly by implementing a more targeted price strategy and by further developing our product mix and services.

In 2005, we launched some major strategic programmes to prepare for these changes. This involves an in-depth change in our approach to developing goods and services.

### **What are the priorities and time frames for these projects?**

These programmes will be implemented over the entire duration of the plan. They naturally imply a profound change in our management methods and tools. In practice, this project must enable

us to win market share in all sectors, and not only in the grocery and fresh produce sector where we are already the leader, but in non-food segments as well. All our teams are mobilized to offer the best range of products and services. Market testing carried out in Spain in 2005, with small Carrefour hypermarkets and the MaxiDia stores, shows that we are continually getting closer to our customers and their expectations and that innovation in this sphere tends to pay off.

### **How is this strategy put into practice by employees?**

A strategy can only succeed if the idea is transformed into action, and then the action is transformed into results. The best guarantee of the successful implementation of our strategy is therefore the exceptional know-how and energy of our 436,000 employees. Their daily commitment to customer service is without a doubt our best asset.

A number of teams participated directly in the preparation of the strategic plan through participating in task forces that brought together people from all store formats and all geographical areas, possessing the full range of functional and operational skills.



It is this direct upstream involvement that facilitates implementation and guarantees that these programmes can be made fully operational.

Based on the success of these task forces, we decided to modify the organization of the Group by simplifying our structures and reinforcing the teams in direct contact with the customer. This simplification and the reallocation of resources have allowed us to strengthen our in-store teams.

In France, we recruited and trained some 15,000 employees, which puts the Carrefour group, once again, at the top of the list of national recruiters.

### **What are your priorities in terms of sustainable development?**

Our customers also think and act as citizens. We have fully incorporated sustainable development into our new strategy. All of the Group's employees are developing projects that respond in concrete terms to the concerns and expectations of the populations that we serve throughout the world, in areas such as food safety, nutrition and social responsibility. For instance, in Colombia, Carrefour was one of the main industry leaders involved in the production and sale of substitute

products to replace the cultivation of crops for illicit use. For its efforts in this area, Carrefour Colombia was awarded the United Nations Vienna prize.

In Thailand, Carrefour has initiated an aquaculture project at Baan Nam Kem to help the fishermen of southern Thailand reconstruct the aquaculture facilities destroyed by the tsunami of December 2004. At a time when the overexploitation of marine resources is becoming a cause for alarm, the Carrefour group is marketing four frozen fish items in France and Belgium under its own brand name which are the product of responsible, environmentally friendly fishing practices. These are just a few examples that illustrate our commitment to sustainable development.

### **In conclusion, would you say that the Carrefour group is once again a growth company?**

Trust cannot be imposed; it must be earned.

Carrefour is an extraordinarily modern and proactive retail distribution enterprise turned resolutely towards the future; it is the second largest such enterprise in the world, and certainly the most international in scope.

I believe in our teams' ability to make the Carrefour group a lasting vehicle for international growth, and I am totally committed to that objective, as is the entire management team.

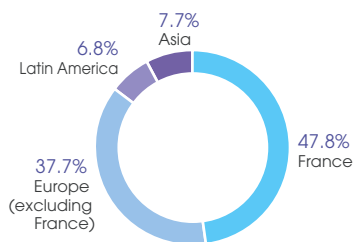
José Luis Duran

# FINANCIAL OVERVIEW

2005 represented a new start for Carrefour. The Group adopted a strategy centred on customer satisfaction and growth and made some difficult choices concerning the development of its management structure, the allocation of its resources and the definition of its marketing strategy. The Carrefour group has simplified its management structure to facilitate decision-making and the implementation of its strategy. It has also strengthened its asset portfolio, by disposing of underperforming activities and by strengthening its position in its key markets. Carrefour has accelerated its growth by creating 1.5 million additional square metres of sales area in 2005 – a 50% increase over the sales floor area created in 2004. These strategic decisions to reposition its portfolio have had an impact on results with an exceptional charge of 372 million euros. Finally, Carrefour has maintained a consistent and determined marketing policy, particularly in France, where, for the first time since the year 2000, the Group won grocery market share over a full year.

