



STORES

FORMATS

The Carrefour group has taken full advantage of the multi-format retailing concept with its extensive range of hypermarkets, supermarkets, hard discount stores and convenience stores, operated directly by the Group or under franchising agreements. 2005 was a year of change as well as a year of growth.

Change, because the traditional rules governing the relationship between sales floor area, store format and trade names were called into question in favour of innovations in products and store formats. And growth, because there were numerous new store openings, expansions and tactical acquisitions. As evidence of this new momentum, hypermarkets in France increased their food market share.

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HYPERMARKETS

Where choice and value for money go hand in hand

In 2005, hypermarkets continued their development as well as their price offensive. Already the leading format in France, hypermarkets also intensified their expansion abroad. With operations in 30 countries, the Carrefour group opened 82 hypermarkets throughout the world in 2005.

Hypermarkets: the keystone of the multi-format strategy

With sales floor areas ranging from 3,000 sq.m to more than 20,000 sq.m, hypermarkets have an extensive catchment area.

They also attract a substantial amount of traffic. True to their mission, they offer a wide range of food and non-food products at very attractive prices "all under one roof". They normally carry between 20,000 and 80,000 product listings. Their distinctive feature is integrating discount pricing with the pleasure of shopping by combining a wide range of products, quality, innovation and modern facilities. Depending on their size, staff numbers range between 250 and 750 employees.

Today, Carrefour is expanding the services available to customers in hypermarkets. It is also endeavouring to create closer relationships with its customers, in order to serve them more efficiently.

An absolute priority: unbeatable prices in each store's catchment area

In 2005, the Group regained the initiative on pricing. The objective is to be the price leader or joint leader in each store's catchment area in France.

Over the year 2005, Carrefour hypermarkets in France won 0.3% market share for grocery items.

The three key ingredients

Along with this pricing offensive, three major initiatives, directed at customers, were conducted simultaneously:

HYPERMARKETS DESIGNED FOR CHINA



Chinese consumers, with limited access to cars and refrigerators, as well as limited space, shop more frequently than Europeans – three times a week on average. What do they appreciate most? Fresh products, such as those found in open-air markets. The Carrefour group has adapted to this demand by making the quality of fresh produce a top priority. Emphasis is also placed on giving stores a lively, friendly atmosphere where it is easy and practical to shop. At the end of 2005, the Group had 70 hypermarkets China.

1. Improvement of the product range

Carrefour has continued to adapt its product mix to local demand and expanded its product ranges.

The number of product listings increased by 6% in the grocery department, 7% in cosmetics and 8% in fresh produce in French hypermarkets.

2. Expansion of services

Insurance, financial services and travel services are just some of the services we are offering in our hypermarkets in France, Spain and Brazil, for example, and that we plan to develop in other countries as well.

3. Ongoing dialogue with our customers

In 2005, Carrefour developed a more targeted marketing strategy, thanks, in large part to the loyalty card and its detailed database. As a result, messages were clarified, new loyalty programmes were launched and highly targeted price reduction operations were deployed. The card, which was launched in April 2004 in France, was held by nearly 8 million customers at year-end 2005 and it was used for 63% of purchases.

Successful relaunch of the Carrefour brand

2005 was also marked by a restructuring of the Carrefour product range in France. Our teams adapted the range to the newly identified needs of customers through initiatives in pricing, quality and innovation. By the end of 2006, this range will include 11,000 mass-market products and miscellaneous household goods. The Carrefour brand is now featured more prominently on shelf displays.

It has also been expanded, with the addition of Carrefour Agir products and Carrefour Sélection products.

2005: the year hypermarkets were modernized in France

Existing hypermarkets were enlarged and renovated. 48,000 sq.m were added and 22 hypermarkets were enlarged in France, including stores at Angers Saint-Serge, Villabé and Annecy.

