

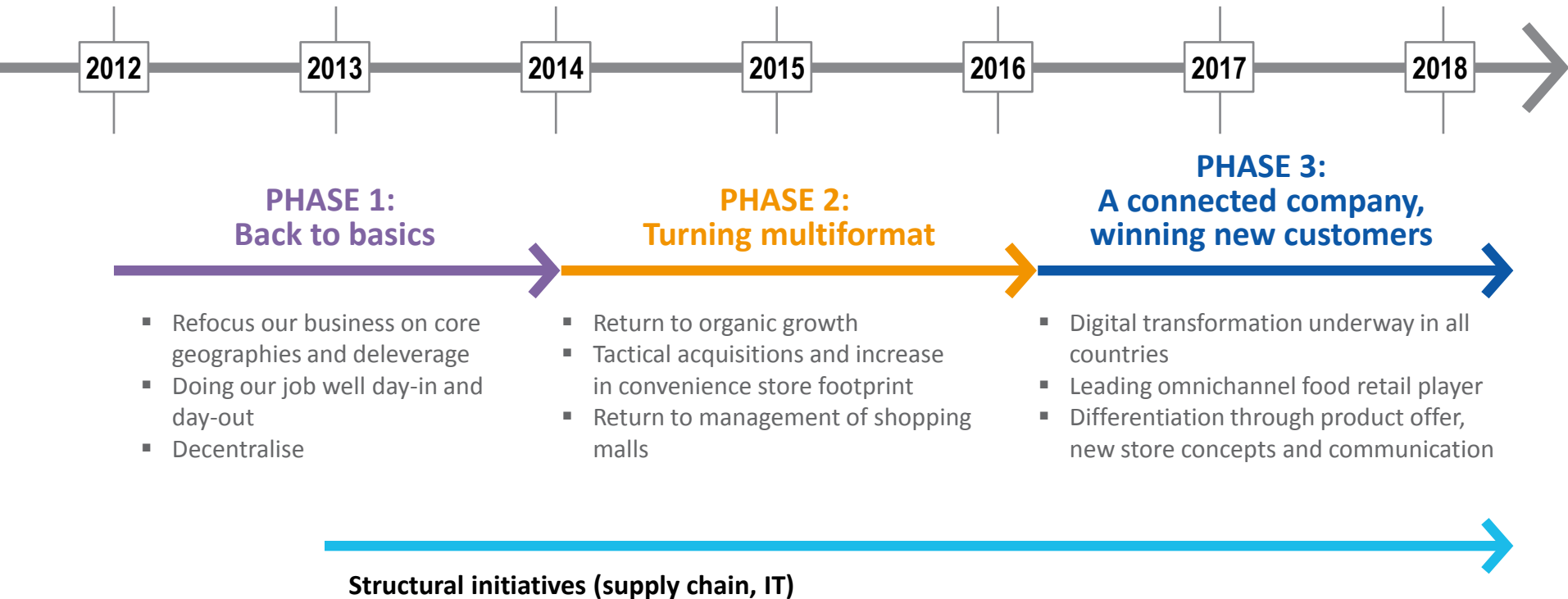


2016 HALF YEAR RESULTS



CARREFOUR, BECOMING A CONNECTED COMPANY

BRINGING STORES CLOSER TO CUSTOMERS



THE THREE DRIVERS OF VALUE CREATION

INCREASE
TRAFFIC

BUILD
FOR THE
LONG TERM

INCREASE
EFFICIENCY
AND
PROFITABILITY

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DIFFERENTIATION THROUGH THE PRODUCT OFFER

INCREASE
TRAFFIC



**Fresh
Produce
Innovations**



POLAND
**Antibiotic-free
chicken**



CHINA
**Herbicide-free
pomelos**



FRANCE
**Pesticide-free
strawberries**



ARGENTINA
**Prairie-raised cows
fed naturally**



FRANCE
**Eggs from French
soy-fed hens**



FRANCE
**Organic Fair Trade
bananas**

INNOVATIVE CONCEPTS

INCREASE
TRAFFIC

SPAIN: La Despensa

