



FIRST-HALF 2017 RESULTS

Solid sales growth of +6.2%

Recurring operating income of €621m

- **Net sales up +6.2% to €38.5bn**, reflecting the combination of a good like-for-like performance and the effect of expansion:
 - Opening of 352 stores under banners in the half, of which 290 convenience stores, mainly in Europe
 - Successful integration of the Eroski stores in Spain and Billa stores in Romania
- **Recurring operating income (ROI) of €621m**, down 12.1% at current exchange rates, resulting in an operating margin of 1.6%, notably reflecting:
 - A 70 basis point drop in operating margin in France, due to a strongly competitive and promotional market and the increase vs. H1 2016 of losses at ex-DIA stores
 - An increase in losses in Argentina, where the economic recovery is taking time to materialize

These results also reflect:

- A pause in profitability improvement in Other European Countries, notably linked to the non-recurring impact of integrating acquisitions
 - A first improvement in operating profitability in Asia
 - Margin holding up well in Brazil, despite lower contribution from financial services, notably linked to a regulatory change on consumer credit
- **Free cash flow excluding exceptional items and Cargo of -€2,587m** vs. -€2,106m in H1 2016, due to a short-term variation in working capital requirements
 - **Successful stock market listings of Grupo Carrefour Brasil and Carmila** in July 2017
 - **Carrefour's new management team is fully focused on improving the Group's performance and adapting to the rapid and far-reaching evolutions within the industry.** Management will come back to the market by the end of the year.

First-half 2017 key figures

<i>(in €m)</i>	H1 2016	H1 2017	<i>Variation at constant exchange rates</i>	<i>Variation at current exchange rates</i>
Gross sales	40,552	43,053	+3.3%	+6.2%
Net sales	36,289	38 526		+6.2%
Recurring operating income before D&A (EBITDA)	1,448	1,431	-7.0%	-1.2%
<i>EBITDA margin</i>	4.0%	3.7%		
Recurring operating income (ROI)	706	621	-21.5%	-12.1%
<i>ROI margin</i>	1.9%	1.6%		
Adjusted net income, Group share	235	154	-34%	
Net debt at closing	7,367	7,720		+€353m

H1 2017 SALES INC. VAT: Solid sales in the first half

Carrefour's first-half sales including VAT stood at €43,053m, up +6.2%. Over the period, currencies had a favorable effect of +2.8% while petrol had a favorable effect of +0.5%. Carrefour's first-half sales grew by +2.6% on an organic basis, with a contribution from emerging markets that remains solid at +6.4% despite a slowdown of inflation in several countries, and an increase of 1.1% in Europe, including France.

In the second quarter, Carrefour's total sales grew by +6.1%, and by +2.8% like-for-like.

In **France**, sales grew this quarter by +0.8% on a reported basis and +1.9% like-for-like. In **Other European countries**, second-quarter sales once again increased sharply, by +8.6% in total and +3.4% like-for-like.

In **Latin America**, second-quarter sales were up +6.9% like-for-like and +20.0% in total, including a favourable +8.9% currency effect. This good performance was achieved in the context of a strong slowdown of food inflation in Brazil and a challenging economic environment that continued to weigh on consumption in Argentina.

In **Asia**, second-quarter sales were down by -2.3% in total (-4.7% on a like-for-like basis). **China** posted a drop in like-for-like sales of -6.6% and like-for-like sales in **Taiwan** improved for the tenth consecutive quarter by +0.6%, on the back of a high comparable base.

First-half 2017 results: Recurring Operating Income of €621m

Income statement

Group **Recurring Operating Income (ROI)** stood at €621m and adjusted EBITDA¹ stood at €1,431m, slightly down by -1.2% at current exchange rates and -7.0% at constant exchange rates.

In **France**, the Group continued to roll out its multiformat and omnichannel strategy in the first half of 2017. ROI stood at €199m, representing an operating margin of 1.1% (-70bps year-on-year). This evolution takes into account higher promotional investments in a very competitive environment, as well as targeted price adjustments in certain stores to improve Carrefour's competitiveness. France's operational performance was also impacted by the increase vs. H1 2016 of losses at ex-DIA stores.

