



2014 FIRST HALF RESULTS: CONTINUED GROWTH

Organic sales growth of 4.3%

Increase in Recurring Operating Income of +13.8%

Strong increase in adjusted net income, Group share of +16.7%

Strong profit growth at constant exchange rates in first half 2014

- Net sales of €35.9bn, up +4.3%¹, highest organic growth rate in five years
- Growth in Recurring Operating Income: up +13.8%² to €833m
- Rise in net income, Group share, adjusted for exceptional items: up +16.7%³ to €274m
- Increase in gross cash flow of +41.6% to €1.3bn (+1.9% excluding exceptionals)

Europe: Growth of +7.8% in Recurring Operating Income

France: New half of improved profitability

- Further organic sales growth: +1.9%
- Traffic up in all formats
- Growth in Recurring Operating Income for the 4th consecutive half: +6.9%

Other European Countries: Further improvement in profitability

- Overall stability in sales with growth in Spain, Belgium and Romania
- Recurring Operating Income up +19.3%

Emerging markets: Growth of +19.2% in Recurring Operating Income

- Excellent sales performance and increased profitability in Brazil and Argentina
- Stable sales in Asia

Investments up, two tactical acquisitions

- Continued investments at €818m, in line with our catch-up, remodeling and network expansion policy
- Signing of agreements to acquire the activities of DIA France and 53 supermarkets in northern Italy, reinforcing our multiformat strategy

¹ Ex petrol ex calendar.

² At constant exchange rates.

³ Adjusted net income: See in appendix.

First half 2014 key figures¹

(€M)	H1 2013 restated	H1 2014	Variation at constant exch. rates	Variation at current exch. rates
Net sales	36,446	35,870	+3.4%	-1.6%
Net sales ex petrol	32,480	32,119	+4.3%	-1.1%
Recurring Operating Income before D&A (EBITDA)	1,488	1,515	+6.6%	+1.8%
<i>EBITDA Margin</i>	4.1%	4.2%		
Recurring Operating Income	772	833	+13.8%	+7.9%
<i>Recurring Operating Margin</i>	2.1%	2.3%		
Adjusted net income, Group share	235	274		+16.7%
Net debt at close	5,894	7,324		+€1.4bn

Breakdown by zone of first half 2014 net sales and recurring operating income

(€M)	Net sales				Recurring Operating Income			
	H1 2013 restated	H1 2014	<i>Organic growth²</i>	<i>Variation at current exch. rates</i>	H1 2013 restated	H1 2014	<i>Variation at constant exch. rates</i>	<i>Variation at current exch. rates</i>
France	16,947	17,005	+1.9%	+0.3%	482	515	+6.9%	+6.9%
Other Europe	9,176	9,173	-0.1%	0.0%	36	43	+19.3%	+19.1%
Europe	26,123	26,178	+1.1%	+0.2%	518	558	+7.8%	+7.7%
Latin America	6,953	6,454	+16.8%	-7.2%	217	247	+33.2%	+13.4%
Asia	3,370	3,237	+0.2%	-3.9%	98	83	-11.9%	-15.2%
Emerging markets	10,323	9,691	+11.2%	-6.1%	315	330	+19.2%	+4.8%
Global functions					-61	-55	+9.6%	+10.2%
Total	36,446	35,870	+4.3%	-1.6%	772	833	+13.8%	+7.9%

¹ The H1 2014 social and consolidated accounts were approved by the Carrefour Board of Directors, which met on July 30th, 2014. The accounts were submitted to a limited review by the Group's auditors.

Figures for the first half 2014 and the comparative first half 2013 information presented in this document take into account the classification of certain activities in accordance with IFRS 5 – *Assets held for sale and discontinued operations*.

² Excluding petrol and calendar.