82

new Carrefour hypermarkets worldwide in 2005

- 54 openings
- 28 acquisitions

700,000 sq.m

of new sales floor area created

8 million

Nearly customers have a Carrefour loyalty card in France

4 million

Over customers have a Carrefour loyalty card in Spain



HYPERMARKET LOCATIONS THROUGHOUT THE WORLD AS OF DECEMBER 31, 2005



SUPERMARKETS

Fresh produce, convenient shopping and fair prices

2005 was rich in new developments for the Carrefour group's supermarkets with 226 new supermarkets, several new store concepts, 200 stores renovated in France, tactical acquisitions in Italy, Greece and Turkey, the development of a non-food product range and the restructuring of Champion brand products. This store format has real potential.

ADAPTING TO LOCAL CONDITIONS

Local acceptance and public recognition are decisive factors in an effective marketing strategy for supermarkets.



Well-known local trade names

93% of the Carrefour group's supermarkets are located in Europe, including 1,024 Champion supermarkets in France. Italy has 452 GS supermarkets and Belgium 326 GB supermarkets. Several acquisitions were completed in Turkey, Cyprus, Italy, and Greece – proof of the Group's interest in this format and of its commitment to optimizing its portfolio of stores.

Loyalty building first and foremost

Supermarkets may be located in cities, as well as in suburban and rural areas. In cities, the product range consists mainly of grocery products, while stores in rural areas are developing a product range including more non-food products, such as textile products and miscellaneous household goods. Loyalty building, by ensuring customer satisfaction, is a primary objective of the supermarket format. Approximately 10,000 product listings are sold in these stores, which are growing in sales floor area. Depending on their size, staff numbers range from 25 to 250 employees. Today, the size often exceed 2,000 sq.m in floor area.

Expansion and modernization of Champion stores

Champion will celebrate its 35th anniversary in France in 2006. The year 2005 was marked by numerous enlargements and the reorganization and modernization of existing stores. These renovations and enlargements will continue in 2006. In 2005, these expansion operations included over 90 enlargements and 70,000 additional sq.m of sales floor area, 19 new stores and a number of new franchisees. Furthermore, 200 stores were modernized in 2005, including new façades, new signs and new public address systems, along with newly competitive pricing. The non-food product range was also enhanced and the number of non-food products has doubled in three years – yet one more factor that differentiates us from the competition.





INNOVATING AND EXPERIMENTING



Our teams are always looking for ways to innovate and expand the limits of the supermarket concept. A new highly urban concept is being tested in France and Italy featuring a "fast-lane" shopping circuit designed for customers in a hurry, ready-cooked and "ready to eat" dishes, emphasis on fresh products, opening hours adapted to city life, and so on. This new concept was created for quick, efficient and pleasant shopping.

Restructuring and strengthening of the Champion brand in France

Champion has decided to expand its range of store brands with the addition of self-service deli products, health and baby products, diet products, cosmetic items, teas and so on. The objective is to differentiate its offer from that of its competitors by targeting rapidly growing product families and by increasing the number of product listings from 1,550 to 2,400.

The children's food department, for example, was enlarged, with 100 additional listings. In the future, efforts will be focused on organic products, health-food products, fair trade products and up-scale products. This enlargement of the product range will allow us to respond better to the changing expectations of our customers, while making their shopping experience simpler and more enjoyable.

