



# CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014

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*This is a free translation in English of the Carrefour Group's 2014 Consolidated Financial Statements issued in the French language, provided solely for the convenience of English speaking users.*

The comparative information for 2013 presented in this document has been restated to reflect the early adoption of IFRIC 21 - *Levies*, and the reclassification of "Net income from companies accounted for by the equity method" in the consolidated income statement. 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	2014	2013 restated <sup>(1)</sup>	% change
Net sales	6	74,706	74,888	(0.2%)
Loyalty program costs		(609)	(588)	3.5%
<b>Net sales net of loyalty program costs</b>		<b>74,097</b>	<b>74,299</b>	<b>(0.3%)</b>
Other revenue	7	2,221	2,375	(6.5%)
<b>Total revenue</b>		<b>76,318</b>	<b>76,675</b>	<b>(0.5%)</b>
Cost of sales	8	(59,270)	(59,828)	(0.9%)
<b>Gross margin from recurring operations</b>		<b>17,049</b>	<b>16,847</b>	<b>1.2%</b>
Sales, general and administrative expenses	9	(13,281)	(13,178)	0.8%
Depreciation and amortization	10	(1,381)	(1,432)	(3.5%)
<b>Recurring operating income</b>		<b>2,387</b>	<b>2,238</b>	<b>6.7%</b>
Net income from companies accounted for by the equity method		37	30	
<b>Recurring operating income after net income from companies accounted for by the equity method</b>		<b>2,423</b>	<b>2,267</b>	<b>6.9%</b>
Non-recurring income and expenses, net	11	149	144	3.3%
<b>Operating income</b>		<b>2,572</b>	<b>2,412</b>	<b>6.7%</b>
Finance costs and other financial income and expenses, net	12	(563)	(722)	(22.0%)
<i>Finance costs, net</i>		(399)	(428)	(6.7%)
<i>Other financial income and expenses, net</i>		(164)	(294)	(44.4%)
<b>Income before taxes</b>		<b>2,010</b>	<b>1,690</b>	<b>18.9%</b>
Income tax expense	13	(709)	(631)	12.4%
<b>Net income from continuing operations</b>		<b>1,300</b>	<b>1,058</b>	<b>22.9%</b>
Net income from discontinued operations	14	67	306	(78.1%)
<b>Net income for the year</b>		<b>1,367</b>	<b>1,364</b>	<b>0.2%</b>
<b>Group share</b>		<b>1,249</b>	<b>1,263</b>	<b>(1.1%)</b>
of which net income from continuing operations		1,182	949	24.6%
of which net income from discontinued operations		67	314	(78.7%)
<b>Attributable to non-controlling interests</b>		<b>118</b>	<b>101</b>	<b>16.8%</b>

(1) Restated, see Note 4

<b>Basic earnings/(loss) per share, in €</b>	2014	2013 <sup>(1)</sup>	% change
Earnings/(loss) from continuing operations per share	1.67	1.37	22.4%
Earnings from discontinued operations per share	0.09	0.45	(79.0%)
<b>Basic earnings per share – Group share</b>	<b>1.77</b>	<b>1.82</b>	<b>(2.8%)</b>

  

<b>Diluted earnings/(loss) per share, in €</b>	2014	2013 <sup>(1)</sup>	% change
Diluted earnings/(loss) from continuing operations per share	1.67	1.37	22.4%
Diluted earnings from discontinued operations per share	0.09	0.45	(79.0%)
<b>Diluted earnings per share – Group share</b>	<b>1.77</b>	<b>1.82</b>	<b>(2.8%)</b>

(1) Restated

Calculation details are provided in Note 15.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(in € millions)	2014	2013 <sup>(1)</sup>
<b>Net income for the year</b>	<b>1,367</b>	<b>1,364</b>
Effective portion of changes in the fair value of cash flow hedges <sup>(2)</sup>	15	39
Changes in the fair value of available-for-sale financial assets <sup>(2)</sup>	13	5
Exchange differences on translating foreign operations <sup>(3)</sup>	13	(455)
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>42</b>	<b>(411)</b>
Unrecognized actuarial gains and losses on defined benefit plans <sup>(2)</sup>	(129)	25
<b>Items that will not be reclassified to profit or loss</b>	<b>(129)</b>	<b>25</b>
<b>Other comprehensive income</b>	<b>(87)</b>	<b>(386)</b>
<b>Total comprehensive income</b>	<b>1,280</b>	<b>979</b>
Group share	1,138	914
Attributable to non-controlling interests	142	64

(1) Restated, see Note 4.

