



Q3 2018 Sales

October 17th 2018



Q3 Highlights

Acceleration in sales growth: +2.1% LFL

- Better momentum in France, driven by an improved commercial performance in all formats and better market trends
- Accelerating growth in Brazil, supported by a stronger commercial performance and a return to slight food inflation; total growth was also driven by the rapid expansion of Atacadão
- Food e-commerce sales growing above 30%

Strong momentum in the roll-out of the Carrefour 2022 transformation plan

- Continued roll-out of the omnichannel offer
- Acceleration of the revamp of the in-store commercial proposition
- Sustained pace of expansion in growth formats
- Implementation of the purchasing alliances with Système U and Tesco
- Progress in the transformation of organizations
- Further productivity and cost-reduction initiatives
- Concrete actions to promote the food transition for all



STRONG MOMENTUM IN THE ROLL-OUT
OF THE **CARREFOUR 2022**
TRANSFORMATION PLAN

Continued roll-out of the omnichannel offer in all countries

Q3 achievements

Status to date / Outlook

ORDER

- Launch of the single website in Italy after Brazil, Poland and Romania in H1

- All countries with a single merchant website by the end of the year

PREPARE

- Deployment of solutions for online order preparation:
 - Growing momentum of existing online preparation platforms in France
 - Additional hybrid solutions, combining in-store preparation with a dedicated compact platform

- Dedicated online order preparation platforms or hybrid solutions rolled out in France, Spain and Italy

DELIVER

- Click & Collect
 - France: 149 new Drive openings in 2018, of which 16 pedestrian; 55 Drives in Q3
 - Brazil: Launch of a new Drive and deployment of Click & Collect to 60 new supermarkets
 - China: Extension of the "O2O" offering to new partners and development of a "mini program" on Wechat platform
- Home delivery: Continued extension to new cities

- Click & Collect offered in 9 countries (1 010 Drives in total)
 - France: 785 Drives, of which 16 pedestrian
- O2O growing rapidly in China, offering ready-to-eat solutions on leading local mobile applications
- Home delivery now available in 9 countries
- Express 1-hour delivery now available in 6 countries

Acceleration of food e-commerce sales growth in Q3 2018: >+30%

In-depth revamping of in-store commercial proposition on track

PRICE COMPETITIVENESS

- **Commercial investments** continued in the third quarter

REVAMPING OF ASSORTMENTS

- **Optimization of assortment** through simplification to concentrate on high-rotation products
- **Massification** of non-food ranges between group countries
- **Promoting a responsible and accessible product offering:** Development of the number of private-label and Carrefour Quality Line SKUs
- **Consumer Electronics shop-in-shop tests (Darty, Gome)**

OPTIMISATION OF STORE SALES AREA

- **Hypermarkets sales area reduction:**
 - **France:** Sales area reduction: c10,000 sqm already reallocated*; Another 40,000 sqm are the object of advanced studies
 - **Belgium:** Conversion of 5 hypermarkets into supermarkets to be completed in November
 - **Latam:** Conversions to C&C (12 in Argentina and 1 in Brazil)
- Sales area reduction mainly targets non-food



* Example of reallocation of sales area to outlet

CUSTOMER-ORIENTED SERVICES

- Easier and faster payments with Carrefour Pay
- Easier access to consumer credit eg. Atacadao card
- Omnichannel and delivery services
- Teams focused on customer satisfaction (NPS)

In-store
commercial
proposition
revamping

Acceleration of expansion of growth formats



CASH & CARRY

- **Brazil:**
 - Q3: +4 Atacadão
 - YTD: +14 new Atacadão
 - Target: +20 new Atacadão per year in 2018 and beyond
- **Argentina:**
 - +12 new conversions to Maxi by end October
 - FY 2018 target : 16 conversions



CONVENIENCE STORES

- **Q3:** 126 new stores
- **YTD:** More than 300 openings throughout the Group

Continued progress on partnerships; purchasing alliances enter operational phase

Key partnerships

TESCO

Système U

FNAC DARTY

Google

Tencent 腾讯

stuart

showroomprive.com

PUBLICIS.SAPIENT

So bio

QUI TOQUE

Purchasing alliances moving forward

Scope

Système U

Major French national brands: negotiations conducted by "Envergure" for both Carrefour and Système U

