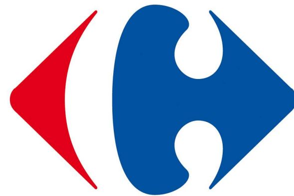

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2012

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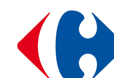
This is a free translation into English of the Carrefour Group's 2012 consolidated Financial Statements issued in French, and is provided solely for the convenience of English speaking users.



The 2011 comparative information presented in this report has been restated to reflect the reclassification of certain operations in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. These restatements are described in Note 4.

The consolidated financial statements are presented in millions of euros, rounded to the nearest million. As a result, there may be rounding differences between the amounts reported in the various statements.

CONSOLIDATED INCOME STATEMENT

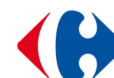
(in € millions)	Notes	2012	2011 (1)	% change
Net sales	6	76,789	76,067	0.9%
Loyalty program costs		(662)	(810)	(18.3%)
Net sales net of loyalty program costs		**76,127**	**75,257**	**1.2%**
Other revenue	7	2,333	2,224	4.9%
Total revenue		**78,460**	**77,481**	**1.3%**
Cost of sales	8	(61,523)	(60,673)	1.4%
Gross margin from recurring operations		**16,937**	**16,809**	**0.8%**
Sales, general and administrative expenses	9	(13,249)	(13,060)	1.4%
Depreciation, amortization and provisions	10	(1,548)	(1,552)	(0.3%)
Recurring operating income		**2,140**	**2,197**	**(2.6%)**
Non-recurring income and expenses, net	11	(707)	(2,337)	-
Operating income/(loss)		**1,434**	**(140)**	**-**
Finance costs and other financial income and expenses, net	12	(882)	(705)	25.1%
Finance costs, net		*(486)*	*(462)*	*5.2%*
Other financial income and expenses, net		*(396)*	*(243)*	*63.1%*
Income/(loss) before taxes		**552**	**(845)**	**(165.2%)**
Income tax expense	13	(388)	(931)	(58.3%)
Net income from companies accounted for by the equity method		72	64	13.0%
Net income/(loss) from continuing operations		**235**	**(1,713)**	**(113.7%)**
Net income from discontinued operations	14	1,081	2,116	-
Net income for the year		**1,316**	**404**	**225.9%**
Group share		**1,233**	**371**	**232.2%**
of which net income/(loss) from continuing operations		113	(1,865)	(106.1%)
of which net income from discontinued operations		1,120	2,237	-
Attributable to non-controlling interests		**83**	**33**	**154.5%**

(1) Restated, see Note 4

Basic earnings/(loss) per share, in €	2012	2011	% change
Earnings/(loss) from continuing operations per share	0.17	(2.83)	na
Earnings from discontinued operations per share	1.65	3.39	na
Basic earnings per share - Group share	1.81	0.56	221.8%

Diluted earnings/(loss) per share, in €	2012	2011	% change
Diluted earnings/(loss) from continuing operations per share	0.17	(2.83)	na
Diluted earnings from discontinued operations per share	1.64	3.39	na
Diluted earnings per share - Group share	1.81	0.56	221.6%

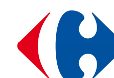
Calculation details are provided in Note 15.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	2012	2011[1]
Net income for the year	**1,316**	**404**
Effective portion of changes in the fair value of cash flow hedges[2]	6	(14)
Changes in the fair value of available-for-sale financial assets[2]	7	(2)
Changes in currency translation adjustment [3]	(192)	(324)
Other comprehensive income after tax	**(180)**	**(340)**
Total comprehensive income	**1,136**	**64**
Group share	1,061	72
Attributable to non-controlling interests	75	(9)

(1) Restated, see Note 4.
(2) Presented net of the tax effect (see Note 16 for details).
(3) The decrease (€192 million) in the currency translation adjustment in 2012 mainly reflects the decline in the Brazilian and Argentine currencies against the euro during the period.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

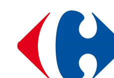
(in € millions)	Notes	December 31, 2012	December 31, 2011
Goodwill	17	8,608	8,740
Other intangible assets	17	801	966
Property and equipment	18	11,509	13,771
Investment property	19	513	507
Investments in companies accounted for by the equity method	20	384	280
Other non-current financial assets	20	1,125	1,433
Consumer credit granted by the financial services companies – long term	33	2,360	2,236
Deferred tax assets	21	752	745
Non-current assets		**26,052**	**28,676**
Inventories	22	5,658	6,848
Trade receivables	23	2,144	2,782
Consumer credit granted by the financial services companies – short-term	33	3,286	3,384
Other current financial assets	24	352	911
Tax receivables		520	468
Other assets	25	795	969
Cash and cash equivalents	26	6,573	3,849
Assets held for sale (1)		465	44
Current assets		**19,793**	**19,254**
TOTAL ASSETS		**45,844**	**47,931**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in € millions)	Notes	December 31, 2012	December 31, 2011
Share capital	27	1,773	1,698
Consolidated reserves and income for the year		5,714	4,919
Shareholders' equity – Group share		**7,487**	**6,617**
Shareholders' equity attributable to non-controlling interests		874	1,009
Total shareholders' equity		**8,361**	**7,627**
Long-term borrowings	32	8,983	9,513
Provisions	29	4,000	3,680
Consumer credit financing – long-term	33	1,966	419
Deferred tax liabilities	21	580	586
Non-current liabilities		**15,528**	**14,198**
Short-term borrowings	32	2,263	2,159
Suppliers and other creditors	34	12,925	15,362
Consumer credit financing – short-term	33	3,032	4,482
Tax payables		1,040	1,319
Other payables	35	2,422	2,785
Liabilities related to assets held for sale (1)		273	0
Current liabilities		**21,955**	**26,106**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**45,844**	**47,931**

(1) Assets held for sale and related liabilities correspond :

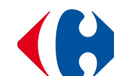
- in 2011, to shares in the Altis Group which was accounted for by the equity method in 2010 (see Note 3), and certain assets in Italy ;
- in 2012, to assets and liabilities related to Indonesia (see Note 4) and Singapore, and certain assets in France and Italy.



CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	2012	2011 [1]
INCOME/(LOSS) BEFORE TAXES	**552**	(845)
CASH FLOWS FROM OPERATING ACTIVITIES		
Taxes	(543)	(690)
Depreciation and amortization expense	1,610	1,644
Capital (gains)/losses on sales of assets	(186)	(175)
Change in provisions and impairment	719	2,420
Dividends received from companies accounted for by the equity method	30	26
Impact of discontinued operations	48	196
Cash flow from operations	**2,228**	**2,577**
Change in working capital requirement[2]	(42)	(240)
Impact of discontinued operations	(219)	11
Net cash from operating activities (excluding financial services companies)	**1,967**	**2,348**
Change in consumer credit granted by the financial services companies	7	(233)
Impact of discontinued operations		3
Net cash from operating activities	**1,973**	**2,118**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment and intangible assets	(1,547)	(2,119)
Acquisitions of financial assets	(34)	(30)
Acquisitions of subsidiaries[3]	(175)	(41)
Proceeds from the disposal of subsidiaries[4]	154	7
Proceeds from the disposal of property and equipment and intangible assets	234	488
Proceeds from the disposal of investments in non-consolidated companies	5	21
Change in amounts receivable from and due to suppliers of fixed assets	(166)	191
Investments net of disposals	**(1,530)**	**(1,483)**
Other cash flows from investing activities	34	(61)
Impact of discontinued operations [5]	1,833	1,146
Net cash from/(used in) investing activities	**337**	**(398)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues to non-controlling interests	6	12
Acquisitions and disposals of investments without any change of control[6]	(9)	(13)
Dividends paid by Carrefour (parent company)	(137)	(708)
Dividends paid by consolidated companies to non-controlling interests	(121)	(99)
Change in treasury stock and other equity instruments	0	(126)
Change in current financial assets	687	853
Issuance of bonds	1,250	500
Repayments of bonds	(996)	(1,442)
Other changes in borrowings	(255)	(270)
Impact of discontinued operations	122	123
Net cash from/(used in) financing activities	**546**	**(1,170)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**2,856**	**551**
Effect of changes in exchange rates	(132)	27
Net change in cash and cash equivalents	**2,724**	**578**
Cash and cash equivalents at beginning of year	**3,849**	**3,271**
Cash and cash equivalents at end of year	**6,573**	**3,849**

(1) Restated, see Note 4
(2) See Note 38 for details.
(3) Including impact of the Guyenne & Gascogne tender offer (cost of additional shares giving the Group control of the business) for €96 million.
(4) Disposal of Altis shares for €153 million.
(5) Including the sale price of operations in Colombia and Malaysia, for a total of €2,053 million
(6) This item corresponds:
  a. For €144 million, to the buyout of minority interests in Sogara and Centros Comerciales Carrefour, both already controlled by the Group, in connection with the Guyenne & Gascogne acquisition.
  b. For €200 million to the buyout of the Group's financial services partner in Brazil, followed by the sale of an interest in this business to Itaù Unibanco.
  c. For €66 million, to the buyout of minority interests in Grands Magasins Labruyère.



CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in € millions)	Share capital	Translation reserve	Fair value reserve [1]	Other consolidated reserves and net income for the year	Shareholders' equity - Group share	Non-controlling interests	Total shareholders' equity
Shareholders' equity at December 31, 2010	**1,698**	**778**	**(55)**	**7,162**	**9,584**	**979**	**10,563**
Net income for the year				371	371	33	404
Other comprehensive income after tax		(320)	(6)	27	(299)	(42)	(340)
Total comprehensive income	**0**	**(320)**	**(6)**	**398**	**72**	**(9)**	**64**
Share-based payments				29	29		29
Treasury stock (net of tax)				(73)	(73)		(73)
2010 dividend payment				(708)	(708)	(105)	(813)
Distribution of Dia shares[2]				(2,230)	(2,230)		(2,230)
Change in capital and additional paid-in capital					0	36	36
Effect of changes in scope of consolidation and other movements(3)				(56)	(56)	107	51
Shareholders' equity at December 31, 2011	**1,698**	**458**	**(61)**	**4,521**	**6,618**	**1,009**	**7,627**
Net income for the year				1,233	1,233	83	1,316
Other comprehensive income after tax[4]		(365)	12		(354)	(8)	(362)
Total comprehensive income	**0**	**(365)**	**12**	**1,233**	**880**	**75**	**955**
Share-based payments				9	9		9
Treasury stock (net of tax)					0		0
2011 dividend payment[5]	41			(178)	(137)	(121)	(257)
Change in capital and additional paid-in capital[6]	33			155	188	6	194
Effect of changes in scope of consolidation and other movements[7]				(72)	(72)	(95)	(167)
Shareholders' equity at December 31, 2012	**1,773**	**93**	**(49)**	**5,669**	**7,487**	**874**	**8,361**

(1) This item comprises:
- the effective portion of changes in the fair value of cash flow hedges.
- cumulative changes in the fair value of available-for-sale financial assets.

(2) Impact of the distribution of Dia shares on July 5, 2011.

(3) Including the impact of changes in financial liabilities for put options granted to non-controlling interests in subsidiaries.

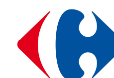
(4) The detailed breakdown of other comprehensive income is presented after the income statement. The translation reserve was also reduced by cumulative exchange differences on operations in Colombia and Malaysia that were recycled to the income statement for €182 million following the disposal of these operations during 2012.

(5) The 2011 dividend totaling €348 million was paid in cash for €137 million and in new shares for €211 million (corresponding to the aggregate par value of the new shares for €41 million and premiums for €170 millon).

(6) The cash offer for Guyenne & Gascogne with a stock alternative (see Note 3) led to the issue of 13.3 million new shares for a total of €188 million including premiums.

(7) This line includes the effect of:

(a) The buyout of minority interests in Sogara and Centros Comerciales Carrefour in connection with the Guyenne & Gascogne acquisition, for a negative €263 million.
(b) The buyout of the Group's financial services partner in Brazil, followed by the sale of an interest in this business to Itaù Unibanco, for a positive €112 million.



NOTE 1: BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 Accounting principles and statement of compliance

The consolidated financial statements for the year ended December 31, 2012 were approved for publication by the Board of Directors on March 6, 2013. They will be submitted to shareholders for final approval at the Annual General Meeting on April 23, 2013.

Carrefour (the "Company") is domiciled in France. The consolidated financial statements for the year ended December 31, 2012 comprise the financial statements of the Company and its subsidiaries (together the "Group") and the Group's share of the profits and losses, assets and liabilities of associated and jointly controlled companies. The presentation currency of the consolidated financial statements is the euro, which is the Company's functional currency.

In accordance with European Regulation (EC) 1606/2002 dated July 19, 2002, the 2012 consolidated financial statements have been prepared in compliance with the international accounting standards adopted for use in the European Union as of December 31, 2012 and applicable at that date, with 2011 comparative information prepared using the same basis of preparation.

International accounting standards comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), International Financial Reporting Standards Interpretation Committee (IFRIC) Interpretations and Standing Interpretations Committee (SIC) Interpretations.

All of the standards and interpretations adopted for use in the European Union are available on the European Commission's website, http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

At December 31, 2012, the standards and interpretations adopted for use in the European Union were the same as those published by the IASB and applicable at that date, except for IAS 39 which had been only partly adopted. The unadopted provisions of IAS 39 have no impact on the Group's consolidated financial statements. Consequently, the Group's consolidated financial statements have been prepared in compliance with the IFRSs published by the IASB.

1.2 IFRSs and interpretations applied by the Group

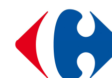
The accounting and calculation methods used to prepare the 2012 consolidated financial statements are the same as those used in 2011, except for the amendment to IFRS 7 – *Financial Instruments: Disclosures Concerning Transfers of Financial Assets* which is applicable for annual periods beginning on or after July 1, 2011.

As IFRS 7 only deals with disclosures, the amendment has no material impact on the consolidated financial statements.

The Group decided not to early adopt the following standards and interpretations that were not applicable as of January 1, 2012:

Adopted for use in the European Union:

- Amendment to IAS 1 – *Presentation of Other Comprehensive Income* (applicable for annual periods beginning on or after January 1, 2013)
- Amendment to IAS 19 – *Employee Benefits* (applicable for annual periods beginning on or after January 1, 2013)
- Standards dealing with consolidation (IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangem*ents, IFRS 12 – *Disclosure of Interests in Other Entities*) and the resulting revisions to IAS 27 and IAS 28 (applicable for annual periods beginning on or after January 1, 2014)
- IFRS 13 – *Fair value Measurement* (applicable for annual periods beginning on or after January 1, 2013)
- Amendment to IFRS 1 - *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable for annual periods beginning on or after January 1, 2013)
- Amendment to IAS 12 – *Income Tax, Recovery of Underlying Assets* (applicable for annual periods beginning on or after January 1, 2013)
- Amendment to IAS 32 – *Offsetting Financial Assets and Financial Liabilities*
- Amendment to IFRS 7 – *Disclosures: Offsetting Financial Assets and Financial Liabilities*



Not yet adopted for use in the European Union:

- IFRS 9 – *Financial Instruments: Classification and Measurement of Assets and Liabilities*
- 2009-2011 annual improvements.

Application of IFRS 11, which eliminates proportionate consolidation as a method of accounting for jointly controlled entities, should not have any impact on the consolidated financial statements as the Group already uses the equity method to account for these entities.

Application of IAS 19 (revised) will inter alia eliminate the use of the corridor method currently applied by Carrefour. Consequently, all unamortized actuarial gains and losses and all unrecognized past service costs will be recognized in shareholders' equity when the amendment is applied, no later than January 1, 2013.
The revised standard will be applicable retrospectively. The main effects of the change at January 1, 2012 and December 31, 2012 will be as follows:

- Shareholders' equity at January 1, 2012 will be reduced by an estimated €131 million excluding the tax effect. This amount includes the recognition in shareholders' equity of (i) all unamortized actuarial gains and losses and all unrecognized past service costs for €(126) million, and (ii) the adjustment to the projected benefit obligation arising from the restatement of taxes on the Belgian plans for €(5) million.
- The 2012 benefit plan cost will be reduced by an estimated €31 million. This is mainly due to a change in the Belgian enhanced unemployment benefit plan ('prepensions') that had the effect of pushing back the average retirement age. In the 2012 accounts, it has been treated as a "negative past service cost" and amortized over the average vesting period of plan rights.
- Shareholders' equity at December 31, 2012 will also be reduced by the actuarial gains and losses generated in 2012, representing an estimated €173 million, excluding the tax effect.

At December 31, 2012, the total impact of these changes on shareholders' equity will therefore be a negative €273 million, excluding the tax effect.

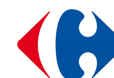
The possible impact on the consolidated financial statements of applying the other new and amended standards is currently being assessed.

1.3 Use of estimates

Preparation of consolidated financial statements involves the use of management estimates and assumptions that may affect the reported amounts of certain assets, liabilities, income and expenses, as well as the disclosures contained in the notes. These estimates and assumptions are reviewed at regular intervals to ensure that they are reasonable in light of past experience and the current economic situation. Actual results may differ from current estimates.

The main management estimates used in the preparation of the consolidated financial statements concern the useful lives of operating assets, the recoverable amount of goodwill and other intangible assets (Note 17) and property and equipment (Note 18), and the amount of provisions for contingencies and other business-related provisions (Note 29). The main assumptions concern pension and other post-employment benefit obligations (Note 30) and recognized deferred taxes (Note 21).

IAS 32 requires the recognition of a financial liability for put options written over non-controlling interests ("NCI puts"). The Group has chosen to apply a differentiated treatment depending on whether the puts were written before or after the first-time adoption of IAS 27 (amended) on January 1, 2010, as explained in Note 2 – Summary of significant accounting policies (paragraph "Put options written over non-controlling interests").



NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently in all periods presented in the consolidated financial statements and by all Group entities.

2.1 Basis of consolidation

Companies over which the Group exercises exclusive control, directly or indirectly, are fully consolidated. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether control exists.

Investments in associates – defined as entities over which the Group has significant influence – and joint ventures are accounted for by the equity method. This method consists of recognizing in the consolidated financial statements the Group's share of the total profits and losses recorded by the associate or joint venture as adjusted to comply with Group accounting policies, for the period from the date when significant influence or joint control is acquired until the date when it is lost.

Investments in companies where the Group does not exercise control or significant influence over financial and operating policy decisions are reported under "Non-current financial assets". The accounting treatment of these investments is described in the paragraph "Financial assets and liabilities".

Control over special purpose entities (SPEs), as defined in SIC 12, is determined based on an assessment of whether the Group obtains the majority of the benefits of the SPE and therefore may be exposed to risks incident to the SPE's activities.
An SPE is consolidated when the substance of the relationship between the Group and the SPE indicates that the SPE is controlled by the Group. This is considered to be the case, for example, when:

- In substance, the activities of the SPE are being conducted on behalf of the Group according to its specific business needs so that the Group obtains benefits from the SPE's operations.
- In substance, the Group has the decision-making powers to obtain the majority of the benefits of the SPE's activities or, by setting up an "autopilot" mechanism, the Group has delegated these decision-making powers.
- In substance, the Group has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the SPE's activities.
- In substance, the Group retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities.

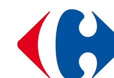
2.2 Segment information

IFRS 8 – *Operating Segments* requires the disclosure of information about an entity's operating segments extracted from the internal reporting system and used by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance. The Carrefour Group's operating segments consist of the countries in which it conducts its business through consolidated stores, as each country's results are reviewed monthly by the Group's Chief Executive Officer who is the chief operating decision-maker within the meaning of IFRS 8.

Countries located in the same region are considered as having similar characteristics and have been combined to create four geographical segments, as allowed by IFRS 8.

- France
- Rest of Europe: Spain, Italy, Belgium, Poland, Turkey and Romania
- Latin America: Brazil and Argentina
- Asia: China, Taiwan and India

Effective January 1, 2012, the income and expenses of certain support entities are allocated to the various countries proportionately to the services provided to each, with any unallocated revenue and expenses reported under "Global functions". In prior periods, these entities were allocated to the geographical segment corresponding to the country where they were located. Comparative information has been restated on the 2012 basis.



2.3 Business combinations

At the IFRS transition date, the Group elected not to apply IFRS 3 to business combinations carried out prior to that date, in line with the option available to first-time adopters under IFRS 1.

Whenever the Group acquires control of an entity or group of entities, the identifiable assets acquired and liabilities assumed are recognized and measured at fair value. The difference between the consideration transferred (i.e. the acquisition cost) and the fair value of the identifiable assets acquired, net of the liabilities and contingent liabilities assumed, is recognized as goodwill. Goodwill is recorded directly in the statement of financial position of the acquired entity, in the entity's functional currency. Its recoverable amount is subsequently monitored at the level of the cash-generating unit to which the entity belongs.

Since the adoption of IFRS 3 (revised) on January 1, 2010, the Group applies the following principles:

- Transaction costs are now recorded directly as an operating expense for the period in which they are incurred.
- For each business combination, the Group determines whether to apply the full goodwill or partial goodwill method:
  - The full goodwill method consists of measuring non-controlling interests in the acquiree at fair value and allocating to these interests part of the goodwill recognized at the time of the business combination.
  - Under the partial goodwill method, non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets and no goodwill is allocated to these interests.
- Any contingent consideration is measured at its acquisition-date fair value. Any subsequent change in fair value during the 12-month measurement period is recognized by adjusting goodwill only if it results from additional information about facts and circumstances that existed at the acquisition date. If this criterion is not met or the change in fair value arises after the measurement period, it is recorded in other comprehensive income.
- For a business combination achieved in stages (step acquisition), when control is acquired the previously held equity interest is remeasured at fair value through profit. In the case of a reduction in the Group's equity interest resulting in a loss of control, the remaining interest is also remeasured at fair value through profit.
- In the case of a bargain purchase, the gain is recognized immediately in profit.
- Any acquisition or disposal of equity interests that does not result in control being acquired or lost is treated as a transaction between owners and recognized directly in shareholders' equity in accordance with IAS 27 (amended).

For entities or additional equity interests acquired during the year, the Group's share or increased share of the entity's profit or loss for the period from the transaction date is recognized in the consolidated income statement. For entities sold or equity interests reduced during the year, the Group's share of the entity's profit or loss for the period up to the transaction date is recognized in the consolidated income statement.

2.4 Translation of the financial statements of foreign operations

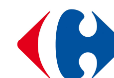
The consolidated financial statements are presented in euros.

An entity's functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of Group entities is the currency of their home country.

The financial statements of entities whose functional currency is not the euro and is not the currency of a hyperinflationary economy are translated into euros as follows:

- Assets and liabilities are translated at the period-end closing rate.
- Income and expenses are translated at the weighted average exchange rate for the period.
- All resulting exchange differences are recognized in other comprehensive income and are taken into account in the calculation of any gain or loss realized on the subsequent disposal of the foreign operation.
- Items in the statement of cash flows are translated at the average rate for the period unless the rate on the transaction date is materially different.

No Group companies operated in a hyperinflationary economy in either 2012 or 2011.



2.5 Translation of foreign currency transactions

Transactions by Group entities in a currency other than their functional currency are initially translated at the exchange rate on the transaction date.

At each period-end, monetary assets and liabilities denominated in foreign currency are translated at the period-end closing rate and the resulting exchange gain or loss is recorded in the income statement.