(2) Presented net of the tax effect (see Note 16 for details).

(3) In 2013, the change in exchange differences on translating foreign operations mainly reflects the decline in the Brazilian and Argentina currencies.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>ASSETS</b>			
(in € millions)	Notes	December 31, 2014	December 31, 2013 restated <sup>(1)</sup>
Goodwill	17	8,228	8,277
Other intangible assets	17	1,315	767
Property and equipment	18	12,272	11,109
Investment property	19	296	313
Investments in companies accounted for by the equity method	20	1,471	496
Other non-current financial assets	20	1,340	1,146
Consumer credit granted by the financial services companies – long term	33	2,560	2,381
Deferred tax assets	21	759	881
<b>Non-current assets</b>		<b>28,240</b>	<b>25,369</b>
Inventories	22	6,213	5,738
Trade receivables	23	2,260	2,213
Consumer credit granted by the financial services companies – short-term	33	3,420	3,221
Other current financial assets	24	504	359
Tax receivables		1,136	715
Other assets	25	853	841
Cash and cash equivalents	26	3,113	4,757
Assets held for sale <sup>(2)</sup>		49	301
<b>Current assets</b>		<b>17,549</b>	<b>18,145</b>
<b>TOTAL ASSETS</b>		<b>45,789</b>	<b>43,514</b>

**SHAREHOLDERS' EQUITY AND LIABILITIES**

(in € millions)	Notes	December 31, 2014	December 31, 2013 restated <sup>(1)</sup>
Share capital	27	1,837	1,810
Consolidated reserves and income for the year		7,353	6,115
<b>Shareholders' equity – Group share</b>		<b>9,191</b>	<b>7,925</b>
Shareholders' equity attributable to non-controlling interests		1,037	754
<b>Total shareholders' equity</b>		<b>10,228</b>	<b>8,679</b>
Long-term borrowings	32	6,815	7,550
Provisions	29	3,581	3,618
Consumer credit financing – long-term	33	1,589	1,765
Deferred tax liabilities	21	523	521
<b>Non-current liabilities</b>		<b>12,508</b>	<b>13,454</b>
Short-term borrowings	32	1,757	1,683
Suppliers and other creditors		13,384	12,854
Consumer credit financing – short-term	33	3,718	3,145
Tax payables		1,172	913
Other payables	35	3,022	2,763
Liabilities related to assets held for sale <sup>(2)</sup>		1	24
<b>Current liabilities</b>		<b>23,053</b>	<b>21,382</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>45,789</b>	<b>43,514</b>

(1) Restated, see Note 4.

(2) At December 31, 2013, assets and liabilities held for sale correspond for the most part to the real estate transaction described in Note 3.1