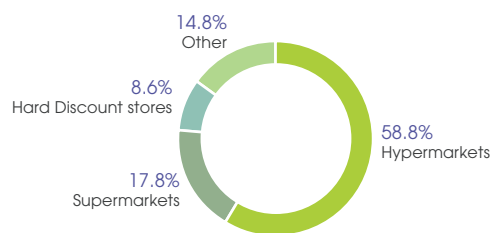
The 2005 results reflect the impact of these decisions. Net sales on a like-for-like basis and with constant exchange rates increased by 4.3%. Carrefour's commitment to maintain the lowest prices, particularly in France, led to a reduction of 0.2% in the Group's profit margin. Even though this reduction was partially offset by rigorous cost control policies, Activity Contribution declined by 2.9%. The strong rise in Activity Contribution at the international level (up 19%) partially offset the decline in France (down 16%). In 2005, for the first time in the history of the Group, international operations represented nearly half of Carrefour's EBIT before non-recurring items.

## Breakdown of consolidated net sales by geographic region



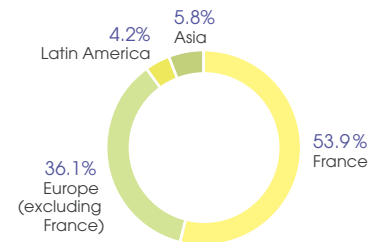
TOTAL 74,497 M€

## Breakdown of consolidated net sales by store format



TOTAL 74,497 M€

## Breakdown of Activity Contribution



TOTAL 3,175 M€

## Consolidated net sales

In 2005, consolidated net sales grew by 2.5%, which represents an increase of 4.3%, disregarding the impact of exchange rate and perimeter changes. In 2005, Carrefour sold its activities in Mexico, its Prodiest catering outlets in France and its cash & carry activities in Spain (Puntocash) and signed a franchising agreement with Aeon in Japan. The Group also decided to discontinue its operations under the Champion banner in Spain and Brazil.

In addition, it made the following acquisitions: 12 hypermarkets from Ahold in Poland, Aligros in Italy, Gima and Endi in Turkey, Chris Cash & Carry in Cyprus, the hard discount activities of the Rewe group in France and 11 Sonae hypermarkets in Brazil.

Carrefour also signed a memorandum of agreement concerning an exchange of its activities in the Czech Republic and Slovakia against the assets of Tesco in Taiwan.

Finally, at year-end 2005, the Group launched a simplified takeover bid for Hyparlo. The final conclusion of this transaction should strengthen the Group's position in France, with the acquisition of 12 hypermarkets. It should also provide access to new growth opportunities in Romania, where Hyparlo is currently the leading player in the hypermarkets segment, with five stores. Overall, the consolidation of Hyparlo should contribute additional full-year gross sales of approximately one billion euros.

In France, the Group's 2005 sales were down by 0.4%. In the Europe region, sales increased by 3.6% while in Latin America and Asia, sales grew by 7.5% and 12.6% respectively. Gross sales (including tax) generated under the Group's retail banners amounted to 93.6 billion euros. Under its various trade names, Carrefour added nearly 1.5 million square metres of new sales floor area in 2005 (store openings and acquisitions combined) representing nearly 1,400 new retail outlets.

## Activity Contribution (Group share)

The Group's Activity Contribution declined by 2.9%. This development reflects, in large part, our decision to lower prices across all our markets, particularly in France, as well as rigorous control of our general expenses.

The strong rise in Activity Contribution at the international level (up 19%) partially offset the decline in France (down 16%). In 2005, for the first time in the history of the Group, international operations represented nearly half of Carrefour's EBIT before non-recurring items. The Group's Activity Contribution as a percentage of sales amounted to 4.3%, a slight decrease compared to 2004.