Intra-group loans to certain foreign operations are treated as part of the net investment in that operation if settlement of the loan is neither planned nor likely to occur. The gains or losses arising from translation of the loan at each successive period-end are recorded directly in other comprehensive income in accordance with IAS 21.

2.6 Intangible assets and property and equipment

2.6.1 Goodwill

In accordance with IAS 36 – *Impairment of Assets*, goodwill recognized on business combinations is not amortized but is tested for impairment every year, at December 31. Additional tests are performed at interim period-ends when there is an indication that it may be impaired.

The main impairment indicators used by the Group are as follows:

- Internal indicator: a material deterioration in the ratio of recurring operating income before depreciation, amortization and provision expense to net revenues excluding gasoline between the budget and the most recent forecast.
- External indicators: a material increase in the discount rate and/or a severe downgrade in the IMF's GDP growth forecast.

Impairment losses recognized on goodwill are irreversible, including those recorded at an interim period-end.

Impairment methods are described in Note 2.6.4 "Impairment tests".

2.6.2 Other intangible assets

Other intangible assets consist mainly of software, which is amortized over periods ranging from one to five years.

2.6.3 Property and equipment

In accordance with IAS 16 – *Property, Plant and Equipment*, land, buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (defined in IAS 23 – *Borrowing Costs* as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale), are capitalized as part of the cost of the asset.

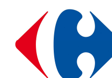
Assets under construction are recognized at cost less any identified impairment losses.

Depreciation of property and equipment begins when the asset is available for use and ends when the asset is sold, scrapped or reclassified as held for sale in accordance with IFRS 5.

Property and equipment, or each significant part of an item of property or equipment, are depreciated by the straight-line method over the following estimated useful lives:

Buildings	
➢ Building	40 years
➢ Site improvements	10 years
➢ Car parks	6 years
Equipment, fixtures and fittings	6 to 8 years
Other	4 to 10 years

In light of the nature of its business, the Group considers that its property and equipment have no residual value.



Depreciation methods and periods are reviewed at each period-end and, where appropriate, adjusted prospectively.

New long-term leases – particularly property leases – are analyzed to determine whether they represent operating leases or finance leases, i.e. leases that transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. For property leases, the analysis is performed separately for the land on the one hand and the building on the other.

Finance leases are accounted for as follows:

- The leased assets are recognized in the statement of financial position at fair value or, if lower, the present value of the minimum lease payments. They are depreciated over their useful life, in the same way as assets owned outright, or, if shorter, over the lease term.
- The liability for the future lease payments is recognized in the statement of financial position under liabilities.
- Lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

2.6.4 Impairment tests

In accordance with IAS 36 – *Impairment of Assets*, intangible assets and property and equipment are tested for impairment whenever events or changes in the market environment indicate that the recoverable amount of an individual asset and/or a cash-generating unit (CGU) may be less than its carrying amount. For assets with an indefinite useful life – mainly goodwill in the case of the Carrefour Group – the test is performed at least once a year.

Individual assets or groups of assets are tested for impairment by comparing their carrying amount to their recoverable amount, defined as the higher of their fair value less costs of disposal and their value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount is less than the carrying amount, an impairment loss is recognized for the difference. Impairment losses on property and equipment and intangible assets (other than goodwill) may be reversed in future periods provided that the asset's increased carrying amount attributable to the reversal does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

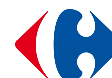
2.6.4.1 Impairment of intangible assets other than goodwill and of property and equipment

Impairment tests on property and equipment are performed at the level of the individual stores, for all formats.

In accordance with IAS 36, intangible assets (other than goodwill) and property and equipment are tested for impairment whenever there is an indication that their recoverable amount may be less than their carrying amount. All stores that report a recurring operating loss before depreciation and amortization in two consecutive years (after the start-up period) are tested. Intangible assets with an indefinite useful life such as brands are tested at least once a year.

Value in use is considered as being equal to the store's discounted future cash flows over a period of up to five years plus a terminal value. Fair value is estimated based on the prices of recent transactions, industry practice, independent valuations or the estimated price at which the store could be sold to a competitor.

The discount rate applied is the same as for impairment tests on goodwill.



2.6.4.2 Impairment of goodwill

IAS 36 – *Impairment of Assets* requires impairment tests to be performed annually at the level of each CGU or group of CGUs to which the goodwill is allocated.

According to the standard, goodwill is allocated to the CGU or group of CGUs that is expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is so allocated should represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and should not be larger than an operating segment as defined in IFRS 8 before aggregation.

For the purpose of analyzing the recoverable amount of goodwill, each individual country is considered as representing a separate CGU. The choice of this level is based on a combination of organizational and strategic criteria:

- Operations within each country (hypermarkets, supermarkets, etc.) use shared resources (country-level centralized purchasing organization, marketing systems, headquarters functions, etc.) that represent an essential source of synergies between the various operations.
- Decisions to dispose of business portfolios are generally made at country level and it is rare for just a single store to be sold.

Value in use is considered as corresponding to the sum of discounted future cash flows for a five-year period plus a terminal value calculated by projecting data for the fifth year to perpetuity at a perpetual growth rate. A specific discount rate by country is used for the calculation. Future cash flows are estimated based on the 3-year business plan drawn up by country management and approved by Group management.

The discount rate for each country is calculated as the weighted average cost of equity and debt, determined using the median gearing rate for the sector. Each country's cost of equity is obtained by adjusting the cost of equity in France to reflect the difference in the local inflation rate and to include a country risk premium. The country risk premium is generally estimated by reference to the difference between the five-year credit default swap (CDS) spread applicable to the country's sovereign debt and the spread applicable in France. The cost of debt is determined by applying the same logic.

The main assumptions used for impairment testing purposes are presented in Note 17.

2.7 Financial assets and liabilities (excluding banking activities)

2.7.1. Non-derivative financial assets

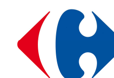
2.7.1.1 Accounting policy

In accordance with IAS 39, the main financial assets are classified in one of the following four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial assets.

The classification of these assets determines their accounting treatment. Classification is determined by the Group upon initial recognition, based on the type of asset and the purpose for which it was acquired. Purchases and sales of financial assets are recognized on the trade date, defined as the date on which the Group is committed to buying or selling the asset.

Financial assets at fair value through profit or loss
These are financial assets held for trading, i.e. assets acquired principally for the purpose of selling them at a profit in the short term, or financial assets designated at the outset as at fair value through profit or loss.
They are measured at fair value with changes in fair value recognized in the income statement, under financial income or expense.



Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that do not meet the criteria for classification as either held for trading or available for sale. They are initially recognized at fair value and are subsequently measured at amortized cost by the effective interest method. For short-term receivables with no specified interest rate, fair value is considered as being equal to the original invoice amount.
These assets are tested for impairment when there is an indication that their recoverable amount may be less than their carrying amount. If this is found to be the case, an impairment loss is recorded.
This category includes receivables from non-consolidated companies, other loans and receivables and trade receivables. They are reported under “Other financial assets” or “Trade receivables”.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets other than loans and receivables with fixed or determinable payments and a fixed maturity that the Group has the positive intention and ability to hold to maturity. They are initially recognized at fair value and are subsequently measured at amortized cost by the effective interest method.
These assets are tested for impairment when there is an indication that their recoverable amount may be less than their carrying amount. If this is found to be the case, an impairment loss is recorded.
Held-to-maturity investments are reported under “Other financial assets”.
The Group did not hold any assets classified as held-to-maturity at December 31, 2012 or December 31, 2011.

Available-for-sale financial assets
Available-for-sale financial assets are financial assets that do not meet the criteria for classification in any of the other three categories. They consist mainly of shares in non-consolidated companies.

Available-for-sale financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income, under “Changes in the fair value of available-for-sale financial assets”. When the assets are sold, the gains and losses accumulated in shareholders’ equity are reclassified to the income statement.
However, in the event of a prolonged or significant fall in value of an equity instrument or a decline in estimated cash flows from a debt instrument, an impairment loss is recognized in the income statement. If, in a subsequent period, the impairment loss decreases, the previously recognized impairment loss is released:

- For equity instruments (equities and other): through other comprehensive income.
- For debt instruments (bonds, notes and other) where an increase is observed in estimated future cash flows: through profit or loss for an amount not exceeding the previously recognized impairment loss.

The fair value of listed securities corresponds to their market price. For unlisted securities, fair value is determined by reference to recent transactions or by using valuation techniques based on reliable and observable market data. When it is impossible to obtain a reasonable estimate of an asset’s fair value, it is measured at historical cost.

2.7.1.2 Non-derivative financial assets held by the Group

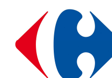
The main non-derivative financial assets held by the Group are as follows:

Non-current financial assets
This line item mainly comprises investments in non-consolidated companies and long-term loans.

Trade receivables
Trade receivables include amounts receivable from suppliers and franchisees and rent receivable from tenants of shopping mall units. Impairment losses are recognized where necessary, based on an estimate of the debtor’s ability to pay the amount due and the age of the receivable.

Current financial assets
Current financial assets consist mainly of available-for-sale financial assets, measured at fair value, and short-term loans and deposits.

Cash and cash equivalents
Cash equivalents are highly liquid investments with an original maturity of less than three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.
Cash includes cash on hand and demand deposits.



2.7.2. Non-derivative financial liabilities

2.7.2.1 Accounting policy

Non-derivative financial liabilities are initially recognized at fair value plus transaction costs and premiums directly attributable to their issue. They are subsequently measured at amortized cost.

2.7.2.2 Non-derivative financial liabilities held by the Group

The main financial liabilities held by the Group are as follows:

Borrowings
"Long-term borrowings" and "Short-term borrowings" include bonds and notes issued by the Group, finance lease liabilities, other bank loans, financial liabilities for put options written over non-controlling interests in subsidiaries, and financial liabilities related to securitized receivables for which the credit risk is retained by the Group.

Suppliers and other creditors
This line corresponds to trade payables.

Other payables
Other payables classified in current liabilities correspond to all other operating payables (mainly accrued employee benefits expense and amounts due to suppliers of non-current assets) and miscellaneous liabilities.

2.7.2.3 Put options written over non-controlling interests in subsidiaries ("NCI puts")

The Group has written put options over certain non-controlling interests in fully consolidated subsidiaries. The option exercise price may be fixed or it may be determined according to a predefined formula, and the options may be exercisable at any time or on a fixed date.

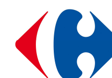
IAS 27 (amended), which has been applied by the Group since January 1, 2010, describes the accounting treatment of purchases of additional shares in controlled subsidiaries. The Group has decided to apply two different accounting methods to these puts, depending on whether they were written before or after first-time adoption of the amended standard.

NCI puts written prior to January 1, 2010: continued application of the partial goodwill method

- A financial liability was recognized for NCI puts.
- The liability, initially recognized at the present value of the exercise price, is remeasured at each period-end at the fair value of the shares that would be purchased if the exercise price were to be based on fair value.
- The initial liability was recognized by recording a deduction from non-controlling interests and, if necessary, goodwill.
- Subsequent changes in the value of the liability are recognized by adjusting non-controlling interests and goodwill (except for discounting adjustments, which are recognized in financial income and expense).
- "Income – Group share" continues to be calculated based on the Group's percent interest in the subsidiary, without taking into account the percent interest represented by the NCI puts.

NCI puts written since January 1, 2010:

IAS 27 (amended) stipulates that transactions in equity instruments with non-controlling interest shareholders that do not result in a change of control should be recognized by adjusting shareholders' equity. The Group therefore considers that the NCI puts written after the date of first-time adoption of the amended standard should only affect consolidated shareholders' equity. Accordingly:



- A financial liability is recognized for NCI puts.
- The liability is initially recognized at the present value of the exercise price and is subsequently measured at each period-end at the fair value of the shares that would be purchased if the exercise price were to be based on fair value.
- The initial liability is recognized by recording a deduction from non-controlling interests and, if necessary, "Shareholders' equity – Group share".
- Subsequent changes in the value of the liability are recognized by adjusting non-controlling interests and "Shareholders' equity – Group share" (except for discounting adjustments, which are recognized in financial income and expense).
- "Income – Group share" continues to be calculated based on the Group's percent interest in the subsidiary, without taking into account the percent interest represented by the NCI puts.

2.7.3 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of business, mainly currency and interest rate risks. Exceptionally, the risk of changes in the prices of certain commodities – mainly diesel – may also be hedged.

Derivatives are initially recognized at fair value. They are subsequently measured at fair value with the resulting unrealized gains and losses recorded as explained below.

2.7.3.1 Derivatives designated as hedging instruments

Hedge accounting is applied if, and only if, the following conditions are met:

- At the inception of the hedge, there is formal designation and documentation of the hedging relationship.
- The effectiveness of the hedge is demonstrated at inception.

The derivatives used by the Group may be qualified as either cash flow hedges or fair value hedges. The Group does not currently hedge its net investment in foreign operations.

Cash flow hedges

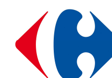
For instruments qualified as cash flow hedges, the portion of the change in fair value determined to be an effective hedge is recognized directly in other comprehensive income and accumulated in shareholders' equity until the hedged transaction affects profit. The ineffective portion of the change in fair value is recognized in the income statement, under "Financial income and expense".

The main cash flow hedges consist of interest rate swaps that convert variable rate debt to fixed rate, and forward purchases of foreign currencies that hedge future goods purchases in foreign currency.

Fair value hedges

Changes in fair value of instruments qualified as fair value hedges are recognized in the income statement, with the effective portion offsetting changes in the fair value of the hedged item.

Examples of fair value hedges include swaps set up at the time of issue of fixed rate bonds and notes. The hedged portion of the underlying financial liability is remeasured at fair value. Changes in fair value are recognized in the income statement and are offset by the effective portion of symmetrical changes in the fair value of the interest rate swaps.



2.7.3.2 Other derivative instruments

Other derivative instruments are measured at fair value, with changes in fair value recognized in profit or loss. Hedging instruments used by the Group include interest rate swaps and vanilla interest rate options.

2.7.4 Fair value calculation method

The fair values of currency and interest rate instruments are determined using market-recognized pricing models or prices quoted by external financial institutions.

Values estimated using pricing models are based on discounted future cash flows for futures and forward contracts or, for options, the Black & Scholes option pricing model. The models are calibrated using market data such as yield curves and exchange rates obtained from recognized financial data services.

The fair value of long-term borrowings is estimated based on the quoted market price for bonds and notes or the value of future cash flows discounted at the interest rate for similar instruments (in terms of currency, maturity, interest rate and other characteristics).

2.8 Banking activities

To support its core retailing business, the Group offers banking and insurance services to customers through Carrefour Banque and other subsidiaries.

Due to its specific financial structure, this secondary business is presented separately in the consolidated financial statements:

- Consumer credit granted by the financial services companies (payment card receivables, personal loans, etc.) is presented in the statement of financial position under “Consumer credit granted by the financial services companies - long-term” and “Consumer credit granted by the financial services companies - short-term”, as appropriate.
- Financing for these loans is presented under “Consumer credit financing – long-term” and “Consumer credit financing – short-term”, as appropriate.
- The other assets and liabilities of the banking activities (property and equipment, intangible assets, cash and cash equivalents, accrued taxes and payroll costs, etc.) are presented on the corresponding lines of the statement of financial position.
- Revenues from banking activities are reported in the income statement under “Other revenue”.
- Cash flows generated by banking activities are reported in the statement of cash flows under “Change in consumer credit granted by the financial services companies”.

2.9 Investment property

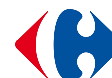
IAS 40 defines investment property as property (land or a building or both) held to earn rentals or for capital appreciation or both. Based on this definition, investment property held by the Group consists of shopping malls (retail and service units located behind the stores’ check-out area) that are exclusively or jointly owned and represent a surface area of at least 2,500 square meters.

Investment property is recognized at cost and is depreciated over the same period as owner-occupied property.

The properties’ fair value is measured twice a year:

- by applying a multiple that is a function of (i) each shopping mall’s profitability and (ii) a country-specific capitalization rate, to the gross annualized rental revenue generated by each property, or
- based on independent valuations.

The fair value of investment property is presented in Note 19.



2.10 Inventories

In accordance with IAS 2 – *Inventories*, goods inventories are measured at the lower of cost and net realizable value.

Cost corresponds to the latest purchase price plus all related expenses. This method is appropriate given the rapid inventory turnover, and the resulting values are close to those obtained by the FIFO method. The cost of inventories includes all components of the purchase cost of goods sold (with the exception of exchange gains and losses) and takes into account the purchasing terms negotiated with suppliers.

Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.11 Provisions

In accordance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*, a provision is recorded when, at the period-end, the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount of the provision is estimated based on the nature of the obligation and the most probable assumptions. Provisions are discounted when the effect of the time value of money is material.

2.12 Employee benefits

Group employees receive short-term benefits (such as paid vacation, paid sick leave, statutory profit-sharing bonuses), long-term benefits (such as long-service awards, seniority bonuses) and post-employment benefits (such as length-of-service awards and supplementary pension benefits). Post-employment benefits may be paid under defined contribution or defined benefit plans.

a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity that is responsible for the plan's administrative and financial management as well as for the payment of benefits, such that the Group has no obligation to pay further contributions if the plan assets are insufficient. Examples include government-sponsored pension schemes, defined contribution supplementary pension plans and defined contribution pension funds.

The contributions are recorded as an expense for the period in which they become due.

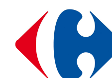
b) Defined benefit and long-term benefit plans

A liability is recognized for defined benefit obligations that are determined by reference to the plan participants' years of service with the Group.

The defined benefit obligation is calculated annually using the projected unit credit method, taking into account actuarial assumptions concerning future salary levels, retirement age, mortality and staff turnover rates.

The discount rate corresponds to the interest rate observed at the period-end for government bonds with a maturity close to that of the defined benefit obligation. The calculations are performed by a qualified actuary.

The Group elected to account for post-employment benefit obligations using the corridor method. Under this method, the portion of actuarial gains and losses that falls within a "corridor" of plus or minus 10% of the defined benefit obligation (or the value of plan assets if the plan has a surplus) is not recognized in profit or loss. The portion that falls outside the 10% corridor is recognized in profit or loss over the average remaining service lives of the plan participants.



c) Share-based payments

Two types of share-based payment plans have been set up for management and selected employees – stock option plans and stock grant plans.

As allowed under IFRS 1, upon first-time adoption of IFRS the Group elected to apply IFRS 2 – *Share-based Payment* only to equity-settled stock options granted after November 7, 2002 that had not yet vested as of January 1, 2004. This had no impact on opening shareholders' equity at January 1, 2004.

All subsequent share-based payment plans have been accounted for in accordance with IFRS 2. As the plans are equity-settled, the benefit represented by the share-based payment is recorded in employee benefits expense with a corresponding increase in shareholders' equity. The amount recorded in employee benefits expense corresponds to the recognition over the vesting period of the benefit's fair value. Fair value is the value determined using the Black & Scholes option pricing model at the grant date in the case of options or the share price at the grant date in the case of stock grants. In accordance with IFRS 2, performance conditions that are not market conditions are not taken into account to estimate the fair value of stock grants and stock options at the measurement date.

2.13 Income tax expense

Income tax expense includes current taxes and deferred taxes.

Deferred taxes are calculated on all temporary differences between the carrying amount of assets and liabilities and their tax basis (except in the specific cases referred to in IAS 12).
They are measured at the tax rates that are expected to apply to the period when the asset will be realized or the liability will be settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position under "Non-current assets" and "Non-current liabilities".

The recoverability of deferred tax assets is assessed separately for each tax entity, based on business plan estimates of future taxable profits and the amount of deferred tax liabilities at the period-end. A valuation allowance is recorded to write down deferred tax assets whose recovery is not considered probable

The CVAE local business tax in France, which is assessed on the basis of the value-added generated by the business, is reported under income tax expense because the Group considers that it meets the definition of a tax on income contained in IAS 12.

2.14 Treasury stock

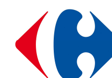
Treasury stock is recorded as a deduction from shareholders' equity, at cost. Gains and losses from sales of treasury stock (and the related tax effect) are recorded directly in shareholders' equity without affecting income for the period.

2.15 Non-current assets and disposal groups held for sale and discontinued operations

A discontinued operation is a component of an entity that has been either disposed of or classified as held for sale, and:

- represents a separate major line of business or geographical area of operations, and
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

It is classified as a discontinued operation at the time of sale or earlier if its assets and liabilities meet the criteria for classification as "held for sale". When a component of an entity is classified as a discontinued operation, comparative income statement and cash flow information are restated as if the entity had met the criteria for classification as a discontinued operation on the first day of the comparative period.
In addition, all the assets and liabilities of the discontinued operation are presented on separate lines on each side of the statement of financial position, for the amounts at which they would be reported at the time of sale after eliminating intra-group items.



2.16 Net sales net of loyalty program costs

Net sales correspond exclusively to sales realized in the Group's stores and cash and carry outlets.

In accordance with IFRIC 13, which describes the accounting treatment of loyalty award credits granted to customers as part of a sales transaction, award credits are considered as a separately identifiable component of the sales transaction and are deducted from the amount of the sale at fair value.

2.17 Other revenue

Other revenue, corresponding mainly to sales of financial services and travel, rental revenues and franchise fees, is reported on a separate line below "Net sales" in the income statement.

Financial services revenues correspond mainly to bank card fees and arranging fees for traditional and revolving credit facilities, which are recognized over the life of the contract.

2.18 Gross margin from recurring operations

Gross margin from recurring operations corresponds to the sum of net sales and other revenue less cost of sales as defined in Note 8.

2.19 Recurring operating income

Recurring operating income corresponds to gross margin from recurring operations less sales, general and administrative expenses and depreciation, amortization and provisions.

2.20 Non-recurring income and expenses

In accordance with the recommendation of the French accounting authorities (Conseil National de la Comptabilité recommendation 2009-R-03 dated July 2, 2009), non-recurring income and expenses are reported on a separate line of the income statement. Non-recurring items are defined as “items that are limited in number, clearly identifiable and non-recurring that have a material impact on consolidated results”.

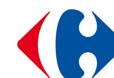
This classification is applied to certain material items of income and expense that are unusual in terms of their nature and frequency, such as impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for or that arose in prior periods, based on information of which the Group became aware during the reporting year.

They are presented separately in the income statement to “help users of the financial statements to better understand the Group's underlying operating performance and provide them with useful information to assess the earnings outlook”.

2.21 Earnings per share

Basic earnings per share is calculated by dividing consolidated income – Group share by the weighted average number of shares outstanding during the period. Treasury stock is not considered as being outstanding and is therefore deducted from the number of shares used for the calculation. Contingently issuable shares are treated as outstanding and included in the calculation only from the date when all necessary conditions are satisfied.

Diluted earnings per share is calculated by adjusting consolidated income – Group share and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares (if any). Dilutive potential ordinary shares correspond mainly to convertible bonds and employee stock options. Stock options are considered as potentially dilutive if they are in the money (based on the sum of the exercise price and the fair value of the services rendered by the grantee, in accordance with IFRS 2 – *Share-based Payment*). Stock grants are considered as potentially dilutive if the vesting conditions have been fulfilled.



NOTE 3: SIGNIFICANT EVENTS OF THE YEAR

The Group operated in a challenging macro-economic environment in 2012, particularly in Southern Europe.