226

new supermarkets in 2005

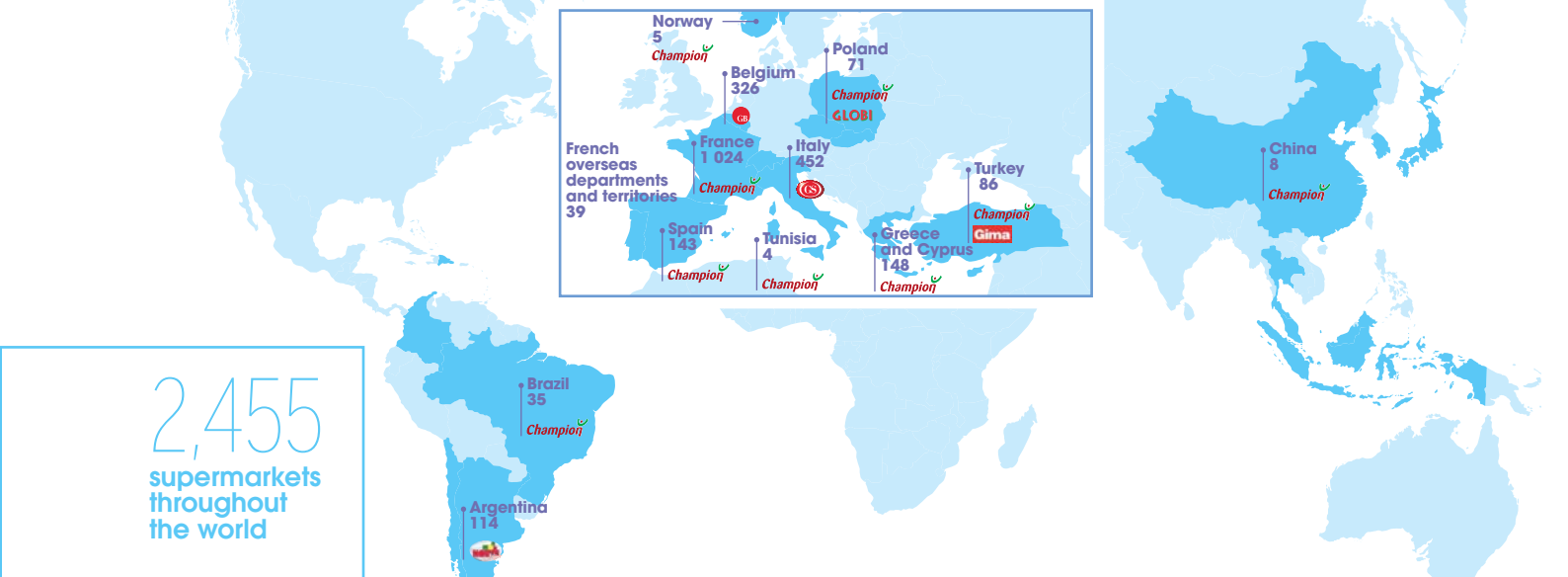
410

Champion stores renovated in 3 years

10% more

non-food products in two years in France

SUPERMARKET LOCATIONS THROUGHOUT THE WORLD AS OF DECEMBER 31, 2005



2,455

supermarkets throughout the world

HARD DISCOUNT STORES

Quality products at low prices

Offering convenience and quality at discount prices, the Group's hard discount stores are found under the Dia banner in eight different countries, as well as in France under the Ed banner, in Portugal under the Mini Preço banner, and in Spain under the MaxiDia banner (a new store format added to the hard discount family in 2005). 2005 was not only a year of innovation, but also a year of strong organic growth with the opening of 636 new hard discount stores throughout the world.

Attacking the market

With nearly 5,500 stores throughout the world and 636 openings in 2005, the hard discount format is a powerful growth engine for the Group. This format offers products at discount prices all year long, together with a guarantee of irreproachable food safety. The hard discount format offers a deliberately optimized product mix, with a product range mainly composed of Dia brand grocery products. Through regular enlargement and modernization operations, hard discount stores are continually updated in real time to keep pace with the market.

Dia: the world's third leading hard discounter

Dia is the Carrefour group's hard discount brand. Operating in eight countries throughout the world, the Group's 5,500 Dia stores generated sales of 7.9 billion euros in 2005. There are currently three different types of Dia stores:

- Town-centre Dia stores, which are small and flexible and firmly rooted in the urban environment;
- Suburban Dia stores, with a sales floor area of nearly 600 sq.m, equipped with a car park. They have a more extensive product range featuring fresh produce and wholesale packs;
- MaxiDia, the format's latest incarnation, a true hard discount format tried on an experimental basis in 2004 and developed in 2005.

Ed: the hard discount format "made in France"

Ed offers its customers quality at discount prices along with a quick, friendly shopping experience.