New totals after the application of IFRS standards, comparing the 2005 accounts with the published 2004 IFRS accounts adjusted for the depreciation of buildings over 40 years

**Consolidated net sales**  
(in B€)

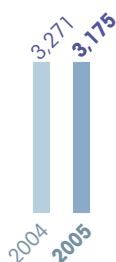


**Activity Contribution before depreciation and amortization**  
(in M€)



74.5 billion euros  
**Consolidated net sales**

**Activity Contribution**  
(in M€)



**Net income from recurring operations, Group Share**  
(in M€)

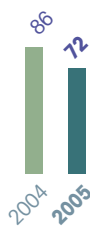


3,175 million euros  
**Activity Contribution (Group share)**

**Earnings per share from recurring operations**  
(in euros)



**Debt ratio**  
(in % of equity)



7 X = EBIT / financial income  
**Indebtedness**

1,807 million euros  
**Net income from recurring operations, Group Share**

**Indebtedness**

Net debt stood at 6.8 billion euros at year end, essentially unchanged compared to 2004. However, after eliminating the impact of the first application of IAS standards 32 and 39 as of January 1, 2005, net debt was reduced by nearly 500 million euros, as announced at the start of 2005.

In the final analysis, the net debt to cash flow ratio amounted to 53%, an improvement over 2004, in spite of the negative impact of the first application of IAS standards 32 and 39. Financial expenses were down by 6% over the year. Thus, despite the decrease in EBIT before non-recurring items, the financial expense coverage ratio improved, moving up from 6.7 x in 2004 to 7 x in 2005.

**Net income from recurring operations, Group Share**

Net income from recurring operations (Group share) increased by 1.2%, taking into consideration the 6% reduction in financial expenses and a 29.4% tax rate, essentially unchanged in 2005.

**Earnings per share from recurring operations**

Earnings per share from recurring operations stood at 2.58 euros, an increase of 0.9% compared to 2004. Group share of net income per share, after expenses related to divested activities or activities in the process of divestiture, amounted to 2.05 euros in 2005 versus 2.44 euros in 2004.

2.58 euros  
**Earnings per share from recurring operations**

# STOCK MARKET OVERVIEW

## Capital

At December 31, 2005, Carrefour's equity capital totalled 1,762,256,790 euros.

This was made up of 704,902,716 shares with a par value of 2.50 euros compared with 705,119,550 shares one year earlier.

## Distribution of capital

The distribution of capital among shareholders at December 31, 2005 was as follows:

Shareholders	Number of shares	In % of capital	Number of ordinary voting rights	In % of capital	Number of extraordinary voting rights	In % of capital
Halley family group	91,871,063	13.03	171,484,335	20.34	171,484,335	20.34
Owned shares	1	0.00	0	0.00	0	0.00
Controlled shares	0	0.00	0	0.00	0	0.00
Employees	15,482,998	2.20	30,178,621	3.58	30,178,621	3.58
Public	597,548,654	84.77	641,270,461	76.08	641,270,461	76.08
<b>TOTAL</b>	<b>704,902,716</b>	<b>100.00</b>	<b>842,933,417</b>	<b>100.00</b>	<b>842,933,417</b>	<b>100.00</b>

## Carrefour shareholders' pact

By a letter of December 9, 2005 addressed to the French Financial Markets Authority (AMF), followed by a letter of December 12, the Halley family group stated that it would no longer act in concert with the March group with regard to the Carrefour company, beginning on December 7, 2005, owing to the early expiration, on the same day, of the agreement concluded on June 25, 2004.

## Carrefour stock

Carrefour is listed on the SRD Eurolist (Deferred Payment Service, ISIN code FR 0000120172).