Further growth in Recurring Operating Income (+13.8% at constant exchange rates) and in adjusted net income, Group share (+16.7%)

Income statement

In H1 2014, Carrefour recorded solid net sales growth. **Net sales** were up 4.3% on an organic basis. At current exchange rates, sales were down 1.6%. Europe and Emerging Markets both recorded sales growth: +1.1% and +11.2% respectively.

Recurring Operating Income grew once again and reached €833m, up +13.8% at constant exchange rates (+7.9% at current exchange rates), driven by both Europe (+7.8%) and Emerging Markets (+19.2%).

In **France**, recurring operating income was €515m, up +6.9%, an increase of +20 basis points (bp) in gross margin, which reached 3.0% of sales. This performance is mainly explained by an improved gross margin as a result of decreased shrinkage and cost savings from logistics. Profitability was good in all formats.

In **Other European countries**, recurring operating income stood at €43m, up +19.3% at constant currencies. Operating margin was slightly up at 0.5% of sales. While maintaining constant attention to price positioning, the gross margin improved. In Spain and in Belgium, profitability increased. Italy continued rolling out its action plans and intensified its commercial investments linked to the football world cup in the half.

Strong growth in **Latin America** continued with recurring operating income of €247m, up +33.2% at constant exchange rates. Operating margin stood at 3.8%, up +70bp. This increase reflected excellent like-for-like sales in Brazil and Argentina and a better gross margin.

In **Asia**, recurring operating income was €83m. Gross margin held up well. Amid a more frugal consumption environment and a decrease in shopping card activity, China continued its expansion to build up its long-term position. Taiwan improved its performance.

Net **non-recurring income** stood at €264m and mainly reflected the capital gain linked to the contribution of assets to property company Carmila. **Net income from continuing operations, Group share**, was €474m and reflected:

- A decrease of €131m in **financial expenses**, reflecting the better cost of funding and the €119m non-recurring expense linked to the bond buyback in the first half 2013
- A stable **effective tax rate**

Net income, Group share, was €441m.

Adjusted net income, Group share, stood at €274m, an increase of +16.7%.

Cash flow and debt

Cash flow from operations rose by +41.6%. Adjusted for exceptional items and discontinued operations, it increased by +1.9%, in line with the increase in EBITDA, to €1,252m (vs €1,229m in the first half of 2013).

Carrefour continued to invest in remodeling and expansion with **capital expenditure** of €818m. The change in payables to fixed asset suppliers led to a use of €382m. **Change in working capital** excluding exceptional items, stable versus the prior year, was a cash-out of €2,488m.

Free cash flow was -€2,412m, reflecting the seasonality of the business.

Acquisitions and disposals led to a net total cash-out of €186m, partly explained by the creation of Carmila. The cash dividend paid by Carrefour was a limited €149m, as 65% of shareholders opted for a dividend payment in shares. **Financial expenses** decreased by €27m to €192m.

Net financial debt as at June 30th, 2014 was €7.3bn.

H1 2014 highlights

- In April, **creation of Carmila**, a company dedicated to enhancing the value of the shopping centers adjacent to Carrefour hypermarkets in France, Spain and Italy and in which Carrefour holds a 42% stake.
- Acquisition in June of **DIA France**, comprising more than 800 stores totaling nearly 550,000 m² and 2.3 billion euros of sales under banners in 2013. This transaction, which remains subject to the approval of the relevant antitrust authorities, should contribute to the growth of Carrefour's multiformat store network in France.
- **Acquisition of 53 supermarkets located in northern Italy** in June, with a combined sales area of 58,000 m² and net sales of around 300 million euros in 2013. This acquisition will strengthen Carrefour's multiformat strategy in Italy. The completion of the transaction is subject to the approval of the relevant antitrust authorities.