3.1 Restructuring of operations in Greece

On June 15, 2012, Carrefour announced that an agreement had been reached with its Greek partner, the Marinopoulos Brothers Group, for the restructuring of their joint subsidiary, Carrefour Marinopoulos. The agreement provided for (i) the implementation of various measures designed to strengthen the financial position of Carrefour Marinopoulos and its subsidiaries, (ii) the assumption by Carrefour of the share of Carrefour Marinopoulos's cumulative losses attributable to minority shareholders, (iii) the sale of Carrefour's stake to Marinopoulos Brothers, and (iv) the signature of a brand license allowing Carrefour Marinopoulos to continue to operate under the Carrefour banner. It also included an earn-out clause.

The transaction was completed on August 8, 2012, after anti-trust approval had been obtained in Cyprus, Greece and Bulgaria and the various other conditions precedent had been met.

The cumulative losses attributable to minority shareholders (including for 2012) amounted to €95 million as of the transaction completion date. Their assumption by Carrefour pursuant to the terms of the agreement with the Marinopoulos Brothers Group led to this amount being reclassified in shareholders' equity in line with the provisions of IAS 27.

In accordance with IFRS 5, the following reclassifications have been made in the financial statements at December 31, 2012:

- Carrefour Marinopoulos's net loss for the period up to the transaction completion date (€114 million) has been presented under "Net income from discontinued operations" with the portion attributable to non-controlling interests shown separately in accordance with IAS 27. To permit period-on-period comparisons, the same reclassification has been made in 2011.
- In the statement of cash flows, all of the Greek entities' cash flows are presented on the lines "Impact of discontinued operations", with 2011 cash flows reclassified accordingly.

The net loss on the sale is reported on the line "Net income from discontinued operations – Group share" (see Note 14).

3.2 Tender offer for Guyenne & Gascogne

On February 14, 2012, the Group announced that it had filed a cash offer with a stock alternative for Guyenne & Gascogne, its historical partner in southwestern France. The offer was cleared by France's securities regulator, Autorité des Marchés Financiers (AMF), on February 28, 2012 and the Offer Document prepared by Carrefour was approved under AMF visa no. 12-095.

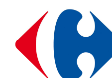
The Offer terms were as follows:

- Cash offer: one Guyenne & Gascogne share (cum dividend, after taking into account the payment of a special dividend of €7.0 per share) for €74.25 in cash.
- Alternative stock offer: one Guyenne & Gascogne share for 3.90 Carrefour shares (cum dividend) (offer limited to 4,986,786 Guyenne & Gascogne shares).

The Offer ran from March 22 to May 30, 2012. The planned business combination between Carrefour and Guyenne & Gascogne was cleared by France's anti-trust authorities on May 9, 2012 and the results of the Offer were announced by the AMF on June 4, 2012. In all, 6,423,906 shares were tendered – of which 3,005,637 shares to the cash offer and 3,418,269 shares to the alternative stock offer – giving Carrefour 96.61% of Guyenne & Gascogne's capital. As stated in the section of the Offer Document describing its intentions, Carrefour decided to implement a squeeze-out procedure in order to acquire the remaining Guyenne & Gascogne shares at the cash offer price of €74.25 per share. The procedure was implemented on June 13, 2012.

In accordance with the terms of the Offer, the Guyenne & Gascogne acquisition led to:

- The issue by Carrefour of 13,331,250 new €2.50 par value shares at a premium per share of €11.63, for a total of €188 million.
- Cash payments totaling €239 million to the Guyenne & Gascogne shareholders who tendered their shares to the cash offer or sold them under the squeeze-out procedure.



The total acquisition cost was therefore €428 million.

In accounting terms, the transaction consisted of:

- The acquisition of the stores operated directly by Guyenne & Gascogne (six hypermarkets operated as Carrefour franchise outlets and 28 supermarkets operated as Carrefour Market franchise outlets), accounted for in accordance with IFRS 3.
- The acquisition of non-controlling interests, consisting of Guyenne & Gascogne's 50.0% interest in Sogara (a company that was already controlled by Carrefour) and Sogara's 8.2% interest in Centros Comerciales Carrefour ("Carrefour Spain"). These acquisitions of non-controlling interests have been treated as transactions with owners and accounted for directly in shareholders' equity in accordance with IAS 27.

The first-time consolidation of Guyenne & Gascogne led to the recognition of goodwill in the amount of €35 million and to a €143 million reduction in shareholders' equity – Group share, corresponding to the difference between the acquisition price of the non-controlling interests and their carrying amount in the Group accounts. Taking into account the share issue carried out in conjunction with the Offer, the net impact on shareholders' equity – Group share was an increase of €45 million.

3.3 New financial services partnership in Brazil

During the first half of 2011, Carrefour signed an agreement making Itaù Unibanco its new partner in BSF Holding, its financial services and insurance subsidiary, in place of the previous partner.

Once the transaction had been cleared by Brazil's central bank, Carrefour Brazil purchased the previous partner's 40% interest in BSF Holding and then sold 49% of BSF Holding to Itaù Unibanco.

In accordance with IAS 27, the operation was treated as two successive transactions with owners without a change of control. Consequently, it led to a €163 million increase in shareholders' equity – Group share, after taking into account the tax impact.

3.4 Sale of the Group's interest in Altis and its subsidiaries

In line with the commitment given in December 2011, during the first half of 2012 the Group sold to Eroski its 50% stake in Altis (and its subsidiaries), which was accounted for by the equity method up to the date of sale.

The €111 million gain on the sale (before tax) is included in non-recurring operating income.

3.5 Acquisition of the Eki stores in Argentina

On June 14, 2012, Carrefour announced that it had acquired 129 Eki stores (110 convenience stores and 19 supermarkets), located mainly in and around the Argentine capital, Buenos Aires.

In accordance with IFRS 3 (revised), the first-time consolidation of Eki led to the recognition of goodwill of €21 million.

3.6 2011 dividend reinvestment option

At the Annual General Meeting held on June 18, 2012, shareholders decided to set the 2011 dividend at €0.52 per share and to offer a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at €12.78 per share, representing 95% of the average of the opening prices quoted on NYSE Euronext Paris during the 20 trading days preceding the date of the Annual General Meeting, less the net amount of the dividend of €0.52 per share and rounded up to the nearest euro cent.

The option period was open from July 4 to July 18, 2012. At the end of this period, shareholders owning 59.73% of Carrefour's shares had elected to reinvest their 2011 dividends.

July 27, 2012 was set as the date for:

- Settlement/delivery of the 16,547,403 new shares corresponding to reinvested dividends, leading to a total capital increase of €211 million (of which, aggregate par value of the new shares for €41 million and premiums for €170 million).
- Payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of €137 million after deducting the €7 million in dividends attributable to shares held in treasury.

3.7 Disposal of operations in Colombia, Malaysia and Indonesia

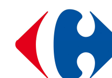
On October 18, 2012, the Group announced the signature of an agreement with Chile's Cencosud Group for the sale of its operations in Colombia for an enterprise value of €2 billion. The transaction was completed on November 30, 2012.

On October 31, 2012, the Group announced the sale, with immediate effect, of its operations in Malaysia to the Aeon Group, a major Japanese retailer, for an enterprise value of €250 million.

On November 20, 2012, the Group announced the sale of its 60% stake in Carrefour Indonesia to its local partner, CT Corp, which has become Carrefour's exclusive franchisee in this country. The sale was agreed at a price of €525 million.

The total income recorded in "Net income from discontinued operations" in 2012 for these three operations amounted to €1,359 million, including their results for the period to the sale date and cumulative currency translation adjustments related to these subsidiaries recognized in the income statement.

The sale of the Group's operations in Indonesia was completed on January 16, 2013. The gain on disposal will therefore be reported in the 2013 income statement on the line "Net income from discontinued operations" .



NOTE 4: RESTATEMENT OF COMPARATIVE INFORMATION

In accordance with IFRS 5, income and expenses related to discontinued operations (Greece, Colombia, Malaysia, Singapore and Indonesia) have been reclassified to "Net income from discontinued operations" in the 2012 and 2011 income statements, and their cash flows have been reclassified to the lines "Impact of discontinued operations" in the 2012 and 2011 statements of cash flows.

4.1 Details of "Net income from discontinued operations", "Assets held for sale" and "Liabilities related to assets held for sale"

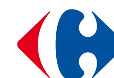
The main income statement indicators of the entities reclassified in accordance with IFRS 5 are as follows:

Main income statement indicators

(in € millions)	2012	2011
Net sales	4,019	5,204
Gross margin from recurring operations	815	1,043
Recurring operating loss	(18)	(15)
Operating loss	(27)	(340)
Loss before taxes	(75)	(393)
Income taxes	(20)	(71)
Net loss	(95)	(464)

The following main balance sheet items for the Group's Indonesian operations have been reclassified to "Assets held for sale" and "Liabilities related to assets held for sale" at December 31, 2012 in accordance with IFRS 5:

(in € millions)	December 31, 2012
ASSETS	
Goodwill	28
Other intangible assets	2
Property and equipment	177
Investment property	0
Other non-current financial assets	27
Deferred tax assets	18
Non-current assets	**253**
Inventories	64
Trade receivables	41
Tax receivables	4
Other assets	17
Cash and cash equivalents	57
Current assets	**182**
Total assets	**436**
SHAREHOLDERS' EQUITY AND LIABILITIES	
Shareholders' equity – Group share	100
Shareholders' equity attributable to non-controlling interests	65
Total shareholders' equity	**164**
Long-term borrowings	14
Provisions	42
Deferred tax liabilities	0
Non-current liabilities	**56**
Short-term borrowings	8
Suppliers and other creditors	172
Tax payables	12
Other payables	24
Current liabilities	**216**
Total shareholders' equity and liabilities	**436**

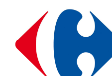


4.2 Impact on the 2011 income statement and 2011 statement of cash flows

CONSOLIDATED INCOME STATEMENT

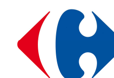
Sign convention: "-" = expenses; "+" = income

(in € millions)	2011 reported	IFRS 5 reclassifications	2011 restated
Net sales	81,271	5,204	76,067
Loyalty program costs	(816)	(6)	(810)
Net sales net of loyalty program costs	**80,455**	**5,198**	**75,257**
Other revenue	2,309	85	2,224
Total revenue	**82,764**	**5,283**	**77,481**
Cost of sales	(64,912)	(4,239)	(60,673)
Gross margin from recurring operations	**17,852**	**1,043**	**16,809**
Sales, general and administrative expenses	(13,969)	(909)	(13,060)
Depreciation, amortization and provisions	(1,701)	(149)	(1,552)
Recurring operating income / (loss)	**2,182**	**(15)**	**2,197**
Non-recurring income and expenses, net	(2,662)	(326)	(2,337)
Operating loss	**(481)**	**(340)**	**(140)**
Finance costs and other financial income and expenses, net	(757)	(52)	(705)
Loss before taxes	**(1,238)**	**(393)**	**(845)**
Income tax expense	(1,002)	(71)	(931)
Net income from companies accounted for by the equity method	64	0	64
Net loss from continuing operations	**(2,176)**	**(464)**	**(1,713)**
Net income from discontinued operations	2,580	464	2,116
Net income for the year	**404**	**0**	**404**
Group share	**371**	**0**	**371**
of which net loss from continuing operations	(2,202)	(336)	(1,865)
of which net income from discontinued operations	2,573	336	2,237
Attributable to non-controlling interests	**33**	**0**	**33**
Net income for the year	**404**		**404**
Effective portion of changes in the fair value of cash flow hedges	(14)		(14)
Changes in the fair value of available-for-sale financial assets	(2)		(2)
Exchange differences on translating foreign operations	(324)		(324)
Other comprehensive income after tax	**(340)**		**(340)**
Total comprehensive income	**64**		**64**
Group share	72		72
Attributable to non-controlling interests	(9)		(9)



CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	2011 Reported	IFRS 5 reclassifications	2011 Restated
LOSS BEFORE TAXES	**(1,238)**	**(393)**	**(845)**
CASH FLOWS FROM OPERATING ACTIVITIES			
Taxes	(712)	(22)	(690)
Depreciation and amortization expense	1,795	151	1,644
Capital (gains)/losses on sales of assets	(155)	20	(175)
Change in provisions and impairment	2,643	223	2,420
Dividends received from companies accounted for by the equity method	26	0	26
Impact of discontinued operations	217	21	196
Cash flow from operations	**2,577**	**0**	**2,577**
Change in working capital requirement	(117)	122	(240)
Impact of discontinued operations	(111)	(122)	11
Net cash from operating activities (excluding financial services companies)	**2,348**	**0**	**2,348**
Change in consumer credit granted by the financial services companies	(229)	3	(233)
Impact of discontinued operations		(3)	3
Net cash from operating activities	**2,118**	**0**	**2,118**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment and intangible assets	(2,330)	(211)	(2,119)
Acquisitions of financial assets	(30)	0	(30)
Acquisitions of subsidiaries	(41)	0	(41)
Proceeds from the disposal of subsidiaries	7	0	7
Proceeds from the disposal of property and equipment and intangible assets	495	7	488
Proceeds from the disposal of investments in non-consolidated companies	21	0	21
Change in amounts receivable from and due to suppliers of fixed assets	206	16	191
Investments net of disposals	**(1,672)**	**(189)**	**(1,483)**
Other cash flows from investing activities	(55)	6	(61)
Impact of discontinued operations	1,329	183	1,146
Net cash used in investing activities	**(398)**	**0**	**(398)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues	37	25	12
Acquisitions and disposals of investments without any change of control	(13)	0	(13)
Dividends paid by Carrefour (parent company)	(708)	0	(708)
Dividends paid by consolidated companies to non-controlling interests	(103)	(5)	(99)
Change in treasury stock and other equity instruments	(126)	0	(126)
Change in current financial assets	853	0	853
Issuance of bonds	500	0	500
Repayments of bonds	(1,442)	0	(1,442)
Other changes in borrowings	(190)	80	(270)
Impact of discontinued operations	23	(101)	123
Net cash used in financing activities	**(1,170)**	**0**	**(1,170)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	551		551
Effect of changes in exchange rates	27		27
Net change in cash and cash equivalents	**578**		**578**
Cash and cash equivalents at beginning of year	**3,271**		**3,271**
Cash and cash equivalents at end of year	**3,849**		**3,849**



NOTE 5: SEGMENT INFORMATION

The Group's operating segments consist of the countries in which it does business, combined by region, and "Global functions" corresponding to the holding companies and other support entities.

5.1 Segment results

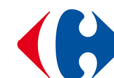
2012

(in € millions)	Total	France	Rest of Europe	Latin America	Asia	Global functions
Net sales	76,789	35,341	20,873	14,174	6,400	0
Other revenue	2,333	911	563	528	262	69
Recurring operating income / (loss)	**2,140**	**929**	**509**	**608**	**168**	**(74)**
Operating income	**1,434**					
Finance costs and other financial income and expenses, net	**(882)**					
Income before taxes	**552**					
Net income for the year	**1,316**					
Capital expenditure[1]	1,547	602	345	308	257	35
Depreciation and amortization expense	(1,524)	(620)	(456)	(219)	(186)	(43)

2011

(in € millions)	Total	France	Rest of Europe	Latin America	Asia	Global functions
Net sales	76,067	35,179	21,536	13,551	5,801	0
Other revenue	2,224	883	543	504	237	58
Recurring operating income / (loss)	**2,197**	**898**	**640**	**532**	**187**	**(61)**
Operating loss	**(140)**					
Finance costs and other financial income and expenses, net	**(705)**					
Loss before taxes	**(845)**					
Net income for the year	**404**					
Capital expenditure[1]	2,119	893	616	379	193	38
Depreciation and amortization expense	(1,562)	(646)	(469)	(231)	(172)	(44)

(1) Capital expenditure corresponds to the acquisitions of property and equipment and intangible assets reported in the statement of cash flows.



5.2 Segment assets and liabilities

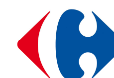
December 31, 2012

(in € millions)	Total	France	Rest of Europe	Latin America	Asia	Global functions
ASSETS						
Goodwill	8,608	4,337	3,256	880	99	35
Other intangible assets	801	314	289	118	8	73
Property and equipment	11,509	4,203	3,820	2,306	1,142	37
Investment property	513	145	280	33	54	
Other segment assets(2)	14,762	6,424	4,188	2,884	817	450
Total segment assets	36,193	15,422	11,833	6,222	2,120	596
Unallocated assets	9,652					
Total assets	45,844					
LIABILITIES						
Segment liabilities (3)	21,117	9,871	5,213	3,490	2,066	476
Unallocated liabilities	16,366					
Total	37,483					

December 31, 2011

(in € millions)	Total	France	Rest of Europe	Latin America	Asia	Global functions
ASSETS						
Goodwill	8,740	4,259	3,160	1,146	140	35
Other intangible assets	966	327	369	176	10	84
Property and equipment	13,771	4,232	4,741	3,277	1,482	39
Investment property	507	101	261	49	95	-
Other segment assets(2)	16,686	7,006	4,917	3,176	1,144	442
Total segment assets	40,669	15,925	13,448	7,824	2,872	600
Unallocated assets	7,262					
Total assets	47,931					
LIABILITIES						
Segment liabilities (3)	24,031	10,494	6,886	3,594	2,457	599
Unallocated liabilities	16,273					
Total	40,304					

(2) Other segment assets consist of inventories, trade receivables, consumer credit granted by the financial services companies and other receivables.
(3) Segment liabilities comprise suppliers and other creditors, consumer credit financing and other payables.



NOTE 6: NET SALES

Excluding the currency effect, 2012 net sales amounted to €77,317 million versus €76,067 million the previous year, an increase of 1.6%.

Changes in exchange rates reduced net sales by €528 million in 2012, reflecting negative effects of €1,017 million in the Latin America segment and €79 million in the Rest of Europe segment, partly offset by a positive effect of €568 million in the Asia segment.

(in € millions)	2012	2011	% change
Net sales	76,789	76,067	0.9%

NET SALES BY COUNTRY

(in € millions)	2012	2011
France	**35,341**	**35,179**
Rest of Europe	**20,873**	**21,536**
Spain	7,975	8,373
Italy	5,103	5,419
Belgium	3,913	3,825
Poland	1,809	1,892
Turkey	1,087	1,071
Romania	986	955

(in € millions)	2012	2011
Latin America	**14,174**	**13,551**
Brazil	11,273	11,131
Argentina	2,901	2,420
Asia	**6,400**	**5,801**
China	4,838	4,345
Taiwan	1,535	1,430
India	28	26

NOTE 7: OTHER REVENUE BY NATURE

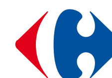
(in € millions)	2012	2011	% change
Financing fees and commissions[1]	1,331	1,290	3.2%
Rental revenue	269	262	2.8%
Revenue from sub-leases	233	203	15.1%
Other revenue	500	470	6.4%
Total	**2,333**	**2,224**	**4.9%**

(1) Revenue generated by the financial services companies

The amounts reported on the line "Other revenue" in the above table correspond mainly to franchise fees, business lease fees and related revenue.

NOTE 8: COST OF SALES

Cost of sales comprises purchase costs, changes in inventory, the cost of products sold by the financial services companies, discounting revenue and exchange gains and losses on goods purchases.

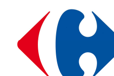


NOTE 9: SALES, GENERAL AND ADMINISTRATIVE EXPENSES

(in € millions)	2012	2011	% change
Payroll costs	7,566	7,407	2.1%
Property rentals	941	861	9.3%
Maintenance and repair costs	707	705	0.3%
Fees	796	761	4.6%
Advertising expense	908	1,026	(11.4%)
Taxes other than on income	515	515	(0.0%)
Energy and electricity	662	626	5.8%
Other	1,153	1,159	(0.5%)
Total	**13,249**	**13,060**	**1.4%**

NOTE 10: DEPRECIATION AND AMORTIZATION

(in € millions)	2012	2011	% change
Depreciation	1,269	1,255	1.1%
Amortization	205	257	(20.2%)
Depreciation – finance leases	33	32	3.1%
Depreciation – investment property	18	18	(4.8%)
Provision expense, net	24	(10)	(333.6%)
Total	**1,548**	**1,552**	**(0.3%)**



NOTE 11: NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses correspond to certain material items that are unusual in terms of their nature and frequency, such as impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for or that arose in prior periods, based on information of which the Group became aware during the reporting year.

(in € millions)	2012	2011
Net gains on sales of assets	234	255
Restructuring costs	(285)	(205)
Other non-recurring income and expenses	(419)	(392)
Non-recurring income and expenses, net before asset impairment and write-offs	**(470)**	**(341)**
Asset impairment and write-offs	(236)	(1,996)
Impairment and write-offs of goodwill	*(18)*	*(1,778)*
Impairment and write-offs of property and equipment	*(219)*	*(218)*
Non-recurring income and expenses, net	**(707)**	**(2,337)**
of which:		
Non-recurring income	*256*	*345*
Non-recurring expenses	*(962)*	*(2,682)*

Net gains on sales of assets

In 2012, the Group sold its 50% interest in Altis (and its subsidiaries) to Eroski, realizing a pre-tax gain of €111 million. Other asset sales during the period, mainly in France, generated total gains of €123 million.

In 2011, this item mainly concerned the late-December sale of a portfolio of 97 supermarket properties in France for €365 million, leading to the recognition of a pre-tax gain of €229 million.

Restructuring costs

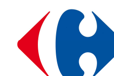
Restructuring costs recorded in 2012 mainly concerned reorganization plans in Europe, including the voluntary separation plan announced during the year to reduce support staff numbers in France.
Restructuring costs in 2011 related primarily to the 2009-2012 Transformation Plan.

Other non-recurring income and expenses

To bring to an end a long-standing dispute with the tax authorities in Brazil and avoid incurring further substantial litigation costs, the Group chose to take advantage of tax amnesties offered by various Brazilian states in 2012. The related provisions have been adjusted accordingly.

Other non-recurring income and expenses for 2012 included various special taxes introduced in France's amended Finance Act for a total of €51 million, including a €36 million retroactive levy on the value of gasoline inventories held in the fourth quarter of 2011.

In addition, certain provision charges were recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the year.



In 2011, other non-recurring income and expenses represented a net expense of €392 million, including:

- Provisions for additional tax risks.
- An increase in the provision for the VAT reassessment in France (€77 million)
- Provisions for various material identified employee-related risks (€156 million).

Impairment losses and asset write-offs

In 2012, an €18 million impairment loss was recorded on Polish goodwill following the decision to close the Group's stores in that country to which the goodwill was allocated.

Impairment losses recorded on property and equipment in 2012 totaled €155 million (2011: €130 million). The write-downs mainly concerned Spain, Italy and France and reflected the fall in value of certain assets used in environments that were severely affected by the economic crisis.

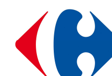
In 2011, in response to the deepening economic crisis in the second half of the year and the austerity plans implemented in southern European countries, the Group reviewed all of its business plans and downgraded its growth forecasts for operations in Italy. The impairment tests performed on the basis of the revised business plan projections led to Italian goodwill being written down by €1,750 million at December 31, 2011.