In **Other European countries** (excluding France), ROI stood at €149m, with operating margin slightly down by 10bps to 1.5%. This variation includes the impact of the transformation and integration of Eroski stores in Spain and Billa stores in Romania.

In **Latin America**, first-half ROI rose to €293m, up +7.5%, while operating margin stood at 3.6% (down 60bps). In Brazil, the profitability of our distribution activities continued to increase, while financial services were impacted by a change in regulation on consumer credit as well as by start-up costs linked to the launch of the Atacadão card. The consumption environment remained very difficult in Argentina, marked by pressure on volumes and high inflation, impacting the Group's margin.

¹ Recurring operating income before amortization and depreciation (including logistics amortization)

In **Asia**, the first half saw an improvement in profitability, with ROI of €12m vs. an operating loss of €7m in H1 2016. The Group is reaping the benefits of the action plans implemented in China, in particular in terms of cost reduction, in a very competitive environment marked by rapidly-changing consumer habits. In Taiwan, sales growth continued and operating margin posted further improvement.

In the first half of 2017, non-recurring income was a charge of €150m, principally attributable to reorganization costs in various countries. This compares to a charge of €114m in H1 2016. **Net income from continuing operations, Group share**, stood at €79m, including the following elements:

- a share of **Net income from companies accounted for by the equity method** that improved sharply by €33m;
- Stable **net financial expenses**;
- An **effective tax rate** that stood at 37.5% vs. 31.3% in H1 2016.

Net income, Group share, stood at €78m. **Adjusted mainly for non-recurring income, net income Group share stood at €154m.**

Cash flow and debt

In H1 2017, **gross cash flow** stood at €976m vs. €1,088m in H1 2016. **Working capital requirements** went from -€2,052m in H1 2016 to -€2,517m in H1 2017.

Total **capex** stood at €991m vs. €1,057m in H1 2016. Excluding Cargo, capex was €904m, down by €64m year-on-year.

Free cash flow stood at -€2,736m, reflecting the seasonality of our business. **Excluding Cargo and exceptional items, free cash flow** stood at -€2,587m.

Dividend payments this year will occur in H2. Investments linked to **Cargo** resulted in a cash inflow in the « Capital increase » line and accounted for most of it.

In total, **net financial debt** at June 30, 2017 stood at €7.7bn, also reflecting the seasonality of our business.

2017 outlook

Groupe Carrefour 2017 sales will grow by 2% to 4% at constant exchange rates in the full year.

Our 2017 results will be impacted by our H1 performance and an operating environment that will remain difficult in H2 in some countries. At current exchange rates, our full year 2017 ROI evolution vs 2016 should be roughly in line with the evolution we saw in H1 2017.

Carrefour will strengthen its financial discipline, with investments reaching between €2.2bn and €2.3bn in the full year (excluding Cargo Property), vs. the initial forecast of €2.4bn. The Group aims to reach free cash flow in 2017 at the same level as in 2016.

Carrefour's new management team is fully focused on improving the Group's performance and adapting to the rapid and far-reaching evolutions within the industry. Management will come back to the market by the end of the year.

Agenda

- Q3 2017 sales: October 18, 2017

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APPENDIX

First-half 2017 sales inc. VAT

The Group posted sales of €43,053m. In the half, currencies had a favorable impact of +2.8%, largely due to the appreciation of the Brazilian Real. Petrol prices had a favorable impact of +0.5%. Calendar had an unfavorable effect of -0.6%.