**CONSOLIDATED STATEMENT OF CASH FLOWS**

(in € millions)	2014	2013
<b>INCOME BEFORE TAXES</b>	<b>2,010</b>	<b>1,689</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Taxes	(800)	(1,039)
Depreciation and amortization expense	1,451	1,483
Capital (gains)/losses on sales of assets	(355)	(384)
Change in provisions and impairment	(175)	(140)
Finance costs, net	399	428
Net income and dividends received from companies accounted for by the equity method <sup>(1)</sup>	(4)	1
Impact of discontinued operations	(23)	1
<b>Cash flow from operations</b>	<b>2,504</b>	<b>2,039</b>
Change in working capital requirement <sup>(2)</sup>	18	(284)
Impact of discontinued operations	86	(27)
<b>Net cash from operating activities (excluding financial services companies)</b>	<b>2,608</b>	<b>1,728</b>
Change in consumer credit granted by the financial services companies	1	(52)
Impact of discontinued operations	0	0
<b>Net cash from operating activities</b>	<b>2,609</b>	<b>1,675</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of property and equipment and intangible assets	(2,411)	(2,159)
Acquisitions of financial assets	(148)	(157)
Acquisitions of subsidiaries <sup>(3)</sup>	(1,188)	(33)
Proceeds from the disposal of subsidiaries <sup>(4)</sup>	82	526
Proceeds from the disposal of property and equipment and intangible assets	293	117
Proceeds from the disposal of investments in non-consolidated companies	3	16
Change in amounts receivable from and due to suppliers of fixed assets	(36)	371
<b>Investments net of disposals</b>	<b>(3,405)</b>	<b>(1,319)</b>
Other cash flows from investing activities	(5)	2
Impact of discontinued operations <sup>(5)</sup>	13	462
<b>Net cash from/(used in) investing activities</b>	<b>(3,397)</b>	<b>(855)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issues to non-controlling interests	5	3
Acquisitions and disposals of investments without any change of control <sup>(6)</sup>	311	(11)
Dividends paid by Carrefour (parent company)	(149)	(108)
Dividends paid by consolidated companies to non-controlling interests	(70)	(101)
Change in treasury stock and other equity instruments	(18)	0
Change in current financial assets	(48)	(47)
Issuance of bonds	683	1,000
Repayments of bonds	(1,178)	(2,519)
Net interests paid	(463)	(487)
Other changes in borrowings	71	(274)
Impact of discontinued operations	(17)	54
<b>Net cash from/(used in) financing activities</b>	<b>(874)</b>	<b>(2,489)</b>
<b>Net change in cash and cash equivalents before the effect of changes in exchange rates</b>	<b>(1,662)</b>	<b>(1,669)</b>
Effect of changes in exchange rates	19	(147)
<b>Net change in cash and cash equivalents</b>	<b>(1,643)</b>	<b>(1,816)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>4,757</b>	<b>6,573</b>
<b>Cash and cash equivalents at end of year</b>	<b>3,113</b>	<b>4,757</b>

(1) After the reclassification in the consolidated income statement of income from companies accounted for by the equity method (see Note 4.2). Dividends received in 2014 amounted to €33 million (2013: €30 million).

(2) See Note 38 for details.

(3) The amount reported for 2014 corresponds to the various acquisitions described in the section "Significant events of the year" (including Dia in France and Billa in Italy), and to Carrefour's investments in the Carmila joint venture.

(4) The amount reported for 2013 corresponds to the sale of Majid Al Futtaim Hypermarkets for €526 million.

(5) In 2013, this item mainly includes the proceeds from the sale of operations in Indonesia.

(6) This item corresponds mainly to the sale of 10% of the Group's Brazilian subsidiary as described in the significant events of the year and the buyout of non-controlling interests in France.

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

<i>(in € millions)</i>	Share capital	Translation reserve	Fair value reserve <sup>(1)</sup>	Other consolidated reserves and net income for the year	Shareholders' equity – Group share	Non-controlling interests	Total shareholders' equity
<b>Shareholders' equity at December 31, 2012</b>	<b>1,773</b>	<b>93</b>	<b>(49)</b>	<b>5,364</b>	<b>7,181</b>	<b>866</b>	<b>8,047</b>
Application of IFRIC 21				82	82		82
<b>Shareholders' equity at January 1st, 2012</b>	<b>1,773</b>	<b>93</b>	<b>(49)</b>	<b>5,446</b>	<b>7,263</b>	<b>866</b>	<b>8,129</b>
Net income for the year				1,263	1,263	101	1,364
Other comprehensive income after tax		(407)	37	22	(349)	(37)	(386)
<b>Total comprehensive income</b>	<b>0</b>	<b>(407)</b>	<b>37</b>	<b>1,285</b>	<b>914</b>	<b>64</b>	<b>979</b>
Share-based payments				2	2		2
Treasury stock (net of tax)				0	0		0
2012 dividend payment <sup>(2)</sup>	37			(145)	(108)	(101)	(209)
Change in capital and additional paid-in capital				0	0	3	3
Effect of changes in scope of consolidation and other movements <sup>(3)</sup>				(146)	(146)	(79)	(225)
<b>Shareholders' equity at December 31, 2013</b>	<b>1,810</b>	<b>(315)</b>	<b>(13)</b>	<b>6,442</b>	<b>7,926</b>	<b>754</b>	<b>8,679</b>
Net income for the year				1,249	1,249	118	1,367
Other comprehensive income after tax		(5)	20	(127)	(112)	25	(87)
<b>Total comprehensive income</b>	<b>0</b>	<b>(5)</b>	<b>20</b>	<b>1,123</b>	<b>1,138</b>	<b>143</b>	<b>1,280</b>
Share-based payments				0	0		0
Treasury stock (net of tax)				(18)	(18)		(18)
2013 dividend payment <sup>(4)</sup>	27			(176)	(149)	(70)	(219)
Change in capital and additional paid-in capital				0	0	5	5
Effect of changes in scope of consolidation and other movements <sup>(5)</sup>		(5)	(12)	312	295	206	500
<b>Shareholders' equity at December 31, 2014</b>	<b>1,837</b>	<b>(324)</b>	<b>(5)</b>	<b>7,682</b>	<b>9,191</b>	<b>1,037</b>	<b>10,228</b>

(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) The 2012 dividend totaling €398 million was paid:

- (a) in cash for €108 million; and
- (b) in new shares for €290 million (corresponding to the aggregate par value of the new shares for €37 million and premiums for €253 million).