Over 10,000 employees work in 804 stores. Ed is continuing to expand its product range with more fresh produce, including meats and fruit and vegetables. Ed stores market Dia brand products, at prices 35% below those of national brands, on average. At the end of 2005, the Carrefour group acquired 101 Pennymarket stores which are now operating under the Ed banner.



A Dia store in Brazil

MAXIDIA: THE XL VERSION OF THE HARD DISCOUNT FORMAT

Launched in 2004 on the Spanish market, MaxiDia illustrates the Group's determination and capacity for innovation, as well as the dissolution of the traditional link between sales floor area, format and trade name. MaxiDia proves that the hard discount format can function effectively with sales floor areas of 1,200 sq.m while offering a broader range of food products and basic non-food items.



636

stores opened in 2005

313,000 sq.m

added in 2005

804

Ed stores in France

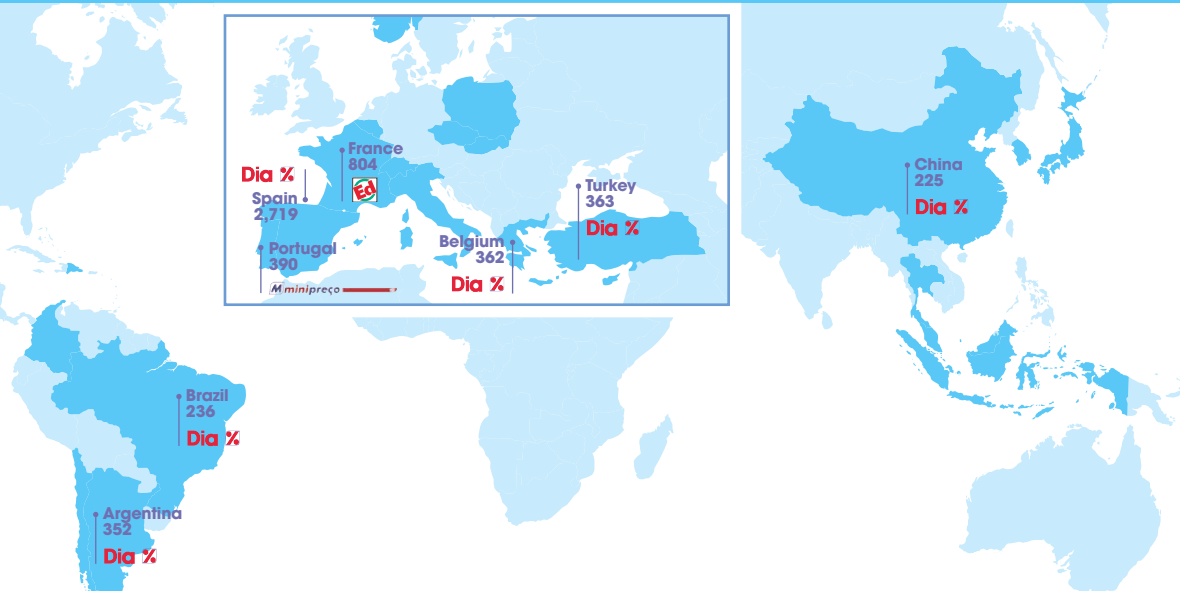
SPAIN IN THE LEAD

313,000 sq.m of sales floor area were added in 2005. Although Spain is still leading the race, Turkey and Brazil are asserting their potential as powerful development accelerators, with the opening of 129 and 41 stores respectively in these two countries in 2005. With 2,719 Dia stores and 50% of the existing base, Spain is the pace-setter for the Group in this

store format. In 2005, the Spanish market once again proved its vitality with the opening of 149 stores. The dynamic situation in Spain is also reflected by a high level of innovation with the creation of the MaxiDia concept, which was tried on a pilot basis in Spain.

HARD DISCOUNT LOCATIONS THROUGHOUT THE WORLD AS OF DECEMBER 31, 2005

5,451
hard discount stores
throughout
the world



CONVENIENCE AND CASH & CARRY

Just around the corner

Convenience stores complete the Carrefour group's retail network in both town and country locations. With more than 3,000 stores in Europe, the Carrefour group is a major player in the neighbourhood grocery store segment.