	Total sales inc. VAT (€m)	Change at current exchange rates inc. petrol	Change at constant exchange rates inc. petrol	LFL inc. petrol	LFL ex petrol ex calendar	Organic growth ex petrol. Ex calendar
France	19,348	+0.8%	+0.8%	+2.1%	+1.3%	+0.1%
Hypermarkets	9,859	+0.0%	+0.0%	+0.6%	-0.5%	-1.0%
Supermarkets	6,333	+0.3%	+0.3%	+2.5%	+2.0%	+0.0%
Convenience /other formats	3,156	+4.2%	+4.2%	+6.1%	+5.6%	+3.9%
International	23,706	+11.0%	+5.6%	+2.2%	+2.8%	+4.6%
Other European countries	11,163	+6.1%	+6.0%	+2.2%	+2.2%	+2.8%
Spain	4,413	+6.9%	+6.9%	+1.6%	+1.5%	+2.0%
Italy	2,719	+2.0%	+2.0%	+3.2%	+2.7%	+1.6%
Belgium	2,127	-0.3%	-0.3%	+0.0%	+0.3%	+0.1%
Latin America	9,057	+25.2%	+10.0%	+6.1%	+7.3%	+11.3%
Brazil	7,305	+30.0%	+8.4%	+3.7%	+5.0%	+9.9%
Asia	3,485	-3.3%	-4.4%	-5.8%	-4.3%	-2.9%
China	2,482	-8.4%	-6.5%	-7.4%	-6.0%	-5.1%
Group total	43,053	+6.2%	+3.3%	+2.1%	+2.1%	+2.6%

Total sales under banners including petrol stood at €52.1bn in the first half of 2017, up +4.9% at current exchange rates.

Second-quarter 2017 sales inc. VAT

The Group posted sales of €21,759. Currencies had a favorable impact of +1.8%, largely due to the appreciation of the Brazilian Real. Petrol prices had an unfavorable impact of -0.3%. Calendar impact was a favorable +0.3%.

	Total sales inc. VAT (€m)	Change at current exchange rates inc. petrol	Change at constant exchange rates inc. petrol	LFL inc. petrol	LFL ex petrol ex calendar	Organic growth ex petrol ex calendar
France	9,942	+0.8%	+0.8%	+2.0%	+1.9%	+0.7%
Hypermarkets	5,012	+0.8%	+0.8%	+1.5%	+0.5%	-0.1%
Supermarkets	3,280	-0.3%	-0.3%	+1.8%	+1.9%	-0.2%
Convenience/Other formats	1,650	+3.1%	+3.1%	+3.9%	+6.7%	+5.1%
International	11,817	+11.1%	+7.6%	+3.8%	+3.4%	+5.4%
Othere European countries	5,778	+8.6%	+8.4%	+3.7%	+3.4%	+4.2%
Spain	2,302	+9.4%	+9.4%	+2.5%	+2.6%	+3.1%
Italy	1,392	+4.3%	+4.3%	+5.1%	+3.9%	+3.1%
Belgium	1,101	+2.2%	+2.2%	+2.2%	+2.4%	+2.3%
Latin America	4,540	+20.0%	+11.1%	+7.2%	+6.9%	+10.9%
Brazil	3,638	+23.2%	+9.5%	+4.8%	+4.5%	+9.4%
Asia	1,499	-2.3%	-3.5%	-4.5%	-4.7%	-3.7%
China	1,036	-8.0%	-5.9%	-6.2%	-6.6%	-6.4%
Group total	21,759	+6.1%	+4.4%	+3.0%	+2.8%	+3.3%

Total sales under banners stood at €26.3bn in the second quarter of 2017, up +5.2% at current exchange rates.

First-half 2017 net sales and Recurring Operating Income by region

(in €m)	Net sales				Recurring Operating Income			
	H1 2016	H1 2017	Variation at constant exchange rates	Variation at current exchange rates	H1 2016	H1 2017	Variation at constant exchange rates	Variation at current exchange rates
France	17,179	17,307	+0.7%	+0.7%	312	199	-36.1%	-36.1%
Other European countries	9,428	10,010	+6.0%	+6.2%	155	149	-3.7%	-3.9%
Europe	26,607	27,317	+2.6%	+2.7%	467	348	-25.4%	-25.4%
Latin America	6,453	8,075	+9.4%	+25.1%	273	293	-15.5%	+7.5%
Asia	3,229	3,135	-4.3%	-2.9%	-7	12	n/a	n/a
Emerging countries	9,682	11,209	+4.8%	+15.8%	266	306	-9.9%	+15.1%
Global functions					-26	-33		
TOTAL	36,289	38,526	+3.2%	+6.2%	706	621	-21.5%	-12.1%