TESCO

Joint purchasing of own brand products as well as goods not for resale

Strategic relationships with global suppliers

Latest developments

Launch of the operational implementation of the "Envergure" purchasing organization in September

Validation of the alliance by the competition authority and implementation in early October

FIRST BENEFITS EXPECTED IN 2019

All components of the efficiency plan on track

EFFICIENCY PLAN

Organization transformation



All plans signed in H1 and implementation well on track:

- **France:**
 - Exit of the ex-DIA stores from the Group's scope at end-July
 - Voluntary departure plan for 2,400 employees at HQ closed ahead of schedule
 - Transfer of 5 hypermarkets to lease management contracts in September
- **Argentina:** Social plan completed in Q3
- **Belgium:** Ongoing reorganization

Cost savings



€520m achieved in H1

Savings continued in Q3

Capex



-39% in H1

Selectivity and productivity efforts exceed initial objectives

Capex contained at between €1.7bn to €1.8bn in 2018

Inventory



Continuous efforts

Act for Food: A global campaign to promote the food transition for all

Global campaign launched in September and rolled out in every country



- **France**

9 commitments including:

- 100% of fresh, eggs and milk branded Carrefour Bio sourced in France
- Support for conversion by farmers to organic farming (140 contracts signed to date)

- **Brazil**

- Doubling organic assortment by 2020
- A “satisfied or reimbursed” commitment on fresh products
- Deployment of the “Unicos” projet promoting the sale of “damaged” fresh products

- **Romania**

- Free delivery for basket with a €15 minimum organic content

Creation of a food orientation Committee: Composed of experts and aiming to support Carrefour in transforming its model






Strategic acquisition supporting the deployment of organic dedicated network: Completion of the acquisition of the SoBio chain in France and Planeta Huerto by Greenweez in Spain

Deployment of Blockchain technology in France and internationally: The Group announced in October it is one of the founding members of the **IBM Food Trust platform**. This platform is expected to accelerate the deployment of blockchain technology.