A format adaptable to new lifestyles

With the ageing of the population, the increase in the number of single-person households and rural depopulation, the convenience store meets the needs of a new economic and social reality. With their modern formats and innovative concepts, the Group's convenience trade names are expanding.

From a positioning based on the store's neighbourhood location, this format is moving towards a positioning based on convenience, a friendly atmosphere and customer service. The objective is to meet customer expectations more closely. In 2005, 439 new convenience stores were opened throughout the world, representing over 124,000 sq.m of new sales floor area.

Carrefour: the leader in convenience stores in France

Ranging in size from 50 to 900 sq.m, the convenience store format relies on its specific advantages to meet the needs of customers. Shopi, a true neighbourhood supermarket, is the leading banner in its niche, Marché Plus facilitates shopping for customers in urban environments and the 8 à Huit stores offer a product mix specifically adapted to urban environments. In the superette concession niche, Proxi offers a mix of products and services, particularly in rural areas. Finally, the Sherpa banner, found exclusively in mountain regions, caters to a highly seasonal clientele.

With more than 1,600 franchise stores in France, and 1,500 concession stores, the Carrefour Convenience division in France

is the leading player in the convenience grocery store segment.

In all these stores, the proprietary Grand Jury brand is featured as the convenience format's own brand.

The convenience format in Europe

The Carrefour convenience format is well established in Europe, primarily in Belgium with Contact GB and GB Express, in Italy with Di Per Di, and in Greece with 5' Marinopoulos.

Overall, the convenience format is well represented with 206 convenience stores in Belgium, 155 in Greece and 975 in Italy.

FRANCHISING: AN EFFECTIVE GROWTH ENGINE FOR THE GROUP

Franchising is a highly effective development accelerator for the Group, particularly in the convenience store niche. 93% of these stores operate under this form of management, which requires a high level of professionalism, expertise and quality of service from the Group. Brand recognition, logistics services and competitive product pricing are the golden rules of franchising. The Carrefour group has acquired this unique form of experience over many years.





Store formats



1,654*

convenience stores in France

* excluding concession stores.

439

new convenience stores in 2005

93%

of convenience stores are operated under franchising agreements

THE CASH & CARRY FORMAT: DAILY CONVENIENCE FOR CATERING PROFESSIONALS

The cash & carry niche represents 12% of the catering and food services market, which is dominated by wholesalers. Intended for food trade professionals, the Carrefour group is developing the cash & carry concept in France with Promocash and in Italy with Docks Market, with a total of 150 stores, 133 of which are located in France.

LOCATIONS OF CONVENIENCE STORES IN EUROPE AS OF DECEMBER 31, 2005

French overseas departments and territories 56

3,046*
convenience stores in Europe
* excluding the Sherpa and Proxi banners (1,582 stores).



SERVICES

Offering customers an added dimension

Each day, the Carrefour group reinforces its personal relationship with its customers by providing services that meet their needs and match their shopping habits.

Carrefour financial services for better budget management

In the spirit of helping customers manage their spending more efficiently, Carrefour hypermarkets have expanded their range of financial services. The spearhead of this strategy is the PASS Card. In the beginning, it was a simple card that allowed customers to spread out their payments, and also gave them priority status at store check-outs. It now has the added dimension of an international payment card (Visa and Visa Premier). Thanks to this strategy, there are now more than 10 million holders of PASS cards (Visa included) throughout the world. This payment card is available to hypermarket customers in many countries (France, Italy, Spain, Belgium,

Brazil, Argentina, Greece, Turkey, Indonesia, Thailand, Malaysia, etc.). These cards serve as an entry point to a full range of financial services. Today, customers can not only make their purchases on credit, but can also take out a loan to buy a car or remodel their homes. And if customers are looking for ways to put their money to work for them, savings, life insurance and investment solutions are also available.