*New lay-out
for dry grocery*



ITALY: supermarket clusters

*Stronger
customization*



BELGIUM: Beer cellar

*600 beer SKUs,
of which one brewed
on-site*



FRANCE: Bulk bins

400 self-service SKUs



IN-STORE ENTERTAINMENT

INCREASE
TRAFFIC



CHINESE NEW YEAR

*Celebration of Chinese New Year
in one of our convenience stores in China*

SUMMERDRIVE BELGIUM

*400 SKUs delivered by bicycle
and electric car in the Knokke resort*



THE THREE DRIVERS OF VALUE CREATION

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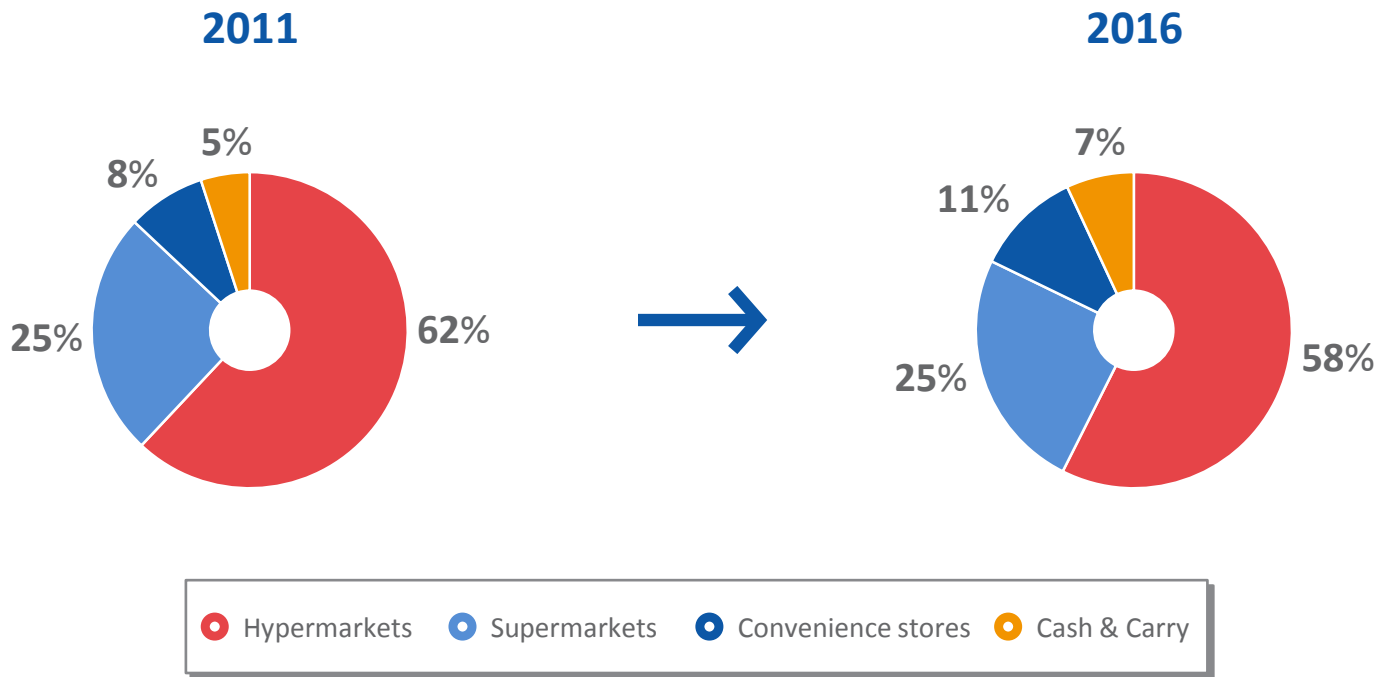
BUILD
FOR THE
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INCREASE
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MULTIFORMAT GAINING STRENGTH