NOTE 12: FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

This item breaks down as follows:

(in € millions)	2012	2011
Interest income from loans and cash equivalents	**53**	**53**
Interest income from bank deposits	50	44
Interest income from loans	3	9
Finance costs	**(539)**	**(515)**
Interest expense on financial liabilities measured at amortized cost, adjusted for income and expenses from interest rate instruments.	(502)	(490)
Interest expense on finance lease liabilities	(32)	(35)
Change in fair value of interest rate instruments held for trading	(5)	10
Ineffective portion of fair value hedges of borrowings	0	0
Finance costs, net	**(486)**	**(462)**
Other financial income and expenses, net	**(396)**	**(243)**
Interest cost on post-employment benefit obligations	(46)	(48)
Return on pension plan assets	9	10
Financial transaction tax	(43)	(42)
Late interest due in connection with tax reassessments and employee-related litigation	(84)	(150)
Dividends received on available-for-sale financial assets	6	8
Proceeds from the sale of available-for-sale financial assets reclassified from other comprehensive income	14	25
Cost of sold available-for-sale financial assets reclassified from other comprehensive income	(7)	(19)
Exchange gains and losses, net	(10)	(14)
Impact of withdrawal from a structured finance arrangement and reclassification of hedging instruments(1)	(216)	15
Other	(19)	(27)
Finance costs and other financial income and expenses, net	**(882)**	**(705)**
Financial expenses	*(964)*	*(825)*
Financial income	*81*	*120*

(1) Non-recurring cost arising from the Group's interest rate position management (early termination of a structured finance arrangement and reclassification of hedging derivatives previously eligible for hedge accounting, in connection with the Group's indebtedness reduction).



NOTE 13: INCOME TAX EXPENSE

(in € millions)	2012	2011
Current income taxes	(543)	(959)
Deferred taxes	155	28
Total income tax expense	**(388)**	**(931)**

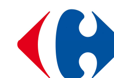
In 2012, income tax expense included the €114 million positive impact of recognizing deferred tax assets for prior years' tax losses in Belgium and Argentina due to the improved likelihood of these assets being recovered. In Italy, the publication in 2012 of enabling legislation for a 2011 tax law led to the conversion into tax credits of previously unrecognized deferred tax assets, with a €79 million positive impact on income tax expense for the year.

Tax proof

Theoretical income tax for 2012, calculated by multiplying consolidated income before tax by the standard French corporate income tax rate (including the 5% "contribution exceptionnelle" surtax rolled over until December 31, 2015), represented an expense of €199 million, compared with actual income tax expense of €388 million. The difference between these two amounts can be explained as follows:

(in € millions)	2012	2011
Income/(loss) before taxes	552	(845)
Standard French corporate income tax rate	*36.1%*	*36.1%*
Theoretical income tax	(199)	305
Tax effect of untaxed income and income taxed at a different rate	110	44
Taxes with no tax base (provisions recorded solely for tax purposes, withholding taxes, etc.) (1)	(179)	(401)
Impact of non-deductible impairment losses on goodwill	(7)	(481)
Tax effect of other permanent differences	(91)	(112)
Valuation allowances on deferred tax assets (2)	(51)	(129)
Deferred tax assets not recognized during the year	(216)	(158)
Deferred tax assets recognized in prior years(3)	195	27
Other	52	(26)
Total income tax expense	**(388)**	**(931)**
Effective tax rate	70.4%	-110.1%

(1) The reported amount of taxes with no tax base includes provisions for tax risks in both 2011 and 2012. Since 2010, the CVAE local business tax in France, which is assessed on the basis of the value-added generated by the business, is reported under income tax expense. This tax amounted to €55 million in 2012 (2011: €54 million).
(2) Valuation allowances recorded on deferred tax assets in 2012 mainly concerned Brazil (€44 million).
(3) Deferred tax assets recognized in 2012 on prior years' tax losses primarily concerned Belgium, Argentina and Italy.



NOTE 14: NET INCOME FROM DISCONTINUED OPERATIONS

(in € millions)	2012	2011
Net income from discontinued operations – Group share	1,120	2,237
Net loss from discontinued operations attributable to non-controlling interests	(39)	(120)
Total	**1,081**	**2,116**

Net income from discontinued operations in 2012 included:

- The result from operations in Greece for the period up to the date of sale and the impact of Carrefour Greece reorganization measures, for a total of €(261) million.
- The net gain on disposal of operations in Colombia, plus the result generated by the business in the period up to the disposal date, plus cumulative currency translation adjustments related to these operations recognized in the income statement, for a total of €1,268 million.
- The net gain on disposal of operations in Malaysia, plus the result generated by the business in the period up to the disposal date, plus cumulative currency translation adjustments related to these operations recognized in the income statement, for a total of €48 million.
- The income from operations in Indonesia during the period.

Net income from discontinued operations in 2011 comprised:

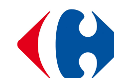
- The net gain on the sale of operations in Thailand, for €667 million.
- The net gain on the sale of the Dia entities and their contribution to consolidated income for the period up to the sale date, for €1,916 million.
- The 2011 results of operations in Greece, Colombia, Indonesia and Malaysia, representing a net loss of €464 million (see Note 4).

NOTE 15: EARNINGS PER SHARE (Group share)

Basic earnings per share	2012	2011
Net income/(loss) from continuing operations	113	(1,865)
Net income from discontinued operations	1,120	2,237
Net income for the year	1,233	371
Weighted average number of shares outstanding[(1)]	680,435,505	659,094,457
Basic earnings/(loss) from continuing operations per share (in €)	**0.17**	**(2.83)**
Basic earnings from discontinued operations per share (in €)	**1.65**	**3.39**
Basic earnings per share (in €)	**1.81**	**0.56**

(1) In accordance with IAS 33, the weighted average number of shares used to calculate 2011 earnings per share was adjusted to take into account 2011 dividends paid in shares on July 27, 2012.

Treasury stock and shares held indirectly through the equity swap described in Note 27.3.2 are not considered as outstanding shares for earnings per share calculations.



Diluted earnings per share	2012	2011
Net income/(loss) from continuing operations	113	(1,865)
Net income from discontinued operations	1,120	2,237
Net income for the year	1,233	371
Weighted average number of shares outstanding, before dilution	680,435,505	659,094,457
Dilutive potential shares	408,928	0
Stock grants	*408,928*	*0*
Stock options	*0*	*0*
Diluted weighted average number of shares outstanding	680,844,433	659,094,457
Diluted earnings/(loss) from continuing operations per share (in €)	**0.17**	**(2.83)**
Diluted earnings from discontinued operations per share (in €)	**1.64**	**3.39**
Diluted earnings per share (in €)	**1.81**	**0.56**

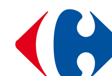
All of the stock options granted by the Group were out of the money (i.e. their exercise price was greater than the average Carrefour share price) in both 2011 and 2012 and were therefore not dilutive.
As the Group reported a loss from continuing operations in 2011, the stock grants are not considered as being dilutive.

NOTE 16: OTHER COMPREHENSIVE INCOME

(in € millions)

Group share	2012			2011		
	Pre-tax	**Tax**	**Net**	**Pre-tax**	**Tax**	**Net**
Effective portion of changes in the fair value of cash flow hedges	19	(8)	11	(7)	3	(4)
Changes in the fair value of available-for-sale financial assets	2	(2)	1	(2)	-	(2)
Exchange differences on translating foreign operations	(183)	-	(183)	(293)	-	(293)
Other comprehensive income – Group share	**(162)**	**(9)**	**(172)**	**(302)**	**3**	**(299)**

Non-controlling interests	2012			2011		
	Pre-tax	**Tax**	**Net**	**Pre-tax**	**Tax**	**Net**
Effective portion of changes in the fair value of cash flow hedges	(8)	3	(6)	(16)	5	(10)
Changes in the fair value of available-for-sale financial assets	10	(3)	6	(1)	-	(1)
Exchange differences on translating foreign operations	(9)	-	(9)	(31)	-	(31)
Other comprehensive income – non-controlling interests	**(7)**	**(1)**	**(8)**	**(47)**	**6**	**(42)**



NOTE 17: INTANGIBLE ASSETS

Goodwill, which constitutes the main intangible asset, is reported on a separate line of the statement of financial position from other intangible assets.

(in € millions)	December 31, 2012	December 31, 2011
Goodwill, net	8,608	8,740
Other intangible assets	801	966
Intangible assets, net	**9,409**	**9,706**

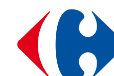
17.1 Changes in goodwill

The recoverable amount of goodwill is monitored at the level of the cash-generating units (CGUs) represented by the countries in which the Group conducts its business.

In 2012, the total carrying amount of goodwill was reduced by €132 million, due mainly to the disposal of operations in Colombia and Malaysia (€99 million), the reclassification as "Assets held for sale" of goodwill on operations in Indonesia (€31 million) and the impact of changes in exchange rates in Brazil.

(in € millions)	Net goodwill December 31, 2011	Acquisitions	Disposals	Impairment	Other Movements (1)	Translation adjustment	Net goodwill December 31, 2012
France	4,292	85	(7)				4,371
Italy	898						898
Belgium	948	1			6		955
Spain	810				52		862
Brazil	923				(80)	(99)	745
Poland	248			(18)		23	253
Turkey	143				29	5	176
Argentina	134	21				(19)	136
Other countries	343				(129)	(2)	211
Total	**8,740**	**107**	**(7)**	**(18)**	**(122)**	**(92)**	**8,608**

(1) Including changes in the scope of consolidation (disposal of operations in Colombia and Malaysia)



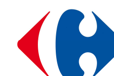
During 2011, the total carrying amount of goodwill was reduced by €3,089 million following recognition of impairment losses (€1,942 million) and the removal of the Dia sub-group from the scope of consolidation (€767 million).

(in € millions)	Net goodwill December 31, 2010	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	Net goodwill December 31, 2011
France	4,278	56	(32)	(3)	(6)		4,292
Italy	2,648			(1,750)			898
Belgium	947	1	(0)		(0)		948
Spain	810						810
Brazil	1,061		(51)			(86)	923
Poland	278					(30)	248
Turkey	368				(202)	(22)	143
Argentina	141					(7)	134
Greece	189			(188)	(0)		
Hard Discount	771				(767)	(3)	
Other countries	338					5	343
Total	**11,829**	**57**	**(84)**	**(1,942)**	**(976)**	**(144)**	**8,740**

In addition to the deconsolidation of the Dia sub-group, "Other movements" concerned changes in the fair value of options granted to non-controlling interests (use of the partial goodwill method described in Note 2.7 - Financial Assets and Liabilities).

17.2 Other intangible assets

(in € millions)	December 31, 2012	December 31, 2011
Other intangible assets, at cost	2,864	3,024
Amortization	(1,959)	(1,973)
Impairment	(234)	(227)
Intangible assets in progress	131	142
Other intangible assets, net	**801**	**966**



(in € millions)	Cost	Amortization and impairment	Net
At December 31, 2010	**3,102**	**(2,002)**	**1,101**
Acquisitions	241	0	241
Disposals	(52)	39	(13)
Translation adjustment	(49)	29	(20)
Amortization	0	(261)	(261)
Impairment	0	(42)	(42)
Changes in scope of consolidation, transfers and other movements	(76)	37	(38)
At December 31, 2011	**3,166**	**(2,200)**	**966**
Acquisitions	165	0	165
Disposals	(150)	129	(21)
Translation adjustment	(54)	36	(17)
Amortization	0	(206)	(206)
Impairment	0	(24)	(24)
Changes in scope of consolidation, transfers and other movements	(132)	71	(61)
At December 31, 2012	**2,995**	**(2,194)**	**801**

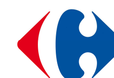
17.3 Impairment of goodwill and sensitivity analysis

Asset impairment policies are described in Note 2 – Summary of Significant Accounting Policies.

The impairment tests performed on goodwill and other intangible assets in 2012 in accordance with IAS 36 did not lead to the recognition of any impairment losses on these assets. In 2011, an impairment loss of €1,750 million was recognized on goodwill allocated to the Italian CGU.

The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) applied for impairment testing purposes in 2011 and 2012 are presented below by CGU:

Country	2012		2011	
	After-tax discount rate	Perpetual growth rate	After-tax discount rate	Perpetual growth rate
France	5.3%	1.5%	6.2%	1.5%
Spain	7.0%	1.5%	8.1%	1.5%
Italy	7.1%	1.5%	7.9%	1.5%
Belgium	5.1%	1.5%	7.5%	1.5%
Poland	6.7%	1.5%	8.3%	1.5%
Turkey	11.4%	4.5%	12.2%	3.0%
Romania	8.3%	1.5%	10.8%	1.5%
Brazil	7.9%	2.0%	9.6%	2.0%
Argentina	21.0%	9.0%	20.5%	2.0%
China	6.5%	2.0%	7.8%	2.0%
Taiwan	5.4%	2.0%	6.6%	2.0%



17.3.1 CGUs for which the recoverable amount of goodwill was close to the carrying amount

The tests carried out at December 31, 2012 did not reveal any impairments of goodwill (tests at December 31, 2011 led to the recognition of a €1,750 million impairment loss on Italian goodwill). The recoverable amount of goodwill was found to be close to – but still greater than – the carrying amount in four countries: Italy (carrying amount of €899 million, unchanged compared with December 31, 2011), Spain (€862 million versus €810 mllion), Turkey (€176 million versus €143 million) and Poland (€253 million versus €248 million).

Sensitivity analyses were performed to determine the changes in the main assumptions that would lead to an impairment loss being recognized; the amounts shown below correspond to the difference between the recoverable amount and the carrying amount; the minus sign denotes scenarios that would lead to the recognition of an impairment loss for the amount indicated.

- Italy

Sensitivity to changes in WACC and perpetual growth rate

Perpetual growth rate (%)	WACC (%) -0.50%	-0.25%	**0.00%**	0.25%	0.50%
-0.50%	657	552	456	367	286
-0.25%	746	633	529	434	347
0.00%	845	721	**609**	507	413
0.25%	954	819	697	586	485
0.50%	1,074	926	793	672	563

Sensitivity to changes in net sales and EBITDA margin growth rates

EBITDA margin growth (%)*	Net sales growth (%)* -1.00%	-0.50%	**0.00%**	0.50%	1.00%
-0.50%	189	227	267	307	348
-0.25%	353	395	438	482	527
0.00%	516	562	**609**	657	705
0.25%	680	730	780	832	884
0.50%	844	897	951	1,007	1,063

* Adjustment variable for each of the five years covered by the business plan

- Spain

Sensitivity to changes in WACC and perpetual growth rate

Perpetual growth rate (%)	WACC (%) -0.50%	-0.25%	**0.00%**	0.25%	0.50%
-0.50%	1,01	845	693	554	426
-0.25%	1,152	972	809	659	522
0.00%	1,307	1,112	**935**	774	626
0.25%	1,479	1,266	1,074	899	739
0.50%	1,67	1,436	1,226	1,035	863

Sensitivity to changes in net sales and EBITDA margin growth rates

EBITDA margin growth (%)*	Net sales growth (%)* -1.00%	-0.50%	**0.00%**	0.50%	1.00%
-0.50%	274	350	427	505	585
-0.25%	517	598	681	765	851
0.00%	761	847	**935**	1,025	1,117
0.25%	1,004	1,096	1,19	1,285	1,383
0.50%	1,247	1,345	1,444	1,546	1,649

* Adjustment variable for each of the five years covered by the business plan

- Turkey

Sensitivity to changes in WACC and perpetual growth rate

Perpetual growth rate (%)	WACC (%) -0.50%	-0.25%	**0.00%**	0.25%	0.50%
-0.50%	98	74	52	32	12
-0.25%	118	92	69	47	27
0.00%	139	112	**86**	63	42
0.25%	161	132	106	81	58
0.50%	186	155	126	100	75

Sensitivity to changes in net sales and EBITDA margin growth rates

EBITDA margin growth (%)*	Net sales growth (%)* -1.00%	-0.50%	**0.00%**	0.50%	1.00%
-0.50%	-4	1	8	15	22
-0.25%	31	38	46	54	62
0.00%	67	76	**86**	93	102
0.25%	104	113	123	132	142
0.50%	141	151	161	171	182

* Adjustment variable for each of the five years covered by the business plan

- Poland

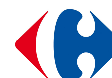
Sensitivity to changes in WACC and perpetual growth rate

Perpetual growth rate (%)	WACC (%) -0.50%	-0.25%	**0.00%**	0.25%	0.50%
-0.50%	477	425	377	332	292
-0.25%	523	465	413	366	322
0.00%	573	510	**453**	402	355
0.25%	629	560	498	442	391
0.50%	691	615	547	485	430

Sensitivity to changes in net sales and EBITDA margin growth rates

EBITDA margin growth (%)*	Net sales growth (%)* -1.00%	-0.50%	**0.00%**	0.50%	1.00%
-0.50%	262	280	298	317	336
-0.25%	336	356	376	396	417
0.00%	410	431	**453**	476	499
0.25%	484	507	531	555	580
0.50%	558	583	609	634	661

* Adjustment variable for each of the five years covered by the business plan



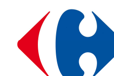
17.3.2 Other countries

For the other countries where the Group conducts business, the analysis of sensitivity to a simultaneous change in the key parameters based on reasonably possible assumptions did not reveal any probable scenario according to which the recoverable amount of any of the CGUs would be less than its carrying amount.

NOTE 18: PROPERTY AND EQUIPMENT

Property and equipment correspond mainly to the retail space managed by the Group.

(in € millions)	December 31, 2012	December 31, 2011
Land	2,518	3,012
Buildings	9,298	10,433
Equipment, fixtures and fittings	13,567	14,382
Other	424	651
Assets under construction	408	507
Finance leases – land	450	476
Finance leases – buildings	1,213	1,275
Finance leases – equipment, fixtures and fittings	88	116
Finance leases – other	(0)	14
Property and equipment at cost	**27,965**	**30,867**
Depreciation	(14,962)	(15,560)
Depreciation of assets under finance leases	(936)	(1,006)
Impairment	(558)	(530)
Property and equipment, net	**11,509**	**13,771**



Changes in property and equipment

(in € millions)	Cost	Depreciation and impairment	Net
At December 31, 2010	**33,726**	**(18,429)**	**15,297**
Acquisitions	2,050		2,050
Disposals	(1,249)	970	(279)
Depreciation		(1,471)	(1,471)
Impairment		(132)	(132)
Translation adjustment	(482)	209	(272)
Changes in scope of consolidation, transfers and other movements [(a)]	(3,178)	1,757	(1,421)
At December 31, 2011	**30,867**	**(17,096)**	**13,771**
Acquisitions	1,262	0	1,262
Disposals	(1,010)	897	(113)
Depreciation	0	(1,317)	(1,317)
Impairment	0	(122)	(122)
Translation adjustment	(371)	148	(223)
Changes in scope of consolidation, transfers and other movements[(b)]	(2,782)	1,034	(1,748)
At December 31, 2012	**27,965**	**(16,456)**	**11,509**

(a) The €1,421 million net decrease recorded in 2011 mainly concerned the deconsolidation of Dia (€1,579 million impact).

(b) The net decrease of €1,748 million was primarily due to the disposal of operations in Colombia, Greece and Malaysia, and the reclassification as "Assets held of sale" of the property and equipment associated with operations in Indonesia.

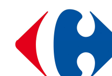
Leases

All property leases have been reviewed. Where the criteria for classification as finance leases are met, the properties are recognized in the statement of financial position. All other leases are classified as operating leases.

Lease commitments at December 31, 2012

Finance leases (in € millions)	**Total**	**Within one year**	**In one to five years**	**Beyond five years**
Minimum future lease payments	786	66	213	507
Discounted present value	486	62	172	252

Operating leases (in € millions)	**Total**	**Within one year**	**In one to five years**	**Beyond five years**
Minimum future lease payments	4,116	948	1,888	1,280
Discounted present value	3,119	885	1,479	755



Lease financial impact related to 2012

Finance leases (in € millions)	Total
Minimum revenue receivable from sub-leases	11
Minimum lease payments made during the period	58
Contingent rentals	18
Revenue from sub-leases	17

Operating leases (in € millions)	Total
Minimum revenue receivable from sub-leases	40
Minimum lease payments made during the period	929
Contingent rentals	55
Revenue from sub-leases	276

Lease commitments at December 31, 2011

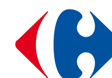
Finance leases (in € millions)	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	824	64	221	539
Discounted present value	449	59	166	224

Operating leases (in € millions)	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	4,558	957	1,888	1,714
Discounted present value	3,150	879	1,405	866

Lease financial impact related to 2011

Finance leases (in € millions)	Total
Minimum revenue receivable from sub-leases	11
Minimum lease payments made during the period	71
Contingent rentals	0
Revenue from sub-leases	22

Operating leases (in € millions)	Total
Minimum revenue receivable from sub-leases	43
Minimum lease payments made during the period	1,015
Contingent rentals	38
Revenue from sub-leases	144



NOTE 19: INVESTMENT PROPERTY

Investment property consists mainly of shopping malls located adjacent to the Group's stores.

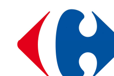
(in € millions)	December 31, 2012	December 31, 2011
Investment property at cost	766	702
Depreciation and impairment	(253)	(195)
Total	**513**	**507**

Changes in investment property

At December 31, 2010	**536**
Depreciation for the period	(33)
Translation adjustment	(23)
Acquisitions for the period	18
Disposals for the period	0
Transfers	9
Other movements	0
At December 31, 2011	**507**
Depreciation for the period	(39)
Translation adjustment	10
Acquisitions for the period	81
Disposals for the period	(4)
Transfers	27
Other movements[(a)]	(70)
At December 31, 2012	**513**

(a) Deconsolidation of operations in Malaysia and Colombia.

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totaled €94.6 million in 2012 (2011: €104.6 million). Operating costs directly attributable to the properties amounted to €13.1 million (2011: €12.1 million).
The estimated fair value of investment property was €1,356 million at December 31, 2012 (December 31, 2011: €1,346 million).



NOTE 20: INVESTMENTS IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD AND OTHER NON-CURRENT FINANCIAL ASSETS

20.1 Investments in companies accounted for by the equity method

Changes in this item can be analyzed as follows:

At December 31, 2010	**256**
Translation adjustment	(2)
Equity in net income	64
Dividends received	(26)
Other[a]	(13)
At December 31, 2011	**280**
Translation adjustment	(2)
Equity in net income	72
Dividends received	(27)
Other[b]	61
At December 31, 2012	**384**

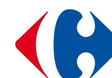
(a) Including a €36 million decrease corresponding to the reclassification of Altis Group shares in "Assets held for sale" and a €22 million increase following the first-time consolidation of ten new entities in Spain (franchisees).

(b) Including a €68 million increase following the use of the equity method to account for 90 new entities in France previously accounted for at cost, and a €22 million decrease following the disposal of operations in Greece (Balkans joint venture).

The main 2012 financial indicators for companies accounted for by the equity method are presented below:

(in € millions)	% interest	On a 100% basis, including consolidation adjustments[1]				
		Total assets	**Shareholders' equity**	**Non-current assets**	**Net sales**	**Net income/(loss)**
TOTAL						
Of which:						
- Majid Al Futtaim	25%	905	307	278	2,934	154
- Provencia SA	50%	365	204	199	762	20
- Iper Orio	50%	108	34	89	149	(4)
- Mestdagh	25%	205	92	50	641	4
- As Cancelas S.XXI,S.L.	50%	102	44	88	-	0
- Costasol	34%	59	30	47	0	1
- Iliturgitana de Hyper, S.L.	34%	49	18	22	0	0
- Cherbourg Invest	48%	38	8	36	0	(0)
- Ploesti Shopping City S.R.L.	50%	28	9	55	2	(6)
- Other companies[2]		453	207	324	881	26

(1) Source: financial statements available when the Group's consolidated financial statements were drawn up.
(2) Corresponding to a total of 121 companies, none of which is individually material.