In all, these services amount to 3.5 billion euros in credit outstanding (all products combined). In 2005, the Life Insurance Grand Prize attributed by the magazine *Mieux Vivre Votre Argent* was presented to the "Carrefour Horizons Life Insurance" solutions offered by the Financial Services departments of 216 Carrefour hypermarkets in France.



DIVERSIFYING ONLINE SERVICES

www.ooshop.fr

The Group has been present on the Internet since 1999. The Ooshop cyber market symbolizes this response to new consumer spending practices. In the space of six years, Ooshop has risen to first place amongst cyber markets in France, ahead of all its competitors. The cities of Paris, Evreux, Rouen, Rennes, Le Mans, Nantes, Bordeaux and Lyon now have access to 8,000 product listings, including 2,000 fresh and frozen products. But this cyber market is not limited to groceries. Personal computer products, household appliances, as well as TV and Hi-Fi products are also available on carrefourmultimedia.com, along with a home delivery service. Home delivery is a real plus, particularly in the case of bulky or fragile products, such as washing machines or flat-screen TVs.

Getting the best price on insurance at Carrefour

Insurance products have been available to customers at Carrefour for more than 15 years, through the Carma insurance company. In 2005, Carrefour set an objective to stimulate sales in this highly competitive segment with high growth potential. In France, after updating the insurance counters in 2005, a goal was set to increase the number of points of sale from 72 to 100 by 2007, and to revitalize the sales network, which currently comprises 380 employees specialized in the sale of insurance products. Customers have given a score of 8.5 out of 10 for claim management services and identify the Group as one of the least expensive insurers. This price image was strengthened even further in 2005. The combined auto and homeowner's insurance package, for example, is available for as little as 1 euro per day.



Store formats

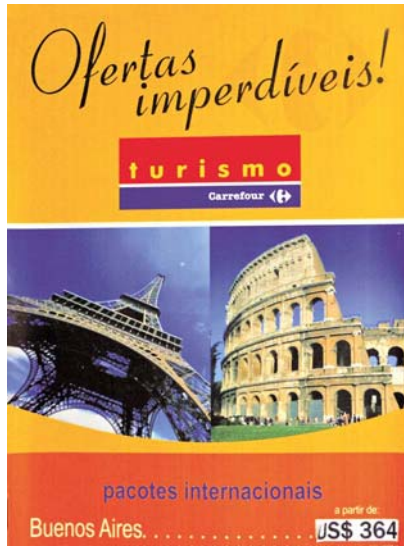
www.carrefourspectacles.com

Would you like to attend a concert after filling your virtual shopping cart? Tickets for more than 50,000 shows and events are available each year at www.carrefourspectacles.com. With a vast

selection of concerts, plays, art exhibitions, festivals, athletic events, trade shows, and so on, the choice is the most extensive in France and also extends beyond the country's borders. The Carrefour group is France's second largest provider of ticketing services.

IMMEDIATE BOARDING WITH CARREFOUR TRAVEL SERVICES

Carrefour customers can make travel arrangements for trips anywhere in the world at unbeatable prices at their hypermarket via an assisted self-service system. A wide choice of holidays are available at discount prices, selected by Carrefour staff from the catalogues of the best tour operators. Regardless of the service required (hotels, cruises, package and holiday tours, mobile home rentals, flat and car rentals, etc.), the objective is to ensure that customers always receive the best value for money. As a signatory of a travel services charter to "provide the world's best travel arrangements", Carrefour travel services prides itself on communicating with its customers and makes a firm commitment to ensure their satisfaction. Carrefour travel services distributed nearly 2 million brochures and descriptive booklets in 2005. This service is available in Spain, Greece and Brazil as well as in France.



€3.5 billion
in outstanding credit
throughout the world

2nd
largest petrol retailer
in France

1,167
service stations in France

including 24
on the motorway network

FILLING UP AT CARREFOUR: 1,167 SERVICE STATIONS IN FRANCE IN 2005!

As France's second largest petrol retailer, the Carrefour group has 1,167 service stations in France, including 10 recently acquired service stations on the motorway network. Carrefour also offers a heating oil delivery service. In just three years, this service has won 170,000 customers.