BUILD FOR
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Variation of breakdown of sales area by format



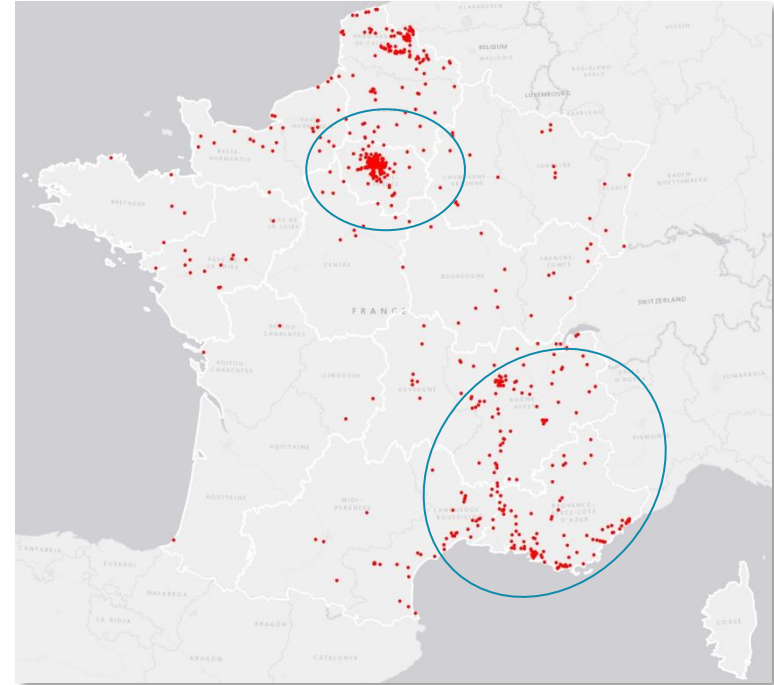
STRENGTHENING CONVENIENCE FOOTPRINT: EXAMPLE OF DIA

BUILD FOR
THE LONG
TERM

Steady pace of conversions

	End 2015	End-June 2016	End 2016
Converted	152	412	648
 <i>city</i>	39	102	166
 <i>contact</i>	75	241	379
 <i>market</i>	36	65	93
 <i>Bio</i>	2	4	10
Non converted	496	236	0
Total	648	648	648

Strengthened store network density



DIGITAL CHANNEL DEVELOPMENT IN EVERY COUNTRY AS OF JUNE 30TH 2016

BUILD FOR
THE LONG
TERM

										
	France	Spain	Italy	Belgium	Poland	Romania	Argentina	Brazil	China	Taiwan
Food e-commerce	✓	✓	✓	✓	In progress	✓	In progress		✓	✓
Non-food e-commerce	✓	✓		In progress	✓	✓	✓	✓		
Online services	✓	✓	✓							
Banking	✓	✓	✓	✓	✓	✓	✓	✓		✓
Click & Collect	✓	✓	✓	✓	✓					✓

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LOGISTICS: EXAMPLE IN FRANCE

CARAVELLE

INCREASE
EFFICIENCY
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PROFITABILITY

	Principles	In 2018
Key highlights of the Caravelle projects	<ul style="list-style-type: none">• Multiformat supply chain• Revised logistics barycenter by region• Revamp of the non-food model	<ul style="list-style-type: none">• 21 multiformat DC's• Reduction of the total number of DC's, from 67 to 53, with unchanged square footage
Benefits for Carrefour	<ul style="list-style-type: none">• Reduced distance between DC's and stores, shared delivery fleet, optimised routes and truck loads• Lower inventory levels through reduced stocking locations• Improved in-store service rates	<p><i>Compared to 2012:</i></p> <ul style="list-style-type: none">• Number of km travelled: -20%• Transport costs: -11%• Cost per parcel: -4%• On-shelf availability: + 1.7pt• CO₂ emission/ parcel: -19%

SUPPLY CHAIN: EXAMPLE IN FRANCE

CARGO

INCREASE
EFFICIENCY
AND
PROFITABILITY

What is Cargo?