20.2 Other non-current financial assets

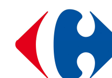
(in € millions)	December 31, 2012	December 31, 2011
Investments in non-consolidated companies	66	152
Long-term loans	1	290
Other [1]	1,058	991
Total other non-current financial assets	**1,125**	**1,433**

(1) Mainly deposits and other long-term receivables.

NOTE 21: DEFERRED TAXES

The Group had a net deferred tax asset of €172 million at December 31, 2012, an increase of €13 million compared with the previous year-end.

(in € millions)	December 31, 2012	December 31, 2011	Change
Deferred tax assets	752	745	7
Deferred tax liabilities	(580)	(586)	6
Net deferred tax asset	**172**	**158**	**13**

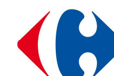


The following table shows the main sources of deferred taxes:

(in € millions)	December 31, 2011	Change			December 31, 2012
		Income statement	Shareholder's equity (other comprehensive income)	Changes in consolidation scope, translation adjustment, other	
Tax loss carryforwards	1,155	39	0	(0)	1,194
Property and equipment	585	98	0	(207)	476
Non-deductible provisions	720	68	0	(43)	745
Goodwill amortization allowed for tax purposes	58	1	0	1	60
Other intangible assets	22	(0)	0	(17)	5
Inventories	178	(36)	0	(7)	135
Financial instruments	58	108	(5)	(91)	70
Other temporary differences	297	146	0	70	513
Deferred tax assets before netting	**3,073**	**424**	**(5)**	**(294)**	**3,198**
Effect of netting deferred tax assets and liabilities	(466)				(466)
Deferred tax assets net of deferred tax liabilities	**2,607**	**424**	**(5)**	**(294)**	**2,732**
Valuation allowances on deferred tax assets	(1,864)	(140)	0	23	(1,980)
Net deferred tax assets	**743**	**284**	**(5)**	**(270)**	**752**
Property and equipment	(419)	(47)	1	91	(375)
Untaxed provisions	(221)	(10)	0	(5)	(235)
Goodwill amortization allowed for tax purposes	(286)	(110)	0	189	(206)
Other intangible assets	(19)	1	(2)	9	(10)
Inventories	(0)	1	0	(27)	(26)
Financial instruments	(20)	(3)	(4)	12	(16)
Other temporary differences	(88)	36	0	(126)	(178)
Deferred tax liabilities before netting	**(1,052)**	**(130)**	**(5)**	**142**	**(1,046)**
Effect of netting deferred tax assets and liabilities	466				466
Deferred tax liabilities net of deferred tax assets	**(586)**	**(130)**	**(5)**	**142**	**(580)**
NET DEFERRED TAXES	**157**	**154**	**(10)**	**(129)**	**172**

Unrecognized deferred tax assets

Unrecognized deferred tax assets amounted to €1,980 million at December 31, 2012 (December 31, 2011: €1,864 million), including €1,028 million related to tax loss carryforwards (December 31, 2011: €1,174 million) and €952 million on temporary differences (December 31, 2011: €690 million).



NOTE 22: INVENTORIES

(in € millions)	December 31, 2012	December 31, 2011
Inventories at cost	5,933	7,150
Allowance	(275)	(302)
Inventories, net	**5,658**	**6,848**

NOTE 23: TRADE RECEIVABLES

(in € millions)	December 31, 2012	December 31, 2011
Trade receivables	1,302	1,446
Allowance for doubtful accounts	(209)	(240)
Trade receivables, net	**1,093**	**1,207**
Receivables from suppliers	1,051	1,575
Total	**2,144**	**2,782**

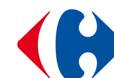
Trade receivables correspond for the most part to amounts due by franchisees, for delivered goods and franchise fees.
Receivables from suppliers correspond to rebates and supplier contributions to marketing costs.

NOTE 24 :OTHER CURRENT FINANCIAL ASSETS

(in € millions)	December 31, 2012	December 31, 2011
Available-for-sale financial assets	238	763
Derivative instruments	46	47
Deposits with maturities of more than three months	61	79
Other	8	22
Total	**352**	**911**

NOTE 25: OTHER ASSETS

(in € millions)	December 31, 2012	December 31, 2011
Employee advances	18	22
Short-term loans	52	28
Proceeds receivable from disposals of non-current assets	42	95
Prepaid expenses	313	343
Other operating receivables, net	370	481
Total	**795**	**969**



NOTE 26: CASH AND CASH EQUIVALENTS

(in € millions)	December 31, 2012	December 31, 2011
Cash equivalents	4,881	1,286
Cash	1,693	2,563
Total	**6,573**	**3,849**

There are no restrictions (as defined in IAS 7) that could materially affect the availability of the cash and cash equivalent balances of foreign subsidiaries.

New regulations in China that came into effect on January 1, 2013 may partially restrict the availability of the funds associated with the shopping cards issued by the Group. Under these regulations, part of the funds will have to be deposited in a dedicated, interest-bearing bank account, that will remain under the Group's control. It is estimated that the cash that may become restricted under these regulations may represent up to €150 million in 2013.

NOTE 27: SHAREHOLDERS' EQUITY

27.1 Capital management

The parent company, Carrefour, must have sufficient equity capital to comply with the provisions of France's Commercial Code.

The Group owns interests in a certain number of financial services companies (banks, insurance companies). These subsidiaries must have sufficient equity capital to comply with capital adequacy ratios and the minimum capital rules set by their local banking and insurance supervisors.

Capital management objectives (equity and debt capital) are to:

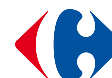
- Ensure that the Group can continue operating as a going concern, in particular by maintaining high levels of liquid resources
- Optimize shareholder returns
- Keep gearing at an appropriate level, in order to minimize the cost of capital and maintain the Group's credit rating at a level that allows it to access a wide range of financing sources and instruments.

In order to maintain or adjust its gearing, the Group may take on new borrowings or retire existing borrowings, adjust the dividend paid to shareholders, return capital to shareholders, issue new shares, buy back shares or sell assets in order to use the proceeds to pay down debt.

27.2 Share capital

At December 31, 2012, the share capital was made up of 709,214,653 ordinary shares with a par value of €2.5 each, all fully paid.

(in thousands of shares)	2012	2011
Outstanding at January 1	679,336	679,336
Issued for cash	-	-
Issued upon exercise of stock options	-	-
Issued in connection with the Guyenne & Gascogne acquisition	13,331	-
Issued in payment of dividends	16,547	-
Cancelled shares	-	-
Outstanding at December 31	**709,215**	**679,336**



27.3 Treasury stock

At December 31, 2012, a total of 23,192,733 shares were held in treasury (December 31, 2011: 23,308,404 shares).

	December 31, 2012	December 31, 2011	Change
Shares held directly	6,147,949	5,598,650	549,299
Shares held indirectly via an equity swap	17,044,784	17,709,754	-664,970
Treasury stock	**23,192,733**	**23,308,404**	**-115,671**

27.3.1. Shares held directly

Most of the Carrefour shares held directly by the Company are intended for the Group's stock option and stock grant plans. All rights attached to the shares allocated to these plans are suspended for as long as they are held in treasury.

27.3.2. Shares held indirectly via an equity swap

In 2009, the Group reorganized the portfolio of treasury shares and instruments held to meet its obligations under the stock option and stock grant plans. On June 15, 2009, a total of 18,638,439 shares were sold out of treasury at a price of €28.725 per share, generating total proceeds of €535 million, and 18,638,439 shares were bought back at the same price per share of €28.725 for forward delivery at various dates through July 2017. The transaction had no impact on the consolidated income statement.
Since the end of 2009, a total of 3,124,885 shares have been bought back on the various contractual dates.
Following the distribution of Dia shares on July 5, 2011, Carrefour delivered an additional 2,196,200 shares in exchange for a reduction in the buyback price per share to €25.184.

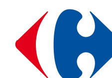
At December 31, 2012, Carrefour was committed to buying back 17,044,784 shares under the equity swap for a total of €429 million recorded as a financial liability.

	Number of shares	Financial liability (in € millions)
Shares held indirectly via an equity swap at December 31, 2012	17,044,784	429
Forward purchases		
May 15, 2014	3,939,973	99
July 7, 2015	4,455,754	112
June 15, 2016	8,449,280	213
July 16, 2017	199,777	5

27.4 Dividends

The 2011 ordinary dividend of €0.52 per share was paid on July 27, 2012 as follows:

- 16,547,403 new shares were issued and delivered in settlement of reinvested dividends, increasing the share capital by a total of €211 million.
- €144 million payable in cash to shareholders who had not chosen to reinvest their dividends. After deducting shares held in treasury, the actual amount paid out in cash dividends was €137 million.



NOTE 28: SHARE-BASED PAYMENTS

The total cost of share-based payment plans amounted to €9 million in 2012, recorded under "Payroll costs" in recurring operating income (2011: €29 million, of which €24 million recorded in recurring operating income). In accordance with IFRS 2, the cost net of the tax effect was recognized by crediting shareholders' equity.

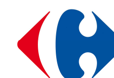
Details of the stock option and stock grant plans set up for senior management are presented below.

The demerger of the hard discount business on July 5, 2011, carried out by distributing Dia shares, had the effect of automatically reducing the Carrefour share price. This in turn lowered the exercise price of the stock options and stock grants and increased the number of options or shares awarded to each grantee (see Registration Document updated filed with the AMF on May 18, 2011). The figures presented in this Note are therefore adjusted figures unless otherwise specified.

28.1 Stock option plans

No new plans were set up in 2011 or 2012.

The following table provides **details of the stock option plans** that were in progress at December 31, 2012 or expired during the year.

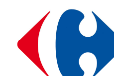


	Grant date[1]	Number of options granted[2]	Life of the options	Number of grantees	Exercise period [3]	Number of options outstanding[4]	Exercise price in €[2]
2005 Presence Plan	April 20, 2005	4,982,917	7 years	457	April 20, 2007 to April 19, 2012	0	35.78
2006 Presence Plan	April 25, 2006	7,580,898	7 years	2,144	April 25, 2008 to April 24, 2013	6,714,436	38.5
2007 Presence Plan	May 15, 2007	4,354,667	7 years	502	May 15, 2009 to May 14, 2014	3,792,357	49.45
2008 Presence Plan I	June 6, 2008	4,545,183	7 years	505	June 6, 2010 to June 5, 2015	3,568,284	39.68
2008 Presence Plan II	July 7, 2008	17,109	7 years	1	July 7, 2010 to July 6, 2015	17,109	39.68
2009 Plan Performance	June 17, 2009	1,252,994	7 years	57	June 17, 2011 to June 16, 2016	432,799	29.55
2009 Presence Plan	June 17, 2009	6,974,861	7 years	2,571	June 17, 2011 to June 16, 2016	5,533,173	29.55
2010 Presence Plan I	May 4, 2010	60,000	7 years	1	May 4, 2012 to May 3, 2017	0	32.84
2010 Plan Performance	July 16, 2010	1,439,017	7 years	56	July 17, 2012 to July 16, 2017	534,364	29.91
2010 Presence Plan II	July 16, 2010	1,941,610	7 years	507	July 17, 2012 to July 16, 2017	1,531,548	29.91
Total						22,124,070	

(1) Date of the meeting of the Management Board (before July 28, 2008) or Board of Directors (after that date) when the stock option grants were decided.
(2) Number of options granted and adjusted exercise price
(3) The options will vest only if the grantee is still employed by the Group at the start of the exercise period. Since 2006, the options vest as follows:
- 50% after two years
- 25% after three years
- 25% after four years

Concerning the exercise date, specific rules apply in the event of the grantee's death.
(4) The number of options outstanding includes both options exercisable at December 31, 2012 and options that were not yet exercisable at that date.

All of the options are exercisable for existing Carrefour shares.



There are two types of plans:

- Presence Plans, for which the only condition is that grantees must remain employed by the Group between the grant date and the starting date of the exercise period for each tranche of options (50% of options vest after two years, 25% after three years and 25% after four years).
- Performance Plans, for which the above presence condition applies as well as two conditions based on the Group's financial performance, with 50% of the options vesting when each of these conditions are met:
  - Performance conditions for the 2009 Performance Plan concern (i) sales growth for the period 2008 to 2010 and (ii) the level of 2010 free cash flow.
  - Performance conditions for the 2010 Performance Plan concern growth in (i) sales and (ii) recurring operating income over the period 2009 to 2011.

Movements in stock options in 2012 were as follows:

Options outstanding at December 31, 2011	**25,859,547**
- of which, exercisable options	*19,888,130*
Options granted in 2012 [(1)]	0
Options exercised in 2012 [(2)]	0
Options cancelled or that expired in 2012	(3,735,477)
- of which, expired options [(3)]	*(3,373,181)*
- of which, canceled options – Presence Plans	*(362,296)*
- of which, canceled options – Performance Plans [(4)]	*0*
Options outstanding at December 31, 2012	**22,124,070**
- of which, exercisable options	*19,746,685*

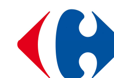
(1) The Remunerations Committee decided not to grant any stock options in 2012.
(2) No options were exercised in 2012 because they were out of the money.
(3) The 2005 plan expired in April 2012 and the 3,373,181 options not exercised at that date were canceled.

The **main data and assumptions** used to value the options are described below.

The options' fair value is calculated using the Black & Scholes option pricing model. Until 2009, volatility, dividend growth and interest rate assumptions were determined by reference to a benchmark produced by a panel of banks. Since 2010, volatility and dividend growth assumptions are determined by reference to historical data and the interest rates applied are based on the yield curve for zero-coupon bonds published by Reuters on the option grant date. In addition, the 2010 options have a seven-year life.

Fair values were determined on the grant dates of the various plans using the model described above and assumptions considered as reasonable at those dates. The information in the following table has not been adjusted for the impact of the July 5, 2011 demerger from Dia.

Fair value of the options at the grant date	**2005 Presence Plan**	**2006 Presence Plan**	**2007 Presence Plan**	**2008 Presence Plan I**
Exercise price in €	40.81	43.91	56.40	45.26
Reference share price in € on the grant date	38.91	44.82	52.23	32.8
Volatility, in %	27.54%	24.70%	25.54%	32.25%
Dividend growth, in %	15.87%	14.87%	12.96%	2.25%
Interest rate, in %	3.25%	4.07%	4.50%	4.80%
Fair value of the options, in €	**9.95**	**12.77**	**10.92**	**7.31**
2012 amortization (in %)	0%	0%	0%	3%
Accumulated amortization at December 31, 2012 (in %)	100%	100%	100%	100%



Fair value of the options at the grant date	2008 Presence Plan II	2009 Plans (Presence and Performance)	2010 Presence Plan I	2010 Plans (Presence II and Performance)
Exercise price in €	45.26	33.7	37.46	34.11
Reference share price in € on the grant date	43.94	31.54	35.26	35.26
Volatility, in %	33.15%	43.35%	22.85%	22.85%
Dividend growth, in %	2.34%	-34.95%	3.33%	3.33%
Interest rate, in %	4.80%	3.30%	(1)	(1)
Fair value of the options, in €	**14.74**	**12.67**	**6.55**	**5.96**
2012 amortization (in %)	3%	10%	27%	27%
Accumulated amortization at December 31, 2012 (in %)	100%	97%	86%	86%

(1) Reuters page on the pricing date

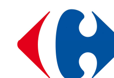
28.2 Stock grants

No new stock grant plans were set up in 2012.

Details of the stock grant plans in progress at December 31, 2012 are presented below:

	Grant date (1)	Transfer date	Number of shares granted	Number of grantees	Reference share price (spot) in € (2)	Number of shares delivered in 2012	Number of shares attributable at December 31, 20112
2009 Presence Plan I	June 17, 2009	June 17, 2012	103,842	57	31.54	58,641	0
2010 Presence Plan I	July 16, 2010	July 16, 2013	517,743	513	34.59	0	392,959
2010 Presence Plan II	April 13, 2010	April 13, 2012	22,812	1	37.65	22,812	0
2010 Presence Plan III	August 30, 2010	August 31, 2012	34,218	1	37.85	34,218	0
2010 Plan Performance	July 16, 2010	July 16, 2012	448,077	56	34.59	0	0
2011 Presence Plan	May 31, 2011	May 31, 2013	15,969	1	26.89	0	15,969
Total						115,671	408,928

(1) Date of the meeting of the Management Board (before July 28, 2008) or Board of Directors (after that date) when the stock grants were decided.
(2) Reference price at the date of the stock grants (unadjusted)



Movements in stock grant rights in 2012 were as follows:

Number of stock grant rights at December 31, 2011	**570,557**
Stock grant rights attributed in 2012	
Shares delivered to grantees	(115,671)
Stock grant rights canceled in 2012	(45,958)
- of which, canceled rights – Presence Plans	*(45,958)*
- of which, canceled rights – Performance Plans	
Number of stock grant rights at December 31, 2012	**408,928**

All of the plans require the grantees to remain with the Group for a specified period, generally between two and three years.
For two plans, set up in 2009 and 2010, the grants are also subject to a performance condition based on the growth in the Carrefour share price compared with that of a reference basket of stocks.

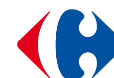
NOTE 29: PROVISIONS

(in € millions)	**December 31, 2011**	**Translation adjustment**	**Increases**	**Discounting adjustment**	**Reversals of surplus provisions**	**Utilizations**	**Other**	**December 31, 2012**
Post-employment benefit obligations – Note 30	777	(1)	49	37	0	(43)	(39)	780
Claims and litigation	2,356	(119)	826	0	(103)	(314)	(62)	2,584
Tax reassessments[(1)]	*1,739*	*(84)*	*575*	*0*	*(48)*	*(192)*	*(75)*	*1,915*
Disputes with current and former employees	*412*	*(31)*	*90*	*0*	*(22)*	*(76)*	*17*	*389*
Legal disputes	*205*	*(4)*	*161*	*0*	*(33)*	*(45)*	*(4)*	*280*
Restructuring[(2)]	73	(1)	166	0	(4)	(46)	(3)	185
After-sales service costs	7	0	1	0	0	(7)	0	1
Other [(3)]	467	2	152	3	(33)	(102)	(39)	449
Total	**3,680**	**(119)**	**1,195**	**40**	**(139)**	**(511)**	**(143)**	**4,000**

(1) Provisions for tax claims increased by a net amount of €176 million in 2012, reflecting translation adjustments, changes in the scope of consolidation and revised estimates of the potential cost associated with certain tax risks.
(2) The increase in 2012 mainly concerned the voluntary separation plan in France (involving support staff).
(3) Other provisions primarily concern technical risks associated mainly with the insurance business, store closure costs and onerous contracts.

Group companies are involved in a certain number of claims and legal proceedings in the normal course of business. They are also subject to tax audits that may result in reassessments. The main claims and legal proceedings are described in Note 31. In each case, the risk is assessed by Group management and their advisors.
A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

At December 31, 2012, the claims and legal proceedings in which the Group was involved were covered by provisions totaling €2,584 million. No details are provided because the Group considers that disclosure of the amount set aside in each case could be seriously detrimental to its interests.



NOTE 30: POST-EMPLOYMENT BENEFIT OBLIGATIONS

The cost of defined benefit plans is determined at each period-end by the projected unit credit method. The calculation is performed using an actuarial method that takes into account future salary levels and retirement ages.

30.1 Description of the main defined benefit plans

The main defined benefit plans concern supplementary pension benefits paid annually in some countries to retired employees of the Group, and length-of-service awards provided for in collective bargaining agreements that are paid to employees upon retirement. The plans, which are presented below, mainly concern France, Belgium and Italy.

French plans

Group employees in France are entitled to a length-of-service award when they retire, determined in accordance with the law and the applicable collective bargaining agreement. The award is measured as a multiple of the individual's monthly salary for the last twelve months before retirement, determined by reference to his or her years of service, as follows:

	2 to 5 years' service	More than 5 years' service	Cap
Administrative staff	0.20 month/year	0.30 month/year	6 months
Supervisors and managers	0.50 month/year	0.80 month/year	18 months

Since 2009, the Group has also been committed to paying supplementary pension benefits to certain former senior executives under a defined benefit plan. The plan's main terms are as follows:

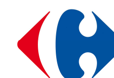
- Plan participants: executives with at least three years' service at the time of retirement whose annual compensation is greater than 16 times the annual ceiling for Social Security contributions and who remain employed by the Group up to their retirement.
- Benefits: 1.5% of the reference compensation per year of service. The reference compensation corresponds to the individual's salary and bonus for the fiscal year preceding his or her retirement, or 60 times the annual ceiling for Social Security contributions, whichever is lower.
- Years of service: capped at 20 years, with years of service credited automatically to executives hired after the age of 45 (executives hired at 45 = 0 years; at 46 = 1 year; at 47 = 2 years, etc.) caped at 10 years.
- Maximum replacement rate: the benefits are capped so that total pension benefits received by the individual from all sources do not exceed 50% of the reference compensation.
- Maximum benefit: 25% of compensation for the last full year of service.
- Reversion: in the case of death, a reversionary pension is paid to the surviving spouse.

Belgian plans

The Group's main commitments in Belgium concern "prepensions" and the "solidarity fund".

Until the end of 2014, the prepension scheme provides for the payment of unemployment benefits during the period from the retirement age proposed in the collective bargaining agreement (58, or 52 for employees concerned by the downsizing plan set up in 2010) and the legal retirement age (65). Carrefour is committed to topping up the benefits paid by the Belgian State, so that the individuals concerned receive 95% of their final net salary.
New legislation that came into effect in Belgium on January 1, 2012 has pushed back the retirement age and increased the number of years that will have to be worked to qualify for the scheme as from January 1, 2015. Under the collective bargaining agreement applicable to Carrefour, employees will be eligible for prepension benefits from the age of 60 provided they have worked for 40 years, versus age 58 and 38 years' work previously.

The solidarity fund is a corporate supplementary pension plan that offers participants the choice between a lump sump payment on retirement or a monthly pension for the rest of their lives. The plan was closed in 1994 and replaced by a defined contribution plan. Consequently, the projected benefit obligation only concerns pension rights that vested before 1994.



Italian plans

The Group's commitments in Italy primarily concern the Trattemento di Fine Rapporto (TFR) deferred salary scheme. The TFR scheme underwent a radical reform in 2007, with employers now required to pay contributions to an independent pension fund. The Group's obligation therefore only concerns deferred salary rights that vested before 2007.

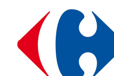
30.2 Net expense for the period

Expense recognized in the income statement (in € millions)	France	Belgium	Italy	Other countries	**Group total**
Service cost	32	8	0	1	41
Interest cost	24	16	3	1	43
Expected return on plan assets	(5)	(4)	0	(0)	(10)
Amortization of actuarial gains and losses	9	0	0	0	9
Other items	0	0	(0)	0	0
Expense for 2011	**59**	**20**	**3**	**2**	**84**
Service cost	36	3	0	7	46
Interest cost	25	15	2	1	43
Expected return on plan assets	(5)	(4)	0	(0)	(10)
Amortization of actuarial gains and losses	7	(0)	0	0	7
Other items	0	0	0	0	0
Expense for 2012	**63**	**14**	**2**	**8**	**87**

The net expense for 2012, in the amount of €87 million, is recorded in employee benefits expense for €54 million and in financial expense for €33 million.