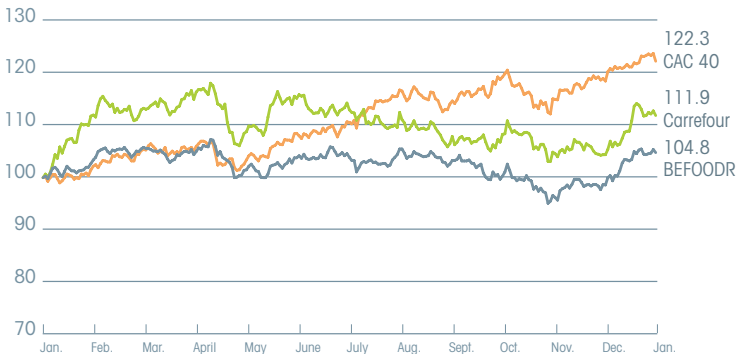
It is included in the following indices: CAC 40, DJ Euro STOXX 50 and DJ Stoxx 50.

On December 30, 2005, the share was in 9th position in the CAC 40 index in terms of market capitalization, with a weighting of 2.89%.

(in euros)		2000	2001	2002	2003	2004	2005
Quoted price:	highest	91.8	69.4	58.15	46.34	44.11	41.75
	lowest	62.5	46.3	38.07	29.35	33.7	35.36
	on December 31	66.9	58.4	42.43	43.52	35.04	39.58
Number of shares on December 31		711,143,440	711,155,854	716,141,771	716,142,383	705,119,550	704,902,716
Market capitalization on December 31 (in billions of euros)		47.6	41.5	30.4	31.2	24.7	27.9
Average daily volume:		1,704,163	1,934,055	2,567,064	2,513,291	3,028,232	2,613,756
<b>Net income per share from recurring operations</b>		-	-	-	-	<b>2.56</b>	<b>2.58</b>
Net dividend		0.50	0.56	0.64	0.74	0.94	1*
Yield		0.74%	0.95%	1.50%	1.70%	2.70%	2.53%

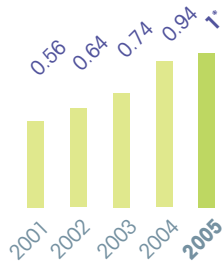
\* Subject to the approval of the shareholders at their Annual Meeting on May 2, 2006.

**Share price movements in 2005 compared with the CAC 40 index (basis 100) compared with the BEFOODR index\* (basis 100)**



\* The BEFOODR index includes: Carrefour, Casino, Colruyt, Delhaize, Sainsbury, Ahold, Metro AG, Wm Morrison and Tesco.

**Dividend per share (in euros)**



\* Subject to the approval of the shareholders at their Annual Meeting on May 2, 2006. The Dividends are prescribed after five years to the benefit of the State.

**Shareholder information**

Carrefour shareholders have access to transparent, accurate and regularly updated information through:

**A free telephone number for shareholders**

- Service available 7 days a week, 24 hours a day. By dialing +33(0)1 53 70 19 00, shareholders have access to the following information:
- Group news and important events;
  - The share price, its movement and that of the CAC 40;
  - The calendar of meetings and financial publications — contact information can be left by voice mail to receive the Letters to Shareholders, the Shareholder's Guide or the Annual Report;
  - Pure registered shares and their advantages — the shareholder is put through to an adviser of the Credit Agricole Indosuez Corporate Trust, appointed by Carrefour to manage registered shares;
  - The Group's strategy and outlook by contacting the Shareholders' Service.

**A Shareholders' e-mail alert**

Register under the "Shareholders" section of the Carrefour website: <http://www.carrefour.com>.

**The Letter to Shareholders**

Sent to all registered and bearer shareholders who request it, the Letter to Shareholders appears twice a year, following the publication of the half-yearly results and the Annual Shareholders' Meeting.



**The Shareholder's Guide**

**Meetings:** the Annual Shareholders' Meeting, other shareholder meetings or meetings during the Paris Actionaria Exhibition.