Staying the course on 2014 priorities

Carrefour is staying the course. The priorities announced at the annual results presentation in March are reaffirmed:

- **Continue action plans in all countries** aiming at continuous improvement of our offer and price image to enhance the shopping experience, notably in our three largest markets, France, Brazil and Spain but also in Italy
- **Accelerate multi-channel roll-out**
 - Revamp and convergence of our websites in France, gradual broadening of our offer
 - Continued development of click & collect
- **Continue structural projects** including:
 - Revamp of the supply chain in France
 - IT rationalization
- **Enhance the attractiveness of our sites** in France, Spain and Italy by capitalizing on the creation of Carmila
- **Accelerate store remodelings and relaunch multi-format expansion**
 - Investments of between €2.4bn and €2.5bn in 2014
 - Intensification of the remodeling plan
 - Continued long-term growth in emerging markets, particularly in China and Brazil
- **Maintain strict financial discipline**

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APPENDIX

Consolidated Income Statement

(€M)	H1 2013 restated	H1 2014	Variation
Sales, net of taxes	36,446	35,870	-1.6%
Sales, net of taxes and loyalty	36,159	35,564	-1.6%
Other revenues	1,184	1,192	+0.7%
Total Revenues	37,342	36,757	-1.6%
Cost of sales	-29,357	-28,686	-2.3%
Commercial income	7,986	8,071	+1.1%
SG&A	-6,498	-6,556	+0.9%
Recurring operating incomes before D&A (EBITDA)	1,488	1,515	+1.8%
Depreciation & amortization	-716	-682	-4.7%
Recurring operating income	772	833	+7.9%
Non-current income and expenses	489	264	-45.9%
Operating income	1,261	1,097	-13.0%
Financial expenses	-401	-269	-32.8%
Profit before tax	860	828	-3.8%
Income tax	-298	-300	+0.6%
Companies accounted for by the equity method	25	9	-62.7%
Net income from continuing operations	588	537	-8.5%
Net income from discontinued operations	368	-33	
Net income	955	504	-47.2%
Of which Net income – Group share	902	441	
Of which net income from continuing operations, Group share	526	474	
Of which net income from discontinued operations, Group share	376	-33	
Of which Net income – Non-Controlling Interests (NCI)	53	63	
Of which net income from continuing operations, NCI	61	63	
Of which net income from discontinued operations, NCI	-8	0	

Calculation of adjusted net income, Group share

(€M)	H1 2013 restated	H1 2014	Variation
Net income from continuing operations, Group share	526	474	-9.8%
Restatement for non recurring income and expenses (before tax)	-489	-264	
Restatement for exceptional items in net financial expenses	139	11	
Tax impact ¹	70	40	
Restatement on share of income from minorities and companies consolidated by the equity method	-11	13	
Adjusted net income, Group share	235	274	+16.7%

¹ Tax impact of restated items (non recurring income and expenses and financial expenses) and non recurring tax items.

Main ratios

	H1 2013 restated	H1 2014
Commercial margin	21.9%	22.5%
Recurring operating income / Net sales	2.1%	2.3%
Operating income / Net sales	3.5%	3.1%

Consolidated Balance Sheet

(€M)	June 30 th , 2013	June 30 th , 2014
ASSETS		
Intangible assets	9,131	9,108
Tangible assets	10,966	11,227
Financial investments	1,418	2,541
Deferred tax assets	854	944
Investment properties	422	319
Consumer credit from financial-services companies – long term	2,372	2,413
Non-current assets	25,164	26,553
Inventories	5,595	5,902
Trade receivables	2,390	2,281
Consumer credit from financial-services companies – short term	2,968	3,373
Tax receivables	936	735
Other receivables	946	1,041
Current financial assets	409	361
Cash and cash equivalents	3,834	2,030
Current assets	17,079	15,723
Assets held for sale	739	12
TOTAL	42,981	42,288
LIABILITIES		
Shareholders equity, Group share	7,838	8,158
Minority interests in consolidated companies	767	783
Shareholders' equity	8,605	8,941
Deferred tax liabilities	532	537
Provisions for contingencies	3,608	3,734
Borrowing – long term	8,496	6,626
Bank loans refinancing – long term	1,781	1,954
Non current liabilities	14,416	12,851
Borrowings – short term	1,640	3,089
Trade payables	11,219	10,868
Bank loans refinancing – short term	2,895	3,079
Tax payables & others	1,090	1,156
Other debts	2,634	2,298
Current liabilities	19,478	20,490
Liabilities related to assets held for sale	482	7
TOTAL	42,981	42,288