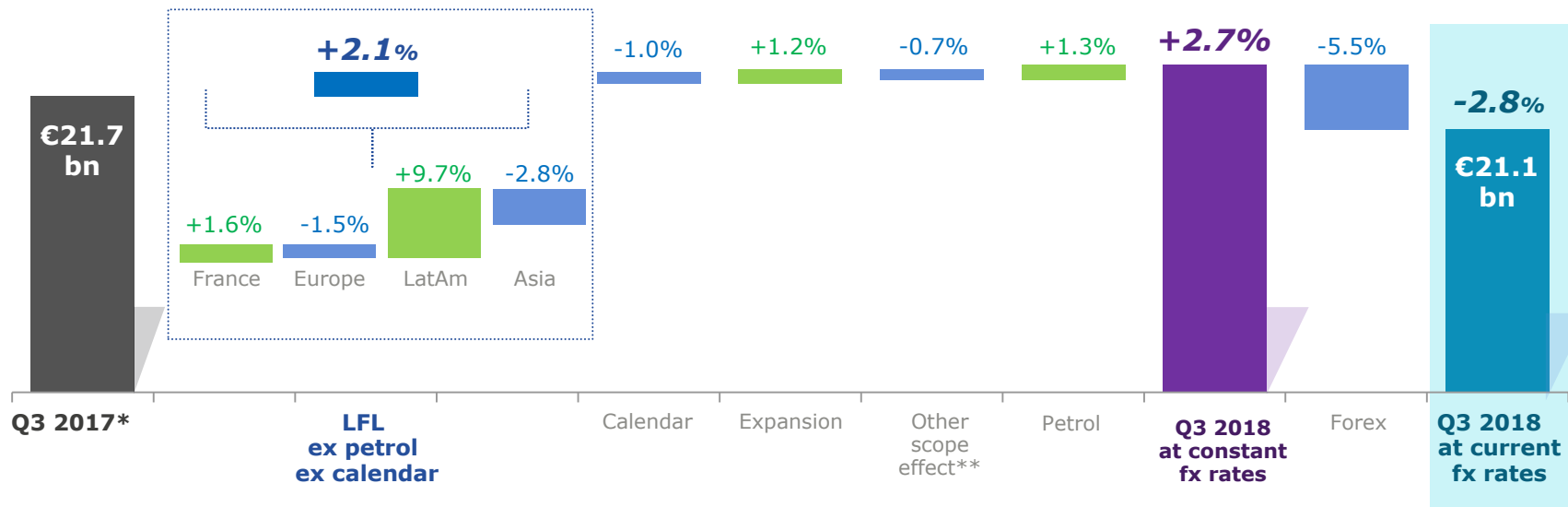
2018 Q3 SALES

Q3 LFL sales: Acceleration vs the first half

LFL ex petrol ex calendar	H1 2018	Q3 2018	Trend
France	-0.1%	+1.6%	
Europe	-1.5%	-1.5%	
Latam	+6.4%	+9.7%	
Asia	-3.9%	-2.8%	
Group total	+0.7%	+2.1%	

Total Q3 2018 Sales: Accelerating sales, up +2.7% at constant exchange rates

Change in Q3 2018 Sales – (in €m and %)



*Q3 2017 restated

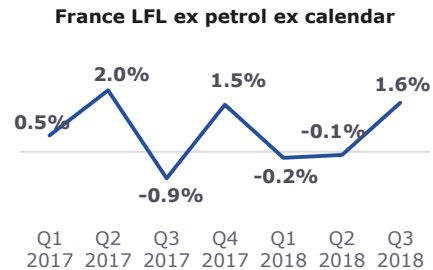
** Transfers, closures and acquisitions

France: Improvement of LFL in Q3 in all formats

(in €m)	Total Sales	Hypermarkets	Supermarkets	Other formats
Sales inc. VAT (€m)	10,096	5,183	3,291	1,622
Total variation	+2.1%	+0.3%	+3.2%	+6.1%
LFL ex petrol ex calendar*	+1.6%	+0.0%	+2.6%	+4.7%

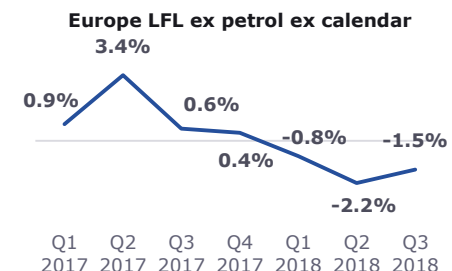
* Q3 2018 calendar effect is estimated at -1.5% for France overall, -1.7% for hypermarkets and -1.4% for supermarkets. Petrol had a +2.9% impact overall in France.

- > Improved performance in all formats, supported by food while non-food markets remain difficult
- > LFL gap vs market reduced in Q3
- > Purchasing alliance with Système U ("Envergure") now live. First benefits expected in 2019
- > Organization transformation and cost reduction plan on track
- > Hypermarket model evolution:
 - 2 tests of Darty shop-in-shop before year-end
 - Sales area reduction: c. 10,000 sqm in hypermarkets have already been reallocated. Another 40,000 sqm are the object of advanced studies



Other European countries: Stable LFL trend in Q3 vs H1

(in €m)	Europe	Spain	Italy	Belgium	Poland	Romania
Sales inc. VAT (€m)	5,802	2,472	1,258	1,045	494	534
Total variation	-1.6%	-1.7%	-5.7%	-1.3%	+2.1%	+6.1%
<i>Variation at constant FX</i>	<i>-1.3%</i>	<i>-1.7%</i>	<i>-5.7%</i>	<i>-1.3%</i>	<i>+3.2%</i>	<i>+7.6%</i>
LFL ex petrol ex calendar*	-1.5%	-2.7%	-4.4%	+0.5%	+2.7%	+4.0%



* Q3 2018 calendar effect is estimated at -0.9% for the other Europe countries as a whole (-1.4% in Spain, -0.4% in Italy and -1.1% in Belgium).
 Petrol had a +0.6% impact overall, +1.5% in Spain and +0.2% in Italy.