**Calendar of financial information**

2005 Annual results	March 9, 2006	2006 second quarter sales	July 12, 2006
2006 first quarter sales	April 12, 2006	2006 half-yearly results	September 7, 2006
Shareholders' Meeting (on 2 <sup>nd</sup> notification)	May 2, 2006	2006 third quarter sales	October 11, 2006
Payment of dividend	May 5, 2006*	2006 fourth quarter sales	January 11, 2007

\* Subject to the approval of the shareholders at their Annual Meeting.

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2005

# A YEAR OF PROGRESS

The Group now has a new management team and a new form of corporate governance, which is better suited to the company's requirements.

2005 was a year of strategic repositioning for the Carrefour group.

Over the full year, we gained grocery market share in France for the first time since 2000 as a result of a consistent pricing strategy focused on the customer.

We added 1.5 million square metres of new sales floor area, 50% more than in 2004.

Finally, in 2005, we optimized our asset portfolio.

## New mode of governance

- A new Supervisory Board was formed in April.
- A new Management Board was appointed in April.

## Portfolio of stores

- The Carrefour group has significantly strengthened its positions in all countries and optimized its asset portfolio.
- Strengthening of the Group's positions in Poland (February), Italy (April), Cyprus (May), Turkey (May), Brazil (June), France (July) and Taiwan (September).
- Divestitures in Japan (March), Mexico (March), Slovakia (September) and the Czech Republic (September).

## Openings and expansions

- 1.5 million sq.m of new sales floor area created – a level not achieved since 2000. 1,394 stores were opened throughout the world in 2005.
- Investments increased by 25%, a substantial part of which was dedicated to the opening and expansion of stores.
- 82 hypermarkets were opened (54 new stores and 28 acquisitions) in 2005 throughout the world. Opening of the 70<sup>th</sup> hypermarket in China.



## Price repositioning

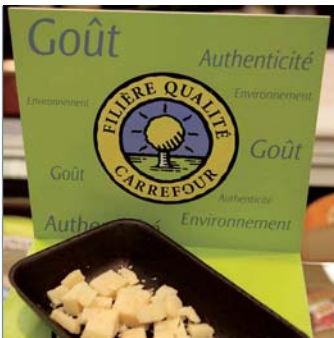
- Carrefour launched a major price offensive in France which has begun to produce results.
- Price competitiveness is an essential, non-negotiable element in all of our markets.





### Recapture of market share in France

- Ongoing efforts to improve price competitiveness in 2005 enabled the Group to recapture grocery market share in France over the full year. Grocery market share for Carrefour hypermarkets increased by 0.3% in France according to Secodip. Overall, the Group's market share rose by 0.6% in France.



### Safety and environment

- In early October, the Group organized the first Scientific Food Safety Symposium in Evian.
- A performance agreement was signed with Schneider Electric in June to reduce electricity consumption in stores in France by 10 to 15%.
- Four frozen fish products produced in accordance with environmentally responsible fishing practices were introduced in France and Belgium.

### Our brands

- Launch of the third generation of Carrefour products in France: Carrefour Agir and Carrefour Sélection.
- Restructuring of the Champion brand. The latest version of the Champion brand comprises the following product ranges: Collection Champion, Éco Planète, Fair Trade and Organic.
- Restructuring of Carrefour brands in Brazil, China and Colombia.



# EUROPE

## KEY EVENTS IN 2005

2005 was characterized by a marked intensification of activity in Europe, where the Group strengthened its leadership position. Its vitality was reflected by numerous openings and acquisitions and by substantial price investments, particularly in France, Belgium and Italy. The Group also withdrew from certain underperforming markets such as Slovakia and the Czech Republic.

### France

2005 was marked by sustained pricing efforts. As a result, hypermarkets gained 0.3% market share for grocery items according to Secodip. All store formats combined, the gain amounted to 0.6%.