30.3 Change in the provision

Balance sheet movements (in € millions)	France	Belgium	Italy	Other countries	**Group total**
Provision at December 31, 2010	**258**	**274**	**143**	**58**	**734**
Movements recorded in the income statement	59	20	3	6	87
Effect of changes in scope of consolidation	0	0	0	0	0
Benefits paid directly by the employer	(2)	(22)	(15)	(5)	(45)
Other	(0)	0	2	1	3
Provision at December 31, 2011	**315**	**272**	**133**	**60**	**777**
Movements recorded in the income statement	63	14	2	8	87
Effect of changes in scope of consolidation	6	0	0	(29)	(23)
Benefits paid directly by the employer	(5)	(22)	(12)	(2)	(41)
Other	(16)	0	0	(6)	(22)
Provision at December 31, 2012	**363**	**263**	**123**	**30**	**780**



30.4 Plan assets

Change in the fair value of plan assets (in € millions)	France	Belgium	Italy	Other countries	**Group total**
Fair value of plan assets at December 31, 2010	**127**	**95**	**0**	**6**	**228**
Effect of changes in scope of consolidation	0	0	0	0	0
Expected return on plan assets	5	4	0	0	10
Benefits paid out of plan assets	(14)	(11)	0	(0)	(26)
Actuarial gains/(losses)	(2)	(3)	0	(0)	(6)
Other	3	4	0	0	7
Fair value of plan assets at December 31, 2011	**119**	**89**	**0**	**6**	**214**
Effect of changes in scope of consolidation	0	0	0	0	(0)
Expected return on plan assets	5	4	0	0	9
Benefits paid out of plan assets	(15)	(11)	0	(1)	(27)
Actuarial gains/(losses)	5	7	0	(0)	12
Other	20	4	0	1	25
Fair value of plan assets at December 31, 2012	**134**	**93**	**0**	**6**	**233**

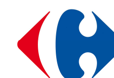
Plan assets break down as follows by asset class:

	December 31, 2012			**December 31, 2011**		
	Bonds	Equities	Real estate and other	Bonds	Equities	Real estate and other
France	81%	17%	3%	81%	15%	4%
Belgium	80%	18%	2%	80%	18%	2%

Plan assets mainly concern defined benefit plans in France and Belgium.

30.5 Measurement of the defined benefit obligation

Obligation (in € millions)	France	Belgium	Italy	Other countries	Group total
Provision	315	272	133	60	779
Fair value of plan assets	119	89	0	6	214
Gross obligation	**434**	**360**	**133**	**66**	**993**
Unrecognized actuarial gains and losses and past service cost	117	(14)	17	6	126
Defined benefit obligation at December 31, 2011	**551**	**346**	**150**	**72**	**1,119**
Provision	363	263	123	30	780
Fair value of plan assets	134	93	0	6	233
Gross obligation	**497**	**356**	**123**	**36**	**1,012**
Unrecognized actuarial gains and losses and past service cost	264	(14)	21	17	289
Defined benefit obligation at December 31, 2012	**761**	**342**	**145**	**53**	**1,301**



30.6 Actuarial assumptions and sensitivity analysis

The assumptions used to measure defined benefit obligations for length-of-service awards are as follows:

	2012	2011
Retirement age	60-65	60-65
Rate of future salary increases	1.5% to 5.0%	1.5% to 5.0%
Payroll tax rate	7% to 45%	7% to 45%
Discount rate	2.2% to 2.9%	3.8% to 4.7%

The discount rate used for French and Belgian plans is based on an index of AA-rated 10-year corporate bonds. In 2012 the rate was 2.98% (2011: 4.70%).
The discount rate for Italy is based on the yield curve for investment grade corporate bonds with maturities similar to the estimated duration of the defined benefit obligation. In 2012 it was 2.90% (2011: 3.80%).

Sensitivity tests show that declines of 25 bps and 50 bps in the discount rate would have an impact of around €29 million and €60 million respectively on the defined benefit obligation under the French, Belgian and Italian plans.

NOTE 31: CLAIMS AND LITIGATION

In the normal course of its operations in some twenty different countries, the Group is involved in tax, employee-related and commercial disputes and legal proceedings.

31.1 Tax reassessments

Certain Group companies have been or are currently the subject of tax audits conducted by their local tax authorities.

In Brazil, Carrefour is subject to tax audits covering, in particular, the tax on the distribution of goods and services (ICMS), related tax credits (determination of the amounts claimable and documentation of the claims), and federal contributions to the social integration program and to the financing of the social security system (Pis-Cofins). The Group has challenged most of the reassessments, particularly the constitutionality of certain legislative provisions on which they are based. The estimated risk in each case is reviewed regularly with Carrefour Brazil's advisors and an appropriate provision is recorded.

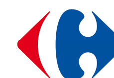
In France, proposed reassessments notified by the tax authorities to the parent company, Carrefour SA, represented a principal amount of €169 million at December 31, 2012. These reassessments, which have been contested by Carrefour, concern the years 2003 to 2009.

In 2008 and 2009, certain French companies in the Group were notified of proposed reassessments of output VAT for the years 2003 to 2008, totaling €313 million. Carrefour has contested these reassessments and lodged an appeal before the administrative court. However, as the appeal process does not have a suspensory effect, the tax claimed for the years 2003 to 2005 has been settled.

In Argentina, the tax authorities have notified Carrefour of ARS 500 million (approximately €77 million) in reassessments for the period 1996-2004 on the grounds that the Group had failed to include certain categories of supplier rebates in the calculation of sales tax. The Group has contested the tax authorities' interpretation.

In France, up until 2003, Carrefour paid a rendering levy ("taxe d'équarrissage") on its meat purchases. In 2003, the Court of Justice of the European Union ruled that this levy, which was paid over by the French State to abattoirs, constituted State aid awarded in breach of EU rules. As a result of this ruling, the rendering levy paid for the years 1997 to 2003 was refunded to the Group. In 2004, however, the French tax authorities reversed their decision and instructed the Group to repay the refunded amounts for the years 2001 to 2003, totaling €145 million. Although this amount was paid by Carrefour in 2012, the Group has contested the validity of the claim and the case is currently pending before the tax courts.

In April 2011, the Spanish tax authorities notified Norfin Holder**,** the Group's holding company in Spain, of reassessments in respect of the years 2004 to 2007. The tax authorities consider that financing raised by Norfin Holder was not necessary from a business standpoint and have therefore disallowed the related interest expense. Carrefour has contested the total reassessment.



31.2 Disputes with current and former employees

As a major employer, the Group is regularly involved in disputes with current or former employees.

From time to time, disputes may also arise with a large group of current or former employees. In Brazil, many former employees have initiated legal proceedings against the Group, claiming overtime pay that they allege is due to them. In France, the Group is involved in legal proceedings concerning the interpretation of minimum wage legislation and the types of expenses payable by the employer.

31.3 Legal and commercial disputes

The Group is subject to regular audits by the authorities responsible for overseeing compliance with the laws applicable to the retail industry and by the competition authorities. Disputes may also arise with suppliers as a result of differing interpretations of legal or contractual provisions.

On October 1, 2012, a report on the price increases applied by major retailers for “household and personal care” products was handed to the Belgian competition authorities. The report alleges that between 2002 and 2007, the leading retailers coordinated price increases for these products with the help of the products' suppliers. The matter is currently under review by the Belgian competition authorities, who will decide whether competition law has been breached and, if so, the amount of the fine.

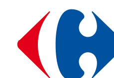
NOTE 32: LONG AND SHORT-TERM BORROWINGS

31.2 Net debt

32.1.1 Net debt calculation

Net debt at December 31, 2012 amounted to €4,320 million, a decrease of €2,591 million from December 31, 2011. This amount breaks down as follows:

(in € millions)	December 31, 2012	December 31, 2011
Bonds and notes	8,992	8,545
Other borrowings	1,516	1,894
Commercial paper	-	250
Finance lease liabilities	420	492
Total borrowings before derivative instruments recorded in liabilities	**10,928**	**11,180**
Derivative instruments recorded in liabilities	318	492
Total long and short-term borrowings (1)	**11,246**	**11,672**
Of which, long-term borrowings	*8,983*	*9,513*
Of which, short-term borrowings	*2,263*	*2,159*
Other current financial assets	352	911
Cash and cash equivalents	6,573	3,849
Total current financial assets (2)	**6,925**	**4,760**
Net debt = (1) – (2)	**4,320**	**6,911**



32.1.2 Bonds and notes

(in € millions)	Maturity	December 31, 2011	Issues	Repayments	Other movements	December 31, 2012
Public placements		**8,396**	**1,250**	**(996)**		**8,650**
3-year 2.675% EMTNs in CHF	2012	329		(329)		
Proceeds allocated to consumer credit refinancing	2012	(329)		329		
5-year Euro Bonds in euros, at 3-month Euribor + 15 bps	2012	200		(200)		
10-year 5.375% EMTNs in GBP	2012	796		(796)		
8-year 3.625% Fixed Rate Euro Bonds in euros	2013	750				750
5-year 6.625% EMTNs in euros	2013	700				700
7-year 5.125% Fixed Rate Euro Bonds in euros	2014	1,250				1,250
5-year 5.125% EMTNs in euros	2014	250				250
7-year 5.375% Fixed Rate Euro Bonds in euros	2015	1,000				1,000
10-year 3.825% Fixed Rate Euro Bonds in euros	2015	50				50
10-year 3.85% Fixed Rate Euro Bonds in euros	2015	50				50
10-year 4.375% Fixed Rate Euro Bonds in euros	2016	600				600
4-year 4.375% EMTNs in euros	2016		500			500
Proceeds allocated to consumer credit refinancing	2016		(250)			(250)
8-year 4.678% EMTNs in euros	2017	250				250
5-year 1.875% EMTNs in euros	2017		1,000			1,000
7-year 5.25% Fixed Rate Euro Bonds in euros	2018	500				500
10-year 4.00% EMTNs in euros	2020	1,000				1,000
11-year 3.875% EMTNs in euros	2021	1,000				1,000
Private placements		**326**		**(22)**		**304**
Fair value adjustments to hedged borrowings		**(178)**			**216**	**38**
Total bonds and notes		**8,544**	**1,250**	**(1,018)**	**216**	**8,992**

32.1.3 Other borrowings

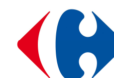
(in € millions)	December 31, 2012	December 31, 2011
Equity swap liability	429	446
Brazilian borrowings	467	754
Colombian borrowings	-	203
Accrued interest(1)	158	172
Other items	462	319
Total	**1,516**	**1,894**

(1) Accrued interest on total borrowings, including bonds and notes.

Part of Carrefour Brazil's bank borrowings (€153 million at December 31, 2012 and €303 million at December 31, 2011) is subject to the following two covenants:

- The liquidity ratio (ratio of liquid assets to current liabilities) may not be less than 0.85
- The equity ratio (ratio of shareholders' equity to total assets) may not be less than 0.25.

These covenants were complied with at June 30, 2012. Calculation of the ratios at December 31, 2012 will be completed in April 2013; based on the information available when the consolidated financial statements were drawn up, they should also be complied with at that date.



32.2 Analysis of borrowings (excluding derivative instruments recorded in liabilities)

32.2.1 Analysis by interest rate

(in € millions)	December 31, 2012	December 31, 2011
Fixed rate borrowings	9,960	9,400
Variable rate borrowings	967	1,781
Total	**10,928**	**11,180**

Borrowings originally at fixed rates of interest (before the effect of interest rate swaps) are classified in fixed rate borrowings in the above table.
Borrowings originally at variable rates of interest (before the effect of interest rate swaps) are classified in variable rate borrowings.

32.2.2 Analysis by currency

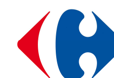
The following analysis by currency concerns borrowings before giving effect to currency swaps.

(in € millions)	December 31, 2012	December 31, 2011
Euro	10,211	9,870
Brazilian real	499	786
Chinese yuan	65	64
Turkish lira	13	18
Taiwan dollar	95	128
Malaysian ringgit		34
Argentine peso	1	5
Colombian peso		218
Polish zloty	37	35
Romanian leu	7	7
Indonesian rupiah		15
Total	**10,928**	**11,180**

Euro-denominated borrowings represented 93% of total borrowings at December 31, 2012 (December 31, 2011: 88%).

32.2.3 Analysis by maturity

(in € millions)	December 31, 2012	December 31, 2011
Due within one year	2,263	2,159
Due in 1 to 2 years	1,773	1,700
Due in 3 to 5 years	4,067	4,136
Due beyond 5 years	2,824	3,184
Total	**10,928**	**11,180**



NOTE 33: CONSUMER CREDIT FINANCING

To support its core retailing business, the Group offers banking and insurance services to customers, mainly in France, Spain and Brazil.
The financial services companies offer their customers "Carrefour" bank cards that can be used in the Group's stores and elsewhere, consumer loans and savings products such as life insurance and passbook savings accounts.
In view of the size and significant nature of the amounts involved, consumer credit is reported on a separate line of the Group's consolidated statement of financial position, in current assets (for the short-term portion) and non-currents assets (for the long-term portion) and consumer credit financing is reported separately in current liabilities and non-current liabilities.

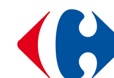
At December 31, 2012, consumer credit totaled €5,646 million (December 31, 2011: €5,620 million), as follows:

	December 31, 2012	*Short-term loans*	*Long-term loans*
Payment card receivables	3,867	*933*	*2,933*
Loans	2,020	*1,536*	*484*
Consumer credit (on purchases made in Carrefour stores)	172	*10*	*162*
Other financing	326	*232*	*95*
Provisions	(750)	*(363)*	*(387)*
Other	10	*12*	*(2)*
Total consumer credit granted by the financial services companies	**5,646**	***2,360***	***3,285***

The related consumer credit financing amounted to €4,997 million at December 31, 2012, as follows:

(in € millions)	**December 31, 2012**	**December 31, 2011**	Change
Debt securities (retail certificates of deposit, medium-term notes)	1,238	1,715	(477)
Bank borrowings	850	2,138	(1,288)
Bonds and notes(1)	1,009	355	654
Customer passbook savings deposits(2)	655	0	655
Securitizations(3)	500	0	500
Consumer credit portfolios sold to banks	363	395	(32)
Other	382	298	85
Total	**4,997**	**4,901**	**96**
Short-term borrowings	*3,032*	*4,482*	*(1,449)*
Long-term loans	*1,966*	*419*	*1,547*

(1) - €600 million 3-year, 2.875% notes issue carried out by Carrefour Banque on September 25, 2012, and €110 million tap issue carried out on November 9.
- €250 million allocated to Carrefour Banque out of the proceeds of a Carrefour SA notes issue (see Note 32).
(2) Customer passbook savings account and term deposit account launched by Carrefour Banque.
(3) Launch by Carrefour Banque of FCT Copernic 2012-1 compartment of the FCT Copernic reloadable securitization fund. Asset pool: €855 million. Proceeds from the securitization: €500 million (class A1 notes). The securitization fund is fully consolidated in the Group accounts..



NOTE 34: FINANCIAL INSTRUMENTS

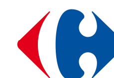
A. Financial instruments carried in the balance sheet

December 31, 2012		Breakdown by category				
(in € millions)	Carrying amount	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other	Financial liabilities at amortized cost (1)	Derivative instruments
Investments in non-consolidated companies	66		66			
Other long-term investments	1,059			1,059		
Other non-current financial assets	1,125		66	1,059		
Consumer credit granted by the financial services companies	5,646			5,646		
Trade receivables	2,144			2,144		
Other current financial assets	352		238	69		46
Other assets (2)	482			482		
Cash and cash equivalents	6,573	6,573				
ASSETS	**16,322**	**6,573**	**303**	**9,400**		**46**
Total long- and short-term borrowings	11,246				10,928	318
Total consumer credit financing	4,998				4,998	
Suppliers and other creditors	12,925			12,925		
Other payables (3)	2,358			2,358		
LIABILITIES	**31,526**			**15,283**	**15,926**	**318**

(1) Including financial liabilities hedged by fair value hedges
(2) Excluding prepaid expenses
(3) Excluding deferred revenue

December 31, 2011		Breakdown by category				
(in € millions)	Carrying amount	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other	Financial liabilities at amortized cost (1)	Derivative instruments
Investments in non-consolidated companies	152		152			
Other long-term investments	1,281			1,281		
Other non-current financial assets	1,433		152	1,281		
Consumer credit granted by the financial services companies	5,619			5,619		
Trade receivables	2,782			2,782		
Other current financial assets	911		763	101		47
Other assets (2)	626			626		
Cash and cash equivalents	3,849	3,849				
ASSETS	**15,221**	**3,849**	**915**	**10,409**		**47**
Total long- and short-term borrowings	11,671				11,180	492
Total consumer credit financing	4,901				4,901	
Suppliers and other creditors	15,362			15,362		
Other payables (3)	2,713			2,713		
LIABILITIES	**34,647**			**18,075**	**16,081**	**492**

(1) Including financial liabilities hedged by fair value hedges
(2) Excluding prepaid expenses
(3) Excluding deferred revenue



As part of its business financing strategy, on July 22, 2010 the Group set up a financing structure with a partner bank involving a financing entity not included in Carrefour's scope of consolidation. The entity purchased €1 billion worth of Carrefour EMTNs due 2021, using a €255 million loan from Carrefour, with the balance of financing provided by the partner bank. The financing structure does not expose Carrefour to any liquidity risk.

As from the fourth year, the financing entity will be exposed to interest rate risk on its bank financing, arising from changes in an index based on the future yield curve. Carrefour will benefit from the index's performance and is committed to paying a share of any losses that may be incurred by the financing entity as a result of index under-performance. Under the terms of this commitment, continuous worst-case under-performance of the index over the life of the financing entity would expose Carrefour to a loss of €343 million before discounting and tax. In view of the index's performance, the Group decided to withdraw from the financing structure by paying a penalty, which is covered by a provision charge included in financial expense.

B. Fair value

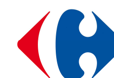
	December 31, 2012		December 31, 2011	
(in € millions)	Carrying amount	Fair value	Carrying amount	Fair value
Investments in non-consolidated companies	66	66	152	152
Other long-term investments	1,059	1,059	1,281	1,281
Other non-current financial assets	**1,125**	**1,125**	**1,433**	**1,433**
Consumer credit granted by the financial services companies	5,646	5,646	5,619	5,619
Trade receivables	2,144	2,144	2,782	2,782
Other current financial assets	352	352	911	911
Other assets	482	482	626	626
Cash and cash equivalents	6,573	6,573	3,849	3,849
Total Assets	**16,322**	**16,322**	**15,221**	**15,221**
Borrowings hedged by fair value hedges	538	538	1,047	1,047
Borrowings hedged by cash flow hedges	251	251	947	947
Fixed rate borrowings	9,290	9,954	8,495	8,509
Unhedged borrowings	429	429	200	200
Finance lease liabilities	420	420	492	492
Derivative instruments	317	317	492	492
Total long and short-term borrowings	**11,246**	**11,910**	**11,672**	**11,686**
Suppliers and other creditors	12,925	12,925	15,362	15,362
Consumer credit financing	4,998	4,998	4,901	4,901
Other payables	2,358	2,358	2,713	2,713
Total Liabilities	**31,526**	**32,191**	**34,647**	**34,661**
Net liability (Total Liabilities – Total Assets)	**15,204**	**15,869**	**19,427**	**19,441**
Unrealized loss		**(664)**		**(14)**

The fair value of financial instruments is measured whenever it can be reliably estimated on the basis of market data for assets that are not held for sale.

Analysis of assets and liabilities measured at fair value (excluding cash and cash equivalents)

The fair value hierarchy in IFRS comprises three levels of inputs:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: models that use inputs that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. price-based data).
- Level 3: inputs that are intrinsic to the asset or liability and are not based on observable market data for the asset or liability.



December 31, 2012

(in € millions)	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			66	**66**
Available-for-sale financial assets		238		**238**
Derivative instruments recorded in current financial assets		46		**46**
Derivative instruments recorded in liabilities		(95)	(221)	**(317)**

December 31, 2011

(in € millions)	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			152	**152**
Available-for-sale financial assets	700	62		**763**
Derivative instruments recorded in current financial assets		47		**47**
Derivative instruments recorded in liabilities		(277)	(214)	**(492)**

No assets or liabilities were reclassified between the various levels between December 31, 2010 and 2012.

C. Cash flow hedges

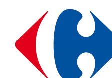
The following table shows the periods in which the Group expects the cash flows from cash flow hedges to affect profit or loss:

	2012				**2011**			
(in € millions)	**Carrying amount** before tax	**Within 1 year**	**In 1 to 5 years**	**Beyond 5 years**	**Carrying amount** before tax	**Within 1 year**	**In 1 to 5 years**	**Beyond 5 years**
Interest rate hedges*	(73)	(49)	(24)	0	(138)	(49)	(90)	0
Currency hedges*	(16)	(16)	0	0	31	31	0	0
Total	**(89)**	**(65)**	**(24)**	**0**	**(107)**	**(18)**	**(90)**	**0**

* Interest rate hedges consist mainly of swaps while currency hedges correspond for the most part to forward contracts.

NOTE 35: OTHER PAYABLES

(in € millions)	**December 31, 2012**	**December 31, 2011**
Accrued employee benefits expense	1,633	1,615
Due to suppliers of non-current assets	457	763
Deferred revenue	65	72
Other payables	268	336
Total	**2,422**	**2,785**



NOTE 36: RISK MANAGEMENT

The main risks associated with the financial instruments used by the Group are liquidity, interest rate, currency, credit and equity risks. The Group's policy for managing these risks is described below.

Due to the differing natures of the various businesses, financial risks arising from the bancassurance business (including Carrefour Banque in particular) are managed separately from those related to the retail business.

An organization has been set up around a cash-pooling system to track financial risks. The Corporate Treasury and Financing Department based in Brussels manages the treasury and financing needs of all retail subsidiaries, on the instructions of Group senior management. A reporting system ensures that Group senior management can oversee the department's implementation of the approved management strategies.

The risks associated with the consumer credit business are managed and tracked directly by the entities concerned. Corporate Treasury and Financing oversees the proper implementation of the rules governing the consumer credit business, jointly with the other investors in the business where applicable. A reporting system exists between local teams and Corporate Treasury and Financing.

1. Liquidity risk

1.1 Retail business

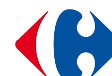
Liquidity risk is the risk that Carrefour will be unable to settle its financial liabilities when they fall due.

The Group manages its liquidity risk by ensuring, to the extent possible, that it has sufficient liquid assets at all times to settle its liabilities when they fall due, whatever the conditions in the market.
A Liquidity Committee meets at monthly intervals to check that the Group's financing needs are covered by its available resources. The meetings are attended by the Group's Chief Financial Officer and by a representative of Carrefour Banque.