- Real estate JV created in H1 2016 and dedicated to Carrefour supply chain in France
- Comprises around one third of Carrefour's distribution centers
 - 16 locations of which 4 contributed by Carrefour
- 32%-held by Carrefour along with co-investors
- Carrefour manages and is the sole tenant of Cargo

Benefits for Carrefour

- Regain control of distribution centers, which are key real estate assets
 - Greater involvement in controlling distribution centers
 - Greater say in the development of these sites
- Control real estate assets for some distribution centers due to:
 - The rarity of well-located and modern DC's on key distribution routes in France
 - The need for flexibility for these locations to accompany the growth of omnichannel

IT PROGRAM: EXAMPLE IN FRANCE

BACK OFFICE SIMPLIFICATION PLAN (PSBO) AND PHENIX

INCREASE
EFFICIENCY
AND
PROFITABILITY

The projects

- Rollout in hypermarkets of the supermarket IT system (Caroline), the key element of the PSBO project
- Evolution of the IT architecture (Phenix)

Benefits for Carrefour

- PSBO: Simplification of systems notably thanks to the roll-out of Caroline
 - Simpler ordering, inventory management, pricing verification and deliveries
 - Real-time inventories
 - Potential to reserve merchandise through e-commerce
 - Better in-store margin control
- Phenix: optimise the management and usage of data
 - 360° vision of products, customers, inventory et real-time information
 - Large-scale data analysis for improved customer relationship management

Status report and results

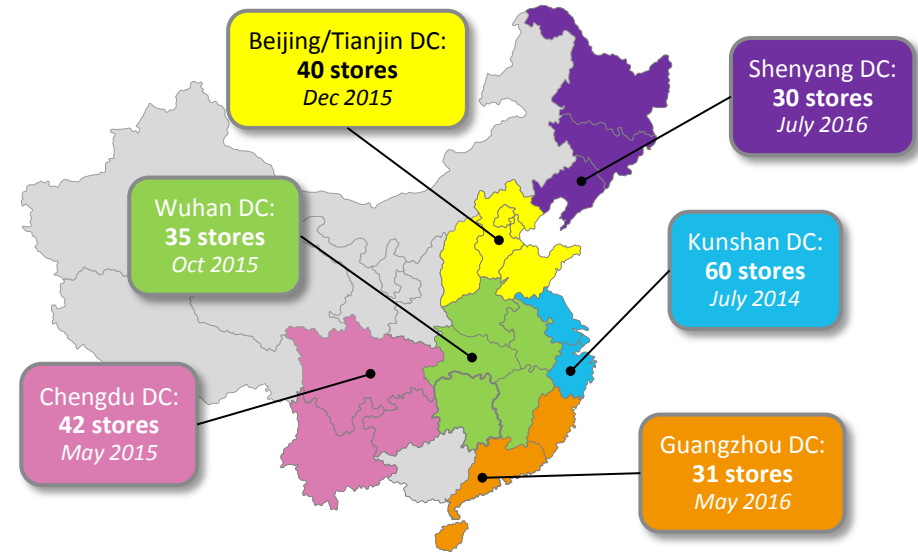
- To date, rollout of the improved Caroline system in 70 hypermarkets
- Improved inventory cycle: delivery, shelf stocking, out-of-stock verification and corrective actions
- Overall project completion expected in 2018

EXAMPLE IN CHINA:

KEY HIGHLIGHTS OF TRANSFORMATION PLAN

INCREASE
EFFICIENCY
AND
PROFITABILITY

- **New supply chain:** 6 new DC's, now up and running
- **Procurement department reorganisation**
- **Renewal of store layout and food and non-food product offer**
- **Modernization of shopping malls and creation of food courts**
- **Focus on quality of fresh produce**
- **Selective expansion**
- **Roll-out of multiformat strategy**
- **E-commerce:** development in Shanghai and Beijing, opening in Chengdu in August 2016





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