Consolidated Cash Flow Statement

(€M)	H1 2013 restated	H1 2014
NET DEBT OPENING	- 4,320	- 4,117
Gross cash flow (ex. discontinued activities)	907	1,284
Change in working capital	- 2,440	- 2,571
Impact of discontinued activities	- 28	0
Cash flow from operations (ex. financial services)	- 1,561	- 1,287
Capital expenditures	- 620	- 818
Change in net payables to fixed asset suppliers (inc. receivables)	- 91	- 378
Asset disposals (business related)	54	75
Impact of discontinued activities	- 23	- 5
Free Cash Flow	- 2,240	- 2,412
Financial investments	- 35	- 268
Proceeds from disposals of subsidiaries and from other tangible & intangible assets	539	82
Others	91	-68
Impact of discontinued activities	441	0
Cash Flow after investments	- 1,204	-2,667
Dividends/ capital increase	- 164	- 198
Acquisition and disposal of investments without change of control	- 11	- 122
Cost of net financial debt	- 219	-192
Others	- 8	37
Impact of discontinued activities	35	-16
Consumer credit impact	-2	-50
NET DEBT CLOSING	- 5,894	- 7,324

Changes in Shareholder Equity

(€M)	Total shareholders' equity	Shareholders' equity, Group share	Minority interests
At December 31, 2013	8,597	7,844	754
Total comprehensive income for H1 2014	560	483	77
2013 dividend	-199	-149	-50
Impact of scope changes and others	-18	-20	2
At June 30, 2014	8,940	8,158	783

Definitions

Organic sales growth

Like for like sales growth plus net openings over the past twelve months, including temporary store closures.

Commercial income

Commercial income is the difference between the sum of net sales, other income, reduced by loyalty program costs and the cost of goods sold. Cost of sales comprises purchase costs, changes in inventory, the cost of products sold by the financial services companies, discounting revenue and exchange rate gains and losses on goods purchased.

Recurring Operating Income Before Depreciation and Amortization (EBITDA)

Recurring Operating Income Before Depreciation and Amortization (EBITDA) is defined as the difference between commercial income and sales, general and administrative expenses. It excludes non-recurring items as defined below.

Recurring Operating Income

Recurring Operating Income is defined as the difference between commercial income and sales, general and administrative expenses, depreciation and amortization.

Operating Income (EBIT)

Operating Income (EBIT) is defined as the difference between commercial income and sales, general and administrative expenses, depreciation, amortization and non-recurring items

Non-recurring income and expenses are certain material items that are unusual in terms of their nature and frequency, such as impairment, restructuring costs and expenses related to the revaluation of preexisting risks on the basis of information that the Group became aware of during the accounting period.

Free Cash Flow

Free cash flow is defined as the difference between funds generated by operations (before net interest costs), the variation of working capital requirements and capital expenditures.

Disclaimer

This press release contains both historical and forward-looking statements. These forward-looking statements are based on Carrefour management's current views and assumptions. Such statements are not guarantees of future performance of the Group. Actual results or performances may differ materially from those in such forward-looking statements as a result of a number of risks and uncertainties, including but not limited to the risks described in the documents filed with the Autorité des marchés financiers as part of the regulated information disclosure requirements and available on Carrefour's website (www.carrefour.com), and in particular the Annual Report (Document de référence). These documents are also available in English language on the company's website. Investors may obtain a copy of these documents from Carrefour free of charge. Carrefour does not assume any obligation to update or revise any of these forward-looking statements in the future.