First half 2017 consolidated income statement

<i>(in €m)</i>	H1 2016	H1 2017
Net sales	36,289	38 526
Net sales, net of loyalty program costs	36,017	38 228
Other revenue	1,275	1 354
Total revenue	37,292	39 582
Cost of goods sold	-28,860	-30 762
Gross margin	8,432	8 821
SG&A	-7,006	-7,419
Recurring operating income before D&A (EBITDA)	1,448	1,431
Depreciation and amortization	-720	-781
Recurring operating income (ROI)	706	621
Recurring operating income including income from associates and joint ventures	686	633
Non-recurring income and expenses	-114	-150
Operating income	572	484
Financial expense	-248	-247
Income before taxes	324	236
Income tax expense	-101	-89
Net income from continuing operations	222	148
Net income from discontinued operations	-28	-1
Net income	194	147
Of which Net income- Group share	129	78
Of which Net income from continuing operations - Group share	158	79
Of which Net income from discontinued operations – Group share	-28	-1
Of which Net income – Non-Controlling interests (NCI)	65	69
Of which Net income from continuing operations - NCI	65	69
Of which Net income from discontinued operations – NCI	-	-
Adjusted net income, Group share	235	154

First-half 2017 consolidated balance sheet

<i>(in €m)</i>	June 30, 2016	June 30, 2017
ASSETS		
Intangible assets	9,719	9,985
Tangible assets	12,676	13,236
Financial investments	3,018	2,744
Deferred tax assets	880	841
Investment properties	357	332
Consumer credit from financial services companies – long term	2,261	2,477
Other non-current assets	-	276
Non-current assets	28,911	29,892
Inventories	6,553	6,863
Trade receivables	2,159	2,636
Consumer credit from financial services companies – short term	3,789	3,655
Tax receivables	1,287	886
Other assets	1,052	995
Current financial assets	218	252
Cash and cash equivalents	1,688	1,615
Current assets	16,745	16,902
Assets held for sale	43	20
TOTAL	45,700	46,814
LIABILITIES		
Shareholders equity, Group share	9,745	9,753
Minority interests in consolidated companies	1,549	1,526
Shareholders' equity	11,294	11,279
Deferred tax liabilities	533	549
Provisions for contingencies	3,188	2,937
Borrowings – long term	7,161	6,586
Bank loans refinancing - long term	2,091	2,574
Non-current liabilities	12,974	12,646
Borrowings – short term	2,112	3,001
Trade payables	12,198	12,784
Bank loans refinancing – short term	3,179	2,774
Tax payables and others	1,188	1,084
Other debts	2,732	3,233
Current liabilities	21,408	22,876
Liabilities related to assets held for sale	23	14
TOTAL	45,700	46,814

First-half 2017 consolidated cash flow statement

(en €m)	H1 2016	H1 2017
NET DEBT OPENING	-4,546	-4,531
Gross cash flow	1,088	976
Change in working capital	-2,052	-2,517
Impact of discontinued activities	-11	-1
Cash flow from operations (ex. financial services)	-975	-1,541
Capital expenditures (ex Cargo)	-968	-904
Capital expenditures (Cargo)	-89	-85
Change in net payables to fixed asset suppliers	-295	-262
Asset disposals (business related)	69	56
Impact of discontinued activities	0	0
Free cash flow	-2,259	-2,736
<i>Free Cash Flow from continuing operations, excluding Cargo and exceptional items</i>	<i>-2,106</i>	
Financial investments	-136	-143
Proceeds from disposals of subsidiaries	7	11
Others	19	-63
Impact of discontinued activities	5	1
Cash Flow after investments	-2,363	-2,929
Capital increase	140	90
Dividends paid by parent company	-121	0
Dividends paid to non-controlling interests	-60	-84
Acquisition/disposal of investments without change of control	0	-57
Treasury shares	-4	-2
Cost of net financial debt	-181	-191
Others	-233	-15
Impact of discontinued activities	0	0
NET DEBT AT CLOSE	-7,367	-7,720