Corporate Treasury and Financing's liquidity management strategy consists of:

- Promoting conservative financing strategies in order to ensure that the Group's credit rating allows it to raise funds on the bond and commercial paper markets.
- Maintaining a presence in the debt market by conducting bond and Note issues at regular intervals, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) program totals €12 billion. Since 2007, the loan agreements for the EMTN program include a soft change of control clause that would be triggered in the event that a change of control led to Carrefour losing its investment grade rating. In this case, the notes would not become immediately repayable but the interest rate would increase.
- Using the €5 billion commercial paper program on NYSE Euronext Paris.
- Maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2012, the Group had three undrawn syndicated lines of credit obtained from a pool of leading banks for a total of €4.35 billion, expiring between 2015 and 2016. Group policy consists of keeping these facilities on stand-by so that they can be drawn down in the event of any problems in using the commercial paper program. The loan agreements for the syndicated lines of credit include the usual commitments and default clauses, including *pari passu*, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. They do not include any rating trigger, although they do allow for the pricing grid to be adjusted up or down to reflect changes in the long-term credit rating. None of the agreements contains a material adverse change clause.

The Group considers that its liquidity position was strong at December 31, 2012 since, at that date, it had €4.35 billion in committed syndicated lines of credit with no drawing restrictions, expiring in 2015 and 2016, and sufficient cash reserves to meet its medium- and long-term debt repayment obligations for the coming year.
The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 3 years and 11 months.



1.2 Bancassurance business

Carrefour Banque's liquidity risk is monitored within the framework of a senior management-approved liquidity strategy that is part of the Group's overall strategy.

Carrefour Banque's refinancing situation is assessed based on internal standards, early warning indicators and regulatory ratios.

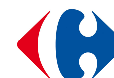
Liquidity risk management objectives are to:

- Ensure that refinancing needs are met, based on monthly assessments of projected cash surpluses or shortfalls performed by comparing static or dynamic forecasts of committed financing facilities with dynamic lending forecasts.
- Gradually achieve compliance with the new Basel III liquidity ratios.
  Diversify refinancing sources to include bank loans, bond issues, securitization programs, money market issues and customer deposits. During 2012, Carrefour Banque carried out two major public placements to support the financing and development of its businesses. The first was an inaugural €600 million 3-year bond issue carried out in September 2012, followed by a €110 million tap issue in early November. The second was a securitization transaction, also carried out in September 2012, which raised €500 million from investors with an average maturity of 1.9 years. These two operations, which together raised €1.21 billion, contribute to the objective of complying with Basel III liquidity ratios by significantly extending the original life of the Bank's debt and closely matching the maturities of loans and borrowings.

The following tables analyze the cash flows generated by the Group's financial and other liabilities by period.

December 31, 2012 (in € millions)	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Borrowings hedged by fair value hedges	538	593	22	570	0
Borrowings hedged by cash flow hedges	251	252	1	252	0
Fixed rate borrowings	9,290	10,077	2,722	4,608	2,747
Unhedged borrowings	429	431	1	431	0
Finance lease liabilities	420	0	0	0	0
Derivative instruments	317	278	30	26	222
Total long and short-term borrowings	**11,246**	**11,631**	**2,776**	**5,886**	**2,969**
Suppliers and other creditors	12,925	12,925	12,925	0	0
Consumer credit financing	4,998	4,998	3,032	1,966	0
Other payables	2,358	2,358	2,358	0	0
Total	**31,526**	**31,912**	**21,091**	**7,852**	**2,969**

December 31, 2011 (in € millions)	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Borrowings hedged by fair value hedges	1,047	1,131	823	47	262
Borrowings hedged by cash flow hedges	947	1,009	284	720	5
Fixed rate borrowings	8,495	9,761	1,063	5,792	2,906
Unhedged borrowings	200	202	202	0	0
Finance lease liabilities	492	0	0	0	0
Derivative instruments	492	339	45	119	176
Total long and short-term borrowings	**11,672**	**12,442**	**2,416**	**6,677**	**3,349**
Suppliers and other creditors	15,362	15,362	15,362	0	0
Consumer credit financing	4,901	4,901	4,482	419	0
Other payables	2,713	2,713	2,713	0	0
Total	**34,647**	**35,417**	**24,972**	**7,096**	**3,349**



2. Interest rate risk

Interest rate risk is the risk of a change in interest rates leading to an increase in the Group's net borrowing costs.

It is managed at headquarters level by Corporate Treasury and Financing, which reports monthly to an Interest Rate Risk Committee responsible for deciding on the hedging strategies and methods to be used to limit interest rate exposures and optimize borrowing costs.

Long-term borrowings are generally at fixed rates of interest and do not therefore give rise to any exposure to rising interest rates.
Various financial instruments are nonetheless used to hedge borrowings against the risk of changes in interest rates. These are mainly vanilla swaps, caps and floors. Hedge accounting is applied in all cases where the required criteria are met.
Variable rate long-term borrowings are hedged using financial instruments that cap rises in interest rates over all or part of the life of the debt.

The following table shows the sensitivity of total borrowings to changes in interest rates over one year:

(in € millions) (- = loss; + = gain)	50 bps decline		50 bps increase	
	Impact on shareholders' equity	Impact on income statement	Impact on shareholders' equity	Impact on income statement
Investments	-	-	-	0.4
Variable rate borrowings[1]	-	4.6	-	(4.6)
Borrowings hedged by fair value hedges	-	(10.9)	-	10.6
Swaps qualified as fair value hedges	-	10.7	-	(10.4)
Swaps qualified as cash flow hedges	(2.5)	-	2.4	-
Swaps classified as held for trading	-	(9.7)	-	9.5
Options classified as held for trading	-	(1.3)	-	7.2
Total effect	**(2.5)**	**(6.6)**	**2.4**	**12.7**

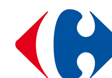
(1) Borrowings originally at a variable rate of interest.

3. Currency risk

Currency transaction risk is the risk of an unfavorable change in exchange rates having an adverse effect on cash flows from commercial transactions denominated in foreign currency.
The Group conducts its international operations through subsidiaries that operate almost exclusively in their home country, such that purchases and sales are denominated in local currency. As a result, the Group's exposure to currency risk on commercial transactions is naturally limited and mainly concerns imported products. Currency risks on import transactions (i.e. goods purchases billed in foreign currencies) covered by firm commitments are hedged by forward purchases of the payment currency. Currency hedges are generally for periods of less than 12 months.

Effect of an increase/decrease in exchange rates on instruments accounted for as cash flow hedges:

(in € millions)	10% decline		10% increase	
	Balance sheet impact	Income statement impact	Balance sheet impact	Income statement impact
USD/ EUR cash flow hedging position	35.7	-	(35.7)	-
EUR / RON cash flow hedging position	1.7	-	(1.7)	-
HKD / EUR cash flow hedging position	18.5	-	(18.5)	-



The currency translation risk is the risk of an unfavorable change in exchange rates reducing the value of the net assets of a subsidiary whose functional currency is not the euro, after conversion into euros for inclusion in the Group's consolidated statement of financial position.

The consolidated statement of financial position and income statement are exposed to a currency translation risk: consolidated financial ratios are affected by changes in exchange rates used to translate the income and net assets of foreign subsidiaries operating outside the euro zone.

The translation risk on foreign operations outside the euro zone has only a marginal impact on the consolidated income statement. For example, changes in the average exchange rates used in 2012 compared with those for 2011 reduced consolidated net sales by €528 million (0.7% of total net sales for the year) and increased operating income by €10 million.

Lastly, when financing is arranged locally, it is generally denominated in local currency.

4. Credit risk

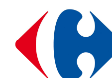
The Group's estimated exposure to credit risk is presented below:

Exposure to credit risk (in € millions)	**December 31, 2012**	**December 31, 2011**
Investments in non-consolidated companies	66	152
Other long-term investments	1,059	1,281
Total other non-current financial assets	**1,125**	**1,433**
Consumer credit granted by the financial services companies	5,646	5,619
Trade receivables	2,144	2,782
Other current financial assets	352	911
Other assets	482	626
Cash and cash equivalents	6,573	3,849
Maximum exposure to credit risk	**16,322**	**15,221**

4.1 Retail business

1) Trade receivables

Trade receivables correspond mainly to amounts receivable from franchisees (for delivered goods and franchise fees), suppliers (mainly rebates) and tenants of shopping mall units (rent). Impairment losses are recognized where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable.



The following table shows changes in impairment losses on trade receivables:

December 31, 2010	**(259)**
Increases	(135)
Reversals	139
Other movements	15
December 31, 2011	**(240)**
Increases	(116)
Reversals	106
Other movements	41
December 31, 2012	**(209)**

At December 31, 2012, trade receivables net of impairment amounted to €2,144 million (see Note 23). At that date, past due receivables amounted to a net €399 million, with receivables over 90 days past due representing 4.3% of total trade receivables net of impairment. No additional impairment losses have been recognized for these receivables as the Group considers that the risk of non-recovery is very limited.

2) Investments

The Group's short-term cash management strategy focuses on acquiring liquid investments that are easily convertible into cash and are subject to an insignificant risk of changes in value.
Investments are made for the most part by Corporate Treasury and Financing, in diversified instruments such as term deposits with leading banks and mutual funds classified by the AMF as "money market" and "short-term money market" funds without any withdrawal restrictions.
Investments made at the country level are approved by Corporate Treasury and Financing.
Counterparty risk monitoring procedures are implemented to track counterparties' direct investment strategies and the underlying assets held by mutual funds in which the Group invests. The Group's objective is to never hold more than 5% of a fund's units and to never invest more than €250 million in any single fund.

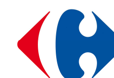
4.2 Bancassurance business

1) Credit risk management

To protect against default by borrowers, the Group's finance companies have set up systems to check the quality and repayment capacity of their customers. These include:

- Decision-making aids such as credit scoring applications, income/debt simulation tools and credit history checking procedures.
- Interrogation of positive and negative credit history databases, where they exist.
- Active management of collection processes.
- Credit risk monitoring and control systems.

Within each credit company, a Credit Risk Department is responsible for all of these processes, and the Board of Directors receives copies of all Credit Risk Management Committee reports.
At Group level, a Credit Risk – Europe unit has been set up to oversee and implement credit risk management policies in France, Spain, Belgium and Italy.



2) Provisions for non-performing consumer loans

Consumer loans are classified as non-performing when the Group believes that there is a risk that all or part of the amount due will not be recovered (for example, because of overdue payment).

Provision models are developed in accordance with local banking regulations in each country, according to a two-step process:

- Classification of outstanding loans in uniform risk categories based on the probability of default; then
- Modeling of the loss given default based on historical data.

In a certain number of countries, specific provisions are also recorded for certain types of exposures, to comply with local central bank guidelines.

Analysis of due and past due consumer loans

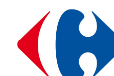
(in € millions)	December 31, 2012	Amounts not yet due at the period-end	Amounts due and past-due at the period-end			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than 1 year
Consumer credit granted by the financial services companies	**5,646**	5,146	352	46	28	73

(in € millions)	December 31, 2011	Amounts not yet due at the period-end	Amounts due and past-due at the period-end			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than 1 year
Consumer credit granted by the financial services companies	**5,618**	5,129	332	52	35	70

Analysis of consumer loans by maturity

December 31, 2012

(in € millions)	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	3,020	1,178	1,656	185
Belgium	198	176	22	0
Spain	1,243	860	187	196
Italy	173	85	55	33
Argentina	136	129	8	0
Brazil	876	858	18	0
Total	**5,646**	**3,286**	**1,945**	**415**



December 31, 2011

(in € millions)	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	3,043	1,463	1,449	131
Belgium	190	168	22	0
Spain	1,232	845	220	167
Italy	147	80	43	25
Greece	13	11	1	0
Argentina	148	139	9	0
Brazil	846	677	169	0
Total	**5,619**	**3,384**	**1,912**	**323**

5. Equity risk

Equity risk corresponds to the potential impact of changes in the Carrefour share price on its share-based payment commitments and on treasury stock.
Group policy is to avoid taking positions on its own shares or those of other companies, except in response to particular circumstances or needs.

From time to time, the Group buys back its shares on the market or purchases call options on its shares, mainly in connection with its stock grant and stock option plans. The frequency and size of these purchases depend on the share price.
At December 31, 2012, shares and options held directly or indirectly by the Group covered its total commitments under outstanding stock option and stock grant plans.

Marketable securities portfolios and other financial investments held by the Group consist for the most part of money market instruments that do not expose the Group to any material equity risk.

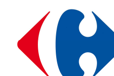
NOTE 37: CONTINGENT LIABILITIES

Group companies are subject to regular tax, customs and administrative audits in the normal course of business. They are also involved in various claims and legal proceedings. A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation (see Notes 29 and 31). No provisions are recorded for future operating losses.

Contingent liabilities, which are not recognized in the statement of financial position, are defined as:

- Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- Present obligations that arise from past events but are not recognized because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or (ii) the amount of the obligation cannot be measured with sufficient reliability.

To the best of the Group's knowledge, there are no contingent liabilities that may be considered as being likely to have a material impact on the Group’s results, financial position, assets and liabilities or business.



NOTE 38: CHANGE IN WORKING CAPITAL REQUIREMENT

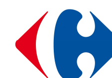
(in € millions)	December 31, 2012	December 31, 2011	Change
Change in inventory	686	(404)	1,090
Change in trade receivables	80	(246)	326
Change in trade payables	(772)	13	(785)
Change in loyalty program liabilities and other	144	130	13
Change in trade working capital requirement	**137**	**(507)**	**644**
Change in other receivables and payables	(179)	267	(445)
Change in working capital requirement	**(42)**	**(240)**	**198**

NOTE 39: OFF-BALANCE SHEET COMMITMENTS

Commitments given and received by the Group that are not recognized in the statement of financial position correspond to contractual obligations whose performance depends on the occurrence of conditions or transactions after the period-end. There are three types of off-balance sheet commitments, related to (i) cash transactions, (ii) retailing operations and (iii) acquisitions of securities. The Group is also party to leases that give rise to future commitments such as for the payment of rent on retail units leased by the Group from owners (commitments given), and the payment of rent on retail units in shopping malls owned by the Group and leased to other parties (commitments received).

Commitments given (in € millions)	December 31, 2012	By maturity			December 31, 2011 (1)
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**9,158**	**5,056**	**2,805**	**1,296**	**9,488**
Financial services companies	*7,526*	4,770	2,746	10	*7,814*
Other companies	*1,632*	286	59	1,287	*1,674*
Related to operations/real estate/expansion, etc.	**2,407**	**1,227**	**1,012**	**168**	**3,469**
Related to sales of securities	**313**	**195**	**57**	**62**	**591**
Related to leases	**4,116**	**948**	**1,888**	**1,280**	**4,558**
Total	**15,994**	**7,427**	**5,762**	**2,806**	**18,106**

(1) Including €1,230 million concerning entities classified as discontinued operations in accordance with IFRS 5.



Commitments received (in € millions)	**December 31, 2012**	**By maturity**			**December 31, 2011** (1)
		Due within 1 year	**Due in 1 to 5 years**	**Due beyond 5 years**	
Related to cash management transactions	**7,214**	**2,072**	**5,106**	**37**	**5,650**
Financial services companies	*1,848*	1,111	737	0	*865*
Other companies	*5,366*	961	4,369	37	*4,785*
Related to operations/real estate/expansion, etc.	**740**	**209**	**368**	**163**	**808**
Related to purchases of securities	**298**	**158**	**101**	**39**	**603**
Related to leases	**990**	**334**	**483**	**173**	**1,056**
Total	**9,242**	**2,772**	**6,058**	**412**	**8,117**

(1) Including €488 million concerning entities classified as discontinued operations in accordance with IFRS 5.

Off-balance sheet commitments related to cash transactions include:

- Credit commitments given to customers by the financial services companies in the course of their operating activities, and credit commitments received from banks.
- Mortgages and other guarantees given or received, mainly in connection with the Group's real estate activities.
- Committed lines of credit available to the Group but not drawn down at the period-end.

Off-balance sheet commitments related to operations include:

- Commitments to purchase land given in connection with the Group's expansion programs.
- Miscellaneous commitments arising from commercial contracts.
- Performance bonds issued in connection with the Group's expansion programs.
- Rent guarantees and guarantees from shopping mall operators.
- Guarantees for the payment of receivables.
- Unamortized past service costs related to defined benefit pension plans.
- Other commitments given or received.

Off-balance sheet commitments related to purchases/sales of securities consist of firm commitments to purchase and sell securities received from third parties:

- For the most part in France, in connection with the Group's franchising activities.
- Including call/put options and sellers' warranties given to third parties. No value is attributed to sellers' warranties received by the Group.

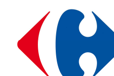
Off-balance sheet commitments related to leases:

At December 31, 2012, 722 hypermarket properties and 573 supermarket properties were owned outright out of a total consolidated store base of 1,226 hypermarkets and 1,551 supermarkets.

Rent on store properties not owned by the Group totaled €941 million in 2012 (see Note 9).

Of total future minimum rentals, 21% are due within one year, 43% in one to five years and 36% beyond five years.

Future minimum rentals under operating leases – determined based on the Group's maximum commitment in terms of both duration and amount for each of the property leases in progress at the period-end – amounted to €4,116 million, or €3,120 million after discounting



The Group also owns various shopping malls, mainly built on the same sites as its hypermarkets and supermarkets. Rental of the retail units in these malls generated revenues of €269 million in 2012. Future minimum rentals receivable from these retail units – determined based on the tenants' maximum commitment in terms of both duration and amount for each of the leases in progress at the period-end – amounted to €990 million, or €799 million after discounting.

NOTE 40: EMPLOYEE INFORMATION

	December 31, 2012	December 31, 2011 (1)
Average number of Group employees	358,396	366,874
Number of Group employees at the period-end	364,969	371,003

(1) To permit meaningful comparisons, employee numbers for 2011 have been restated to take into account the 2012 sale of operations in Greece, Colombia and Malaysia, as well as the sale of operations in Indonesia that was completed in January 2013.

NOTE 41: RELATED PARTIES

41.1 Related party transactions

The following table presents the main related party transactions carried out in 2012 with companies over which the Group exercised significant influence or joint control at December 31, 2012.

(in € millions)	Majid Al Futaim	Provencia	Mestdagh
Net sales (sales of goods)	13	487	121
Franchise fees	15	15	5
Receivables at December 31	4	16	14

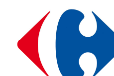
41.2 Other related party transactions

Put options written over non-controlling interests in subsidiaries ("NCI puts")

The Group has written put options on the shares in its Turkish subsidiary held by shareholders owning non-controlling interests in the subsidiary. In accordance with the accounting policy described in Note 2.7.2.4, these options are recognized in financial liabilities at the values indicated in the option contracts.

Massy building leased off-plan from the Colony Group

The 12-year lease will come into effect on delivery of the building, scheduled for December 20, 2013. The annual rent for the entire building is set at €21 million. The rent paid by Carrefour will depend on the actual surface area leased and will be subject to an escalation clause based on France's INSEE construction cost index. Carrefour has negotiated an initial rent-free period of 12 months.



NOTE 42: MANAGEMENT COMPENSATION

The following table shows the compensation paid by the Group to the serving members of Group executive management and the Board of Directors during 2012 and 2011:

(in € millions)	2012	2011
Compensation for the period	5.4	5.4
Prior year bonus	3.3	3.8
Benefits in kind (accommodation and company car)	0.1	0.1
Total compensation paid during the period	**8.8**	**9.2**
Employer payroll taxes	4.2	3.8
Termination benefits	3.2	1.4

Other management benefit plans are as follows:

- Defined benefit pension plan described in Note 30. No benefits were paid under this plan in 2012 or 2011.
- Stock option and stock grant plans. At December 31, 2012, serving members of Group management held 641,587 stock options and 7,871 stock grant rights (serving members at December 31, 2011: 801,271 stock options and 45,967 stock grant rights at December 31, 2011).

Directors' attendance fees paid to members of the Board of Directors amounted to €0.8 million in 2012 (2011: €0.7 million).

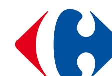
NOTE 43: SUBSEQUENT EVENTS

The sale of the Group's operations in Indonesia was completed on January 16, 2013 after approval had been obtained from the Indonesian authorities.

No other events have occurred since the year-end that would have a material impact on the consolidated financial statements.