Other noteworthy facts:

- The number of Carrefour loyalty card holders increased to 8 million;
- Carrefour and Champion product ranges were restructured;
- Existing Champion stores were modernized;
- Acquisition of 101 Pennymarket stores under the Ed banner;
- Sale of Prodirest to Transgourmet (Rewe);
- Acquisition of ten new motorway service stations.

### Spain

In 2005, Carrefour Spain:

- Opened 4 hypermarkets in Talavera (Toledo), Pulianas (Granada), Cartaya (Huelva) and Coristanco (La Coruña);
- Launched an in-depth modernization of its existing supermarkets. In this regard, certain Champion stores were converted into Carrefour hypermarkets or into Dia hard discount stores;
- Sold the Puntocash cash & carry chain;
- Opened 5 new service stations;
- Launched a loyalty programme in Carrefour hypermarkets.

### Portugal

Key development in 2005: a common organizational structure was established with Spain, particularly in the support and merchandise areas. Purchasing was pooled with Spain.

### Italy

With a solid base in Italy, the Carrefour group continued its expansion in 2005 with:

- The opening and conversion of 8 supermarkets into hypermarkets and the opening of 4 new hypermarkets. Overall, hypermarket sales floor area was increased by 70,000 sq.m. Italy's 50<sup>th</sup> hypermarket opened for business in December 2005.
- The acquisition and opening of 92 new GS supermarkets;
- The acquisition, through a partnership with Aligros, of 160 mainly convenience stores in the Apulia region.

Overall, Italy has 975 convenience stores.





92 GS supermarkets were opened in Italy (including new stores and acquisitions).

### Belgium

Carrefour Belgium's noteworthy developments in 2005 included:

- The purchase of T-Centrum resulting in the acquisition of 13 supermarkets in the Antwerp region;
- A strong pricing offensive. Price reductions concerned national brands, as well as Carrefour and GB products;
- Deployment of a non-grocery product range in supermarkets, and the modernization of GB Express and GB Contact;
- Happy Days card holders reached the 5 million mark.

### Greece and Cyprus

The Group also expanded in Greece and Cyprus. In 2005, investments were made in an additional 45,000 sq.m of sales floor area.

The Group also obtained a foothold in Cyprus in 2005.

Thanks to the purchase of Chris Cash & Carry, the Group acquired 3 hypermarkets and 3 supermarkets.

### Poland

Although the Group already has a strong base in this country, it pursued its development with the acquisition of 12 Hypernova stores from Ahold.

This acquisition places the Group in second place for hypermarkets with 32 hypermarkets and 71 supermarkets.

### Turkey

In 2005, the Carrefour group moved into second place in this market.

The Group now operates throughout the country.

Through a large transaction in 2005, the Group acquired 2 Turkish retail banners:

- Gima, which positions the Group strongly in the supermarket segment, the dominant store format in this country;
- Endi, thanks to which the Group acquired 50 hard discount stores.

### Switzerland

The Carrefour group operates 12 hypermarkets in Switzerland.

Substantial amounts were invested in pricing and promotional campaigns in spite of a very competitive market.



# ASIA

## KEY EVENTS IN 2005

Already established in eight Asian countries, the Carrefour group continued to strengthen its position in Asia in 2005. The Group also revitalized its marketing strategy in most of the Asian countries in which it operates through such developments as a franchising agreement in Japan, acquisitions in Taiwan, and store openings in China and Indonesia. Expansion in China was particularly intense.

### China

In 2005, the Carrefour group celebrated ten years of activity in China. As of year-end 2005, Carrefour had 35,000 employees working in 70 hypermarkets, eight supermarkets and 225 hard discount stores. 2005 saw the strongest expansion ever in China with:

- The opening of 14 hypermarkets, 62 hard discount stores and 2 supermarkets;
- The implementation of a new organizational structure in 4 operating regions.

Results:

- The Carrefour group was once again, at year-end 2005, the leading international retail distributor in China;

Each year, several hundred department managers are recruited from the local population and more than 500 people are continually being trained in sales and management functions. They will be the managers of tomorrow in a country that is key to the Group's development.