Change in shareholders' equity

<i>(in €m)</i>	Total shareholders' equity	Shareholders' equity Group share	Minority interests
At June 30, 2016	11,294	9,745	1,549
Total comprehensive income	679	563	116
Dividends	(650)	(523)	(127)
Impact of scope changes and others	(44)	(32)	(12)
At June 30, 2017	11,279	9,753	1,526

First-half 2017 net income, Group share, adjusted for exceptional items

<i>(in €m)</i>	H1 2016	H1 2017
Net income from continuing operations, Group share	158	79
Restatement for non-recurring income and expenses (before tax)	114	150
Restatement for exceptional items in net financial expenses	7	17
Tax impact ¹	-48	-84
Restatement on share of income from minorities and companies consolidated by the equity method	4	-6
Adjusted net income, Group share	235	154

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

EXPANSION UNDER BANNERS – Second-quarter 2017

Thousands of sq. m.	Dec 31, 2016	March 31, 2017	Openings/ Store enlargements	Acquisitions	Closures/ Store reductions	Total Q2 2017 change	June 30, 2017
France	5,719	5,727	22	2	-7	17	5,744
Europe (ex France)	5,449	5,529	56	55	-66	45	5,574
Latin America	2,335	2,358	9	-	-4	5	2,363
Asia	2,758	2,755	2	-	-29	-27	2,727
Others ²	920	939	27	-	-9	18	958
Group	17,181	17,308	116	57	-115	57	17,366

NETWORK UNDER BANNERS – Second-quarter 2017

N° of stores	Dec. 31, 2016	March 31, 2017	Openings	Acquisitions	Closures/ Disposals	Transfers	Total Q2 2017 change	June 30, 2017
Hypermarkets	1,480	1,503	6	8	-9	-1	4	1,507
France	243	246	-	-	-	1	1	247
Europe (ex France)	439	454	2	8	-4	-2	4	458
Latin America	334	337	1	-	-	-	1	338
Asia	374	374	-	-	-4	-	-4	370
Others ¹	90	92	3	-	-1	-	2	94
Supermarkets	3,12	3,194	23	1	-22	-2	0	3,194
France	1,065	1,060	3	1	-1	-4	-1	1,059
Europe (ex France)	1,777	1,758	13	-	-20	2	-5	1,753
Latin America	150	149	-	-	-	-	-	149
Asia	38	41	2	-	-	-	2	43
Others ²	182	186	5	-	-1	-	4	190
Convenience	7,072	7,106	167	-	-96	3	74	7,180
France	4,219	4,220	46	-	-32	3	17	4,237
Europe (ex France)	2,312	2,337	104	-	-63	-	41	2,378
Latin America	468	473	13	-	-1	-	12	485
Asia	27	29	3	-	-	-	3	32
Others ²	46	47	1	-	-	-	1	48
Cash & carry	171	170	1	-	-	-	1	171
France	143	142	1	-	-	-	1	143
Europe (ex France)	13	13	-	-	-	-	-	13
Asia	2	2	-	-	-	-	-	2
Others ²	13	13	-	-	-	-	-	13
Group	11,935	11,973	197	9	-127	-	79	12,052
France	5,670	5,668	50	1	-33	-	18	5,686
Europe (ex France)	4,541	4,562	119	8	-87	-	40	4,602
Latin America	952	959	14	-	-1	-	13	972
Asia	441	446	5	-	-4	-	1	447
Others ²	331	338	9	-	-2	-	7	345

¹ Africa, Maghreb, Middle-East and Dominican Republic.

Definitions

Like for like sales growth

Sales generated by stores opened for at least twelve months, excluding temporary store closures, at constant exchange rates.

Organic sales growth

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

Sales under banners

Total sales under banners including sales by franchisees and international partnerships.

Gross margin

Gross margin 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 comprise 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 (ROI)

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

Recurring Operating Income Before Depreciation and Amortization (EBITDA)

Recurring Operating Income Before Depreciation and Amortization (EBITDA) excludes depreciation from supply chain activities which is booked in cost of goods sold and excludes non-recurring items as defined below.

Operating income (EBIT)

Operating Income (EBIT) is defined as the difference between gross margin 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 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.