NOTE 44: FEES PAID TO THE AUDITORS

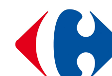
	2012				2011			
(in € millions)	Deloitte & Associés	KPMG	Mazars	**Total**	Deloitte & Associés	KPMG	Mazars	Total
Audit services	2.7	9.8	2.9	**15.4**	2.5	10.1	2.4	14.9
Other services	0.3	0.2	0.0	**0.5**	0.2	0.1	0.0	0.4
TOTAL	**3.0**	**10.0**	**2.9**	**15.9**	**2.7**	**10.2**	**2.4**	**15.3**



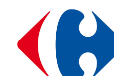
NOTE 45: Scope of consolidation

45.1 Fully consolidated companies at December 31, 2012

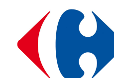
FRANCE	Percent interest used in consolidation
ACTIS	100,0
AJACCIO DISTRIBUTION	100,0
ALFROY	100,0
ALLU	100,0
ALODIS	100,0
AVENUE	52,0
BELLEVUE DISTRIBUTION	100,0
BLO DISTRIBUTION	100,0
BOEDIM	100,0
BPJ	100,0
CADS	97,0
CALLOUETS	51,0
CAMENCE	100,0
CARAUTOROUTES	100,0
CARCOOP	50,0
CARCOOP FRANCE	50,0
CARCOOP STATIONS SERVICE	50,0
CARDADEL	100,0
CARFUEL	100,0
CARIMA	100,0
CARLIER	100,0
CARMA	30,4
CARMA COURTAGE	30,4
CARPLA	100,0
CARMA VIE	30,4
CARREFOUR ADMINISTRATIF FRANCE	100,0
CARREFOUR ASSISTANCE A DOMICILE	100,0
CARREFOUR BANQUE (Ex S2P - SOCIETE DES PAIEMENTS PASS)	60,8
CARREFOUR DRIVE	100,0
CARREFOUR FORMATION HYPERMARCHES FRANCE (CFHF)	100,0
CARREFOUR FRANCE	100,0
CARREFOUR France PARTICIPATION	100,0
CARREFOUR HYPERMARCHES	100,0
CARREFOUR IMPORT SAS (EX CRFP2)	100,0
CARREFOUR INTERACTIVE	100,0
CARREFOUR MANAGEMENT	100,0
CARREFOUR MARCHANDISES INTERNATIONALES	100,0
CARREFOUR MONACO	100,0
CARREFOUR PARTENARIAT INTERNATIONAL	100,0
CARREFOUR PROPERTY	100,0
CARREFOUR PROPERTY DEVELOPPEMENT	100,0
CARREFOUR PROPERTY GESTION	100,0
CARREFOUR PROPERTY INTERNATIONAL	100,0
CARREFOUR PROXIMITE France	100,0
CARREFOUR SA	100,0
CARREFOUR SERVICES CLIENTS	100,0
CARREFOUR STATION SERVICE (ex PARIDIS 75)	100,0
CARREFOUR SYSTEMES D'INFORMATIONS FRANCE	100,0
CARREFOUR VOYAGES	100,0
CARVILLENEUVE	100,0
CASCH	100,0
CENTRE COMMERCIAL DE LESCAR	99,5
CHALLENGER	100,0
CHAMNORD	59,6



CHAMPION SUPERMARCHES FRANCE (C.S.F)	100,0
CHATOLAND	100,0
CHAMPY	100,0
CHRISTHALIE	100,0
CLAIREFONTAINE	100,0
CLAUROLIE	100,0
CLEA	100,0
COMPAGNIE D'ACTIVITE ET DE COMMERCE INTERNATIONAL -CACI-	100,0
CONTINENT 2001	100,0
COSG	100,0
COVIAM 8	100,0
COVICAR 2	100,0
CP TRANSACTIONS	100,0
CPF ASSET MANAGEMENT	100,0
CRF REGIE PUBLICITAIRE	100,0
CRFP10	100,0
CRFP11	100,0
CRFP13	100,0
CRFP14	100,0
CRFP15	100,0
CRFP16	100,0
CRFP4	100,0
CRFP8	100,0
CSD	74,0
CSD TRANSPORTS	74,0
CSF France	100,0
CSF France STATIONS SERVICES	100,0
DAUPHINOISE DE PARTICIPATIONS	100,0
DE LA CHEVALERIE	100,0
DE LA COQUERIE	51,0
DE LA VALLEE	100,0
DE MONTSEC	100,0
DE SIAM	51,0
DEFENSE ORLEANAISE	30,4
DELDIS	100,0
DES TROIS G	97,0
DISTRIVAL	100,0
ECALHAN	51,0
ELODIS	100,0
EPG	66,0
ETADIS	100,0
ETS CATTEAU	100,0
EUROMARCHE	100,0
FALDIS	100,0
FINIFAC	100,0
FLODIA	100,0
FLORADIS	100,0
FLORITINE	100,0
FORUM DEVELOPPEMENT	100,0
GAMACASH	100,0
GEDEL	100,0
GERFLO	100,0
GENEDIS	100,0
GERNIMES	100,0
GIE CARREFOUR PERSONAL FINANCE SERVICES	52,8
GIMONDIS	100,0
GMC DIGOIN	100,0
GM CARREFOUR (ex COVICAR 18)	100,0
GMC FRANCE	100,0
GMC STATIONS SERVICE	100,0
GUYENNE ET GASCOGNE	100,0
GUILVIDIS	100,0
GVTIMM	51,0
GYSLAND	100,0
HAUTS DE ROYA	100,0



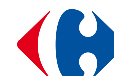
HERMES	100,0
HYPARLO SAS	100,0
IMMAUFFAY	51,0
IMMO ARTEMARE	51,0
IMMO BACQUEVILLE	51,0
IMMO DRIVE	100,0
IMMO REBAIS	51,0
IMMO VOUNEUIL	100,0
IMMOBILIERE CARREFOUR	100,0
IMMOCYPRIEN	51,0
IMMODIS	100,0
IMMODIS (ex HYPARMO)	100,0
IMMODIVINE	51,0
IMMOLOUBES	51,0
IMMOPOLO	100,0
IMMOTOURNAY	51,0
ISAE	100,0
INTERDIS	100,0
JUNAUDIS	100,0
KERGALYS	99,96
LA BAUDRIERE	51,0
LA BLANCHISSERIE	100,0
LA CIOTAT DISTRIBUTION SNC	100,0
LA CROIX VIGNON	51,0
LA GALERIE	100,0
LA GERSOISE	51,0
LA GUIDE	100,0
LA MESTRASAISE	51,0
LA SABLONNIERE	100,0
LAEMY	99,97
LALAUDIS	99,0
LANN KERGUEN	51,3
LAPALUS & FILS (ETABS)	100,0
LE COURTEMBLET	100,0
LEFAUBAS	100,0
LES ACACIAS	51,0
LES CHARTRETTES	100,0
LES TASSEAUX	51,0
LES TRANCHEES	100,0
LES VALLES	51,0
LIMADIS	100,0
LIMADOR	100,0
LODIAF	100,0
LOGIDIS	100,0
LOGIDIS COMPTOIRS MODERNES	100,0
LOISEAU DISTRIBUTION	100,0
LOVAUTO	100,0
LUDIS	100,0
LVDIS	100,0
MAISON JOHANES BOUBEE	100,0
MATOLIDIS	100,0
MAXIMOISE DE CREATION	51,0
MICHEL HOCHARD	100,0
MISSERON	100,0
MONTECO	100,0
MONTEL DISTRIBUTION	100,0
MONTELIMAR DISTRIBUTION	100,0
MORTEAU DISTRIBUTION	100,0
MPF PODIROUX	100,0
NOBLADIS	100,0
NOSAEL	51,0
OCDIS	75,0
ON LINE CARREFOUR	100,0
OOSHOP	100,0
OVEA	99,98



P.R.M.	100,0
PADISMA	100,0
PERPIGNAN DISTRIBUTION SNC	100,0
PHILCAT	51,0
PHILIBERT	100,0
PHIVETOL	100,0
POTIMMO	100,0
PROFIDIS	100,0
PROFIDIS & CIE	100,0
PROLACOUR	100,0
RESSONS	51,0
RIOM DISTRIBUTION	100,0
RIOMOISE DE DISTRIBUTION SA	100,0
ROTONDE	100,0
SAGC	100,0
SAM PROSPECTIVE	90,0
SAMAD	100,0
SARL DE SAINT HERMENTAIRE	100,0
SCI DIAMARS	100,0
SCI LA SEE	100,0
SCI LES SABLES	100,0
SELIMA	100,0
SELOJA	51,0
SIGOULIM	51,0
SOBADIS	100,0
SOBRECO	100,0
SOCIETE DES HYPERMARCHES DE LA VEZERE	50,0
SOCIETE D'EXPLOITATION AMIDIS & Cie	100,0
SOCIETE FECAMPOISE DE SUPERMARCHES	100,0
SOCIETE NOUVELLE SOGARA	100,0
SODIMOB	100,0
SODINI	100,0
SODISAL	100,0
SODISCAF	100,0
SODISOR	100,0
SOFALINE	100,0
SOFIDIM	99,0
SOFODIS	100,0
SOGARA	100,0
SOGARA DRIVE	100,0
SOGARA FRANCE	100,0
SOGARA STATION SERVICE	100,0
SOLEDIS	100,0
SOMAFRE	100,0
SOPROMAL	100,0
SOVAL	100,0
SOVIDIS	100,0
SOVIDIS PROPRIANO	100,0
STELAUR	100,0
STROFI	100,0
SUPERDIS	96,5
TERTRA	51,0
TOURANGELLE DE PARTICIPATIONS	100,0
TUILE PLAT	100,0
UNICAGES	100,0
UNIVU	100,0
VARJEA	100,0
VASSYMMO	51,0
VAUVERT CAMARGUE	100,0
VEZERE DISTRIBUTION	50,0
VICUS	100,0
VIERDIS	100,0
VISAGE	100,0
VIZEGU	90,0

GERMANY

CARREFOUR PROCUREMENT INTERNATIONAL AG & CO. KG	100,0



ARGENTINA

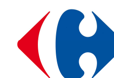
BANCO DE SERVICIOS FINANCIEROS SA	60,0
INC S.A.	100,0

BELGIUM

ALL IN FOOD	100,0
BIGG'S SA	100,0
BRUGGE RETAIL ASSOCIATE	100,0
CARREFOUR BELGIUM	100,0
CARREFOUR Finance	100,0
CARUM	100,0
CENTRE DE COORDINATION CARREFOUR	100,0
DE NETELAAR	100,0
DEURNE RETAIL ASSOCIATE	100,0
DIKON	100,0
ECLAIR	100,0
EXTENSION BEL-TEX	100,0
FILUNIC	100,0
FIMASER	60,0
FOMAR	100,0
FOURCAR BELGIUM SA	100,0
FRESHFOOD	100,0
GB RETAIL ASSOCIATES SA	100,0
GENT DAMPOORT RETAIL ASSOCIATE	100,0
GMR	100,0
GROSFRUIT	100,0
HALLE RETAIL ASSOCIATE	100,0
HEPPEN RETAIL ASSOCIATE	100,0
LA LOUVIERE RETAIL ASSOCIATE	100,0
MABE	100,0
NORTHSHORE PARTICIPATION	100,0
OUDENARDE RETAIL	100,0
QUIEVRAIN RETAIL ASSOCIATE	100,0
R&D FOOD	100,0
ROB	100,0
RULUK	100,0
SAMDIS	100,0
SCHILCO	100,0
SERCAR	100,0
SOCIETE RELAIS	100,0
SOUTH MED INVESTMENTS	100,0
STIGAM	100,0
VANDEN MEERSSCHE NV	100,0
VERSMARKT	100,0
WAPRO	100,0

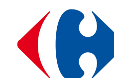
BRAZIL

ATACADAO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA	100,0
BANCO CSF S.A.	51,0
BREPA COMERCIO PARTICIPACAO LTDA	100,0
BSF HOLDING S.A.	51,0
CARREFOUR COMMERCIO E INDUSTRIA LTDA	100,0
CARREFOUR VIAGENS E TURISMO LTDA.	100,0
COMERCIAL DE ALIMENTOS CARREFOUR S.A.	100,0
FOCCAR INTERMEDIACAO DE NEGOCIOS LTDA.	100,0
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA LTDA	100,0
LOJIPART PARTICIPACOES SA	100,0
NOVA GAULE COMERCIO E PARTICIPACOES S.A.	100,0
POSTO ARRUDA PEREIRA	100,0
TROPICARGAS TRANSPORTES LTDA.	100,0



CHINA

BEIJING CARREFOUR COMMERCIAL CO., LTD.	55,0
BEIJING CHAMPION SHOULIAN COMMUNITY CHAIN STORES CO LTD	100,0
BEIJING CHUANGYIJIA CARREFOUR COMMERCIAL	100,0
BEIJING REPRESENTATIVE OFFICE OF CARREFOUR S.A.	100,0
CARREFOUR (CHINA) MANAGEMENT & CONSULTING SERVICES CO.	100,0
CHANGCHUN CARREFOUR COMMERCIAL CO., LTD.	75,0
CHANGSHA CARREFOUR HYPERMARKET	100,0
CHANGZHOU YUEDA CARREFOUR COMMERCIAL CO., LTD.	60,0
CHENGDU CARREFOUR HYPERMARKET CO LTD	80,0
CHENGDU YUSHENG INDUSTRIAL DEVELOPMENT CO LTD	100,0
CHONGQING CARREFOUR COMMERCIAL CO LTD	65,0
DALIAN CARREFOUR COMMERCIAL CO., LTD.	65,0
DONGGUAN CARREFOUR COMMERCIAL CO., LTD	100,0
DONGGUAN DONESHENG SUPERMARKET CO	100,0
FOSHAN CARREFOUR COMMERCIAL CO.,LTD	100,0
FUZHOU CARREFOUR COMMERCIAL CO LTD	100,0
GUANGZHOU JIAGUANG SUPERMARKET CO	100,0
GUIZHOU CARREFOUR COMMERCIAL CO.,LTD	100,0
HAIKOU CARREFOUR COMMERCIAL	100,0
HANGZHOU CARREFOUR HYPERMARKET CO., LTD	80,0
HARBIN CARREFOUR HYPERMARKET CO., LTD	65,0
HEBEI BAOLONGCANG CARREFOUR COMMERCIAL CO., LTD.	51,0
HEFEI YUEJIA COMMERCIAL CO., LTD.	60,0
HUHHOT CARREFOUR COMMERCIAL COMPANY CO.,LTD.	100,0
JINAN CARREFOUR COMMERCIAL CO., LTD	100,0
KUNMING CARREFOUR HYPERMARKET CO., LTD	100,0
NANCHANG YUEJIA COMMERCIAL CO.,LTD	60,0
NANJING YUEJIA SUPERMARKET CO LTD	65,0
NINGBO CARREFOUR COMMERCIAL	80,0
NINGBO LEFU INDUSTRIAL DEVELOPMENT CO. LTD	100,0
QINGDAO CARREFOUR COMMERCIAL	95,0
QUJING CARREFOUR HYPERMARKET CO.,LTD.	100,0
SHANDONG CARREFOUR COMMERCIAL CO., LTD.	100,0
SHANGAI CARHUA SUPERMARKET LTD	55,0
SHANGHAI GLOBAL SOURCING CONSULTING CO LTD	100,0
SHANXI YUEJIA COMMERCIAL CO.,LTD	55,0
SHENYANG CARREFOUR COMMERCIAL CO LTD	65,0
SHENZHEN CARREFOUR COMMERCIAL	100,0
SHENZHEN LERONG SUPERMARKET CO LTD	100,0
SHIJIAZHUANG CARREFOUR COMMERCIAL CO., LTD.	51,0
SICHUAN CARREFOUR COMMERCIAL CO., LTD.	100,0
SUZHOU YUEJIA SUPERMARKET CO., LTD	55,0
THE CARREFOUR(CHINA) FOUNDATION FOR FOOD SAFETY LTD.	100,0
TIANJIN JIAFU COMMERCIAL CO., LTD.	100,0
TIANJIN QUANYE CARREFOUR HYPERMARKET CO., LTD	65,0
VICOUR LIMITED	100,0
WUHAN HANFU SUPERMARKET CO., LTD.	100,0
WUXI YUEJIA COMMERCIAL CO., LTD.	55,0
XIAMEN CARREFOUR COMMERCIAL CO LTD	100,0
XIAN CARREFOUR HYPERMARKET CO LTD	100,0
XINJIANG CARREFOUR HYPERMARKET	100,0
XUZHOU YUEJIA COMMERCIAL CO LTD	60,0
ZHENGZHOU YUEJIA COMMERCIAL CO., LTD.	60,0
ZHUHAI CARREFOUR COMMERCIAL CO.,LTD.	100,0
ZHUHAI LETIN SUPERMARKET CO., LTD.	100,0
ZHUZHOU CARREFOUR COMMERCIAL CO., LTD.	100,0



SPAIN

CARREFOUR ESPANA PROPERTIES, S.L.	100,0
CARREFOUR NAVARRA, S.L.	100,0
CARREFOUR NORTE, S.L.	100,0
CARREFOUR PROPERTY SANTIAGO, S.L.	100,0
CARREFOURONLINE S.L (SUBMARINO HISPANIA)	100,0
CENTROS COMERCIALES CARREFOUR, S.A.	100,0
CORREDURIA DE SEGUROS CARREFOUR	75,0
ESTABLECIMIENTOS DE DESCUENTO STONE	100,0
GROUP SUPECO MAXOR	100,0
INVERSIONES PRYCA, S.A.	100,0
NORFIN HOLDER S.L.	100,0
SERVICIOS FINANCIEROS CARREFOUR EF.C. (FINANCIERA PRYCA)	60,1
SIDAMSA CONTINENTE HIPERMERCADOS, S.A.	100,0
SOCIEDAD DE COMPRAS MODERNAS, S.A. (SOCOMO)	100,0
SUPERMERCADOS CHAMPION, S.A.	100,0
VIAJES CARREFOUR, S.L.UNIPERSONAL	100,0

HONG KONG

CARREFOUR ASIA LTD	100,0
CARREFOUR GLOBAL SOURCING ASIA	100.0
CARREFOUR TRADING ASIA LTD (CTA)	100.0

INDIA

CARREFOUR INDIA MASTER FRANCHISE LTD	100,0
CARREFOUR WC & C INDIA PRIVATE LTD	100,0

INDONESIA

PT ALFA RETAILINDO TBK	60,0
PT CARREFOUR INDONESIA (EX CONTIMAS)	60,0

IRELAND

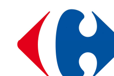
CARREFOUR INSURANCE	100,0

ITALY

CARREFOUR ITALIA	100,0
CARREFOUR ITALIA FINANCE SRL	100,0
CARREFOUR PROPERTY ITALIA S.r.l (ex DEMETER ITALIA SPA)	99,8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BUROLO	89,0
CONSORZIO PROPRIETARI CENTRO COMMERCIALE GIUSSANO	76,8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE MASSA	54,1
CONSORZIO PROPRIETARI CENTRO COMMERCIALE TORINO MONTECUCCO	87,2
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BRIANZA	52,8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE THIENE	57,8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE VERCELLI	84,2
DI PER DI SRL	99,8
FUTURE SRL (ex TREDI' ESPANSIONE SRL)	99,8
GS SpA (EX ATENA)	99,8
IL BOSCO SRL	94,8
INVESTMENTI COMMERCIALI SAN GIULIANO S.R.L.	99,8
INVESTMENTI COMMERCIALI GALLARATE S.R.L.	99,8
S.C.A.R.L. Shopville Gran Reno	57,7
SOCIETA SVILUPPO COMMERCIALE	99,8

LUXEMBOURG

VELASQUES SA	100,0



NETHERLANDS

CADAM BV	100,0
CARREFOUR CHINA HOLDINGS BV	100,0
CARREFOUR INTERNATIONAL SERVICES BV (HYPER GERMANY HOLDING BV)	100,0
CARREFOUR NEDERLAND BV	100,0
CARREFOUR PROPERTY BV	100,0
FOURCAR BV	100,0
FOURET BV	100,0
FRANCOFIN BV	100,0
HOFIDIS INVESTMENT AND FINANCE INTERNATIONAL (HIFI)	100,0
HYPER GERMANY BV	100,0
HYPER INVEST BV	100,0
INTERCROSSROADS BV	100,0
KRUISDAM BV	100,0
MILDEW BV	100,0
ONESIA BV	100,0
SOCA BV	100,0

POLAND

CARREFOUR POLSKA	100,0
CARREFOUR POLSKA WAW	100,0
WIGRY	100,0

ROMANIA

ARTIMA SA	100,0
CARREFOUR PROPERTY ROMANIA	100,0
CARREFOUR ROUMANIE	100,0
CARREFOUR VOIAJ	100,0
TERRA ACHIZITII SRL	100,0

RUSSIA

CARREFOUR RUS	100,0

SINGAPORE

CARREFOUR SINGAPOUR PTE LTD	100,0
CARREFOUR SOUTH EAST ASIA	100,0

SWITZERLAND

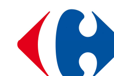
CARREFOUR WORLD TRADE	100,0
HYPERDEMA (PHS)	100,0
PROMOHYPERMARKT AG (PHS)	100,0

TAIWAN

CARREFOUR INSURANCE BROKER CO	60,0
CARREFOUR STORES TAIWAN CO	60,0
CARREFOUR TELECOMMUNICATION CO	30,6
CHARNG YANG DEVELOPMENT CO	30,0
PRESICARRE	60,0

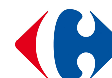
TURKEY

CARREFOUR SABANCI TICARET MERKEZI AS CARREFOURSA	58,2



45.2 Companies accounted for by the equity method at December 31, 2012

FRANCE	Percent interest used in consolidation
ABREDIS	50,0
ALEXANDRE	50,0
AZAYDIS	50,0
AZIMMO	50,0
BORDEROUGE	40,0
CARDUTOT	26,0
CARGAN	50,0
CARTAILLAN	50,0
CERBEL	50,0
CEVIDIS	50,0
CHERBOURG INVEST	48,0
CJA DISTRIBUTION	50,0
COLODOR	50,0
CONCEPT 2003	50,0
COROU	50,0
COVIAM 21	50,0
DE L'ARCHE	50,0
DECODIS	50,0
DEPOT PETROLIER DE LYON	50,0
DEPOTS PETROLIERS COTIERS	20,0
DIPLO	50,0
DIRIC	50,0
DISMONPT	50,0
ENTREPOT PETROLIER DE VALENCIENNES	34,0
FABCORJO	50,0
FARO	50,0
FAVICAR	50,0
FIVER	50,0
FONCIERE MARSEILLAN	50,0
FONCIERE PLANES	50,0
FRELUM	50,0
GANDIS	50,0
GERIC GIE	43,1
GMDIS	50,0
GPVM	30,0
GRANDI	50,0
GWENDA	50,0
HBLP	25,0
IDEC	50,0
IMMO ST PIERRE EGLISE	50,0
JOSIM	34,0
LA CATALANE DE DISTRIBUTION	50,0
LA GUJANNAISE	26,0
LAITA BELON DISTRIBUTION	50,0
LB LE PLAN	50,0
LE CLAUZELS	50,0
LE PETIT BAILLY	50,0
LES OLIVIERS	50,0
LEZIDIS	50,0
LUMIMMO	50,0
MADIS	50,0
MAISON VIZET FABRE	50,0
MARIDYS	50,0
MASSEINE	50,0
MAUDIS	50,0



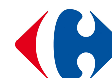
MBD	50,0
NASOCA	50,0
NOUKAT	50,0
OLICOURS	50,0
OUISDIS	50,0
PAM	50,0
PLAMIDIS	50,0
PLANE MARSEILLAN	50,0
PLORAUDIS	50,0
PRODIX	50,0
PROPHI	50,0
PROVENCIA SA	50,0
RIMADIS	50,0
ROGER	50,0
ROND POINT	34,0
ROSE BERGER	50,0
SAM	50,0
SCA	50,0
SCB	50,0
SCI IMMODISC	50,0
SCI LA CLAIRETTE	50,0
SCI LATOUR	60,0
SCI PONT D'ALLIER	50,0
SCI SOVALAC	50,0
SCOMONDIS	34,0
SCYCADIS	50,0
SEREDIS	50,0
SIFO	50,0
SMD	50,0
SME	50,0
SOCADIS CAVALAIRE	50,0
SODIBOR	50,0
SODITA	50,0
SOFIDIS	50,0
SOQUIMDIS	50,0
SOTRESCO	50,0
SOVADIS	50,0
ST PAUL DE DISTRIBUTION	50,0
Ste du Depot pétrolier de Nanterre	20,0
STE FINANCIERE GERIC	34,9
TURENNE	50,0
VALECAR	50,0
VALMENDIS	50,0

BELGIUM

MESTDAGH	25,0

UNITED ARAB EMIRATES

MAJID AL FUTAIM	25,0



SPAIN

2011 CAYETANO PANELLES, S.L.	**26,0**
2012 ALVARO EFREM JIMENEZ	**26,0**
2012 CORDOBA RODRIGUEZ	**26,0**
2012 ERIK DAVID	**26,0**
2012 FLORES HERNANDEZ	**26,0**
2012 LIZANDA TORTAJADA	**26,0**
2012 NAYARA S.MARTIN	**26,0**
2012 VICENTE ARLANDIS	**26,0**
ANTONIO PEREZ, S.L	**26,0**
AS CANCELAS S XXI, S.L..	**50,0**
COSTASOL DE HIPERMERCADOS, S.L.	**34,0**
DIAGONAL PARKING, S.C.	**57,5**
GLORIAS PARKING S.A.	**50,0**
HEGERVIS MATARO, S.L.	**26,0**
ILITURGITANA DE HIPERMERCADOS, S.L.	**34,0**
JM.MARMOL SUPERMERCADOS. S.L.	**26,0**
J.CARLOS VAZQUEZ, S.L.	**26,0**
LUHERVASAN, S.L.	**26,0**
SAGRADA FAMILIA, S.L.	**26,0**
SUPERMERCADOS CENTENO S.L.	**26,0**
VALATROZ	**26,0**

ITALY

CONSORZIO CIEFFEA	**49,9**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	**49,9**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE SIRACUSA	**33,3**
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ROMANINA	**46,3**
IPER ORIO SPA	**49,9**
IPER PESCARA SPA	**49,9**
S.C.A.R.L. Shopville Le Gru	**39,3**
SOLEDORO	**25,0**

POLAND

C SERVICES	**30,0**

ROMANIA

PLOIESTI SHOPPING CITY	**50,0**