### Taiwan

Taiwan could be considered the bridgehead of the Group's operations in Asia, after China. At the end of 2005, Taiwan had 37 hypermarkets with nearly 10,000 employees.

The Group is the country's leading international retailer and has been operating there for 16 years.

Noteworthy events in 2005 included:

- The signature of an agreement with Tesco Taiwan. Six hypermarkets and two other projects currently underway should join the retail banner in 2006;
- A new marketing campaign to boost sales in hypermarkets.





### South Korea

After 9 years of activity in this country, the Carrefour group is Korea's fourth largest retailer with 31 hypermarkets as of the end of 2005. The year 2005 in South Korea was marked by substantial efforts to boost Carrefour's sales dynamic in a very competitive market, along with the opening of 4 hypermarkets.

### Indonesia

After 7 years of operation in Indonesia, as of the end of 2005, the Group had a total of 20 hypermarkets, thanks to the opening of 5 new stores. The Group is the second largest retailer in the entire country and the leader in the hypermarket format.

In 2005, the first hypermarket was opened outside of the Jakarta area.

### Thailand, Malaysia and Singapore

At year-end 2005, the Group had 33 hypermarkets in these 3 countries.

In Thailand, where the Group is the third largest retailer in the hypermarket segment, Carrefour Quality Line contracts were signed with five suppliers for the cultivation of vegetables, fruit and rice.

In this very competitive market, the Group initiated a new sales dynamic through numerous promotional campaigns featuring an extensive product range and low prices.

### Japan

The Group's activities (8 hypermarkets) were divested to Aeon in March 2005.

Aeon operates these eight stores as franchises under the Carrefour banner and distributes Carrefour brand products in the country.

# LATIN AMERICA

## KEY EVENTS IN 2005

The Carrefour group took advantage of improved economic conditions to revitalize its sales dynamic in Latin America, where it has been established for 30 years. 20 hypermarkets and 68 hard discount stores were opened in 2005.



### Argentina

The Carrefour group has operated in Argentina for 23 years and has 28 hypermarkets, 114 supermarkets and 352 hard discount stores in the country, with over 20,000 employees. In 2005:

- The Group consolidated its position as the country's leading retailer with a 30% market share at year-end 2005.

This advance is the result of a "clustering" approach which consists in adapting stores to their economic and social environment. This approach was initiated in 2004.

### Brazil

As one of the Group's strongholds and historic markets, activity in Brazil was particularly buoyant in 2005, in spite of the difficult economic situation.

At year-end 2005, the Group had 99 hypermarkets, 35 supermarkets and 236 hard discount stores in Brazil. Overall, over 48,000 people are employed by the Group in the country.

Noteworthy events in 2005 included:

- The acquisition of 10 hypermarkets from the Sonae Group in Sao Paulo. As a result of this acquisition, the Group was able to strengthen its position in the Sao Paulo region;
- The opening of 4 new hypermarkets;
- The streamlining of its portfolio of existing supermarkets with store closings in the Rio de Janeiro region;
- The restructuring of Carrefour product ranges.

### Colombia

The Carrefour group is the third largest retailer in Colombia and has been present in the country for seven years now.

In 2005, the Group continued its development in this country, where it had 21 hypermarkets at the end of 2005.

In 2005:

- 6 hypermarkets were opened;
- The "Gran Orden Merito a la Democracia" award was presented to Carrefour Colombia for its commitment to the sphere of social responsibility. Carrefour is the country's leading employer of disabled people and participates in a programme aimed at discouraging the cultivation of coca for illicit use;
- The Carrefour brand was launched;
- A training centre was opened.

### Mexico

Carrefour withdrew from this country in March 2005. The Group sold all of its assets (29 hypermarkets) in Mexico to Chedraui.

This sale is in keeping with the Group's new strategy of disposing of non-strategic or underperforming operations.