- > Spain: Very competitive market in Q3. Non-food markets are negative in Q3
- > Italy: Negative markets generating increased competition. New country CEO appointed early October
- > Belgium rebounded after H1 was impacted by operational disruptions
- > Positive trend confirmed in Poland and Romania

Latin America: Continuing strong sales momentum

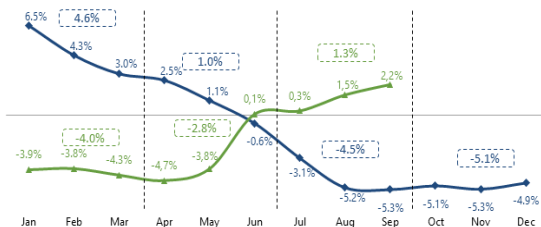
(in €m)	LatAm	Brazil	Carrefour Retail	Atacadão	Argentina
Sales inc. VAT (€m)	3,612	3,040	980	2,061	572
Total variation	-15.8%	-12.5%	-17.4%	-10.0%	-29.7%
Variation at constant FX	+11.7%	+8.1%	+2.2%	+11.2%	+26.8%
LFL ex petrol ex calendar*	+9.7%	+5.1%	+2.5%	+6.2%	+28.6%
FX impact	-27.5%	-20.7%			-56.5%

LatAm LFL ex petrol ex calendar



*Q3 2018 calendar effect is -0.7% overall in Latin America (-0.9% in Brazil). Petrol had a -0.3% impact overall.

FOOD INFLATION (IPCA) – FOOD AT HOME INDEX EVOLUTION
(Jan 2017 – September 2018)



> Brazil:

- Improved LFL both at Atacadão and Carrefour Retail
- Food deflation stopped at end Q2, low inflation in Q3
- Volume growth and accelerating expansion at Atacadão (+6.0% in Q3)
- Strong performance by financial services (+30% billings)

> Argentina: Volume and market share growth thanks to a commercial strategy in favor of consumers' purchasing power in a complex macro-economic environment

Asia: Improving trends

(in €m)	Asia	China	Taiwan
Sales inc. VAT (€m)	1,577	1,032	545
Total variation	-3.4%	-7.6%	+5.7%
<i>Variation at constant FX</i>	-2.6%	-6.6%	+6.0%
LFL ex petrol ex calendar*	-2.8%	-4.8%	+1.4%
<i>FX impact</i>	-0.8%	-1.0%	-0.2%

Asia LFL ex petrol ex calendar



* Q3 2018 calendar effect is +0.9% overall in Asia, +0.4% in China and +2.0% in Taiwan. No petrol sales in Asia.

- > China: Improved LFL thanks to development of e-commerce notably
- > Taiwan: Steady momentum

The Group benefits from a solid balance sheet

Credit Rating as at September: **BBB+ negative outlook (S&P), Baa1 stable outlook (Moody's)**

Successful refinancing operations conducted in the first half, for an amount exceeding €900m

On March 27, 2018, **issuance of \$500 million non-dilutive cash-settled convertible Bond**, swapped in euros with a maturity of 6 years and a zero coupon

On June 5, 2018, oversubscribed **issuance of €500 million bond** with a maturity of 5 years

In addition, the Group has undrawn credit facilities from its banking partners for €3.9bn maturing in 2022 and 2023

Confirming the quality of the Carrefour Group's signature

Financial highlights and outlook

The continuing revamp of the omnichannel commercial proposition and financial discipline, in line with the Carrefour 2022 transformation plan, strengthen the Group's growth potential and Free Cash Flow generation.



The group confirms all its targets, notably:

- A cost reduction plan of €2bn by 2020 on full-year basis
- The disposal of non-strategic assets for €500m by 2020
- €5bn food e-commerce sales in 2022
- €5bn of organic products in 2022

Updated 2018 Capex target

Thanks to progress achieved in terms of selectivity and productivity of its investments, the group is able to carry out its investment program with Capex contained at between €1.7bn and €1.8bn in 2018



DISCLAIMER

This presentation 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 the 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.