(3) Changes in scope of consolidation and other movements correspond primarily to the buyout of non-controlling interests in Indonesia (€72 million) and in France (€112 million).

(4) The 2013 dividend totaling €434 million was paid:

- (a) in cash for €149 million; and
- (b) in new shares for €285 million (corresponding to the aggregate par value of the new shares for €27 million and premiums for €258 million).

(5) Changes in scope of consolidation and other movements correspond mainly to the sale of a 10% interest in the Group's Brazilian subsidiary described in Note 3.3.

## 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, 2014 were approved for publication by the Board of Directors on March 4, 2015. They will be submitted to shareholders for final approval at the Annual General Meeting.

Carrefour (the “Company”) is domiciled in France. The consolidated financial statements for the year ended December 31, 2014 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 2014 consolidated financial statements have been prepared in compliance with the international accounting standards adopted for use in the European Union as of December 31, 2014 and applicable at that date, with 2013 comparative information prepared using the same standards.

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/finance/accounting/ias/index\\_en.htm](http://ec.europa.eu/finance/accounting/ias/index_en.htm)

At December 31, 2014, 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 was only partly adopted. The unadopted provisions of IAS 39 had no impact on the Group’s consolidated financial statements

### 1.2 IFRSs and interpretations applied by the Group

The accounting and calculation methods used to prepare the 2014 consolidated financial statements are the same as those used in 2013, except for:

- IFRS 10 – *Consolidated Financial Statements*. This standard replaces the sections of IAS 27 – *Consolidated and Separate Financial Statements* dealing with consolidated financial statements, and SIC 12 – *Consolidation – Special Purpose Entities*. IFRS 10 redefines control. In line with the new definition, the Carrefour Group’s consolidated financial statements include the financial statements of all entities that the Group controls directly or indirectly, whatever its percentage interest in their equity. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Adoption of IFRS 10 had no material impact on the Group’s scope of consolidation.
- IFRS 11 – *Joint Arrangements*. This standard replaces IAS 31 – *Interests in Joint Ventures*, and SIC 13 – *Jointly Controlled Entities: Non-Monetary Contributions by Venturers*. IFRS 11 outlines the accounting treatment by entities that jointly control an arrangement. Joint control involves the contractually agreed sharing of control and arrangements subject to joint control are classified as either a joint operation (representing rights to assets and obligations for liabilities, accounted for accordingly) or a joint venture (representing a share of net assets and equity accounted). Carrefour jointly controls an arrangement when decisions about the relevant activities require the unanimous consent of the parties sharing control. The proportionate consolidation method is not recognized under IFRS 11. The Group did not use this method in prior periods. Adoption of IFRS 11 had no material impact on the Group’s scope of consolidation.

- IFRS 12 – *Disclosure of Interests in Other Entities*. This standard lists all the disclosures required when an entity has interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities, whatever the level of control or influence exercised by the entity.
- IAS 28 – *Investments in Associates and Joint Ventures*, as revised to take into account the changes resulting from the publication of IFRS 10, 11 and 12.
- Amendment to IAS 32 – *Financial Instruments: Presentation concerning the offsetting of financial assets and financial liabilities*.
- Amendment to IAS 36 – *Impairment of Assets*, concerning recoverable amount disclosures for non-financial assets.
- Amendment to IAS 39 – *Financial Instruments: Recognition and Measurement*, dealing with the novation of derivatives and continuation of hedge accounting.
- IFRIC 21 – *Levies*, adopted by the European Union on June 13, 2014 and early-adopted by the Group. This interpretation defines the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.
  - Early adoption of IFRIC 21 had the effect of increasing consolidated equity at January 1, 2013 by €82 million.
  - The impact on the 2013 consolidated income statement was not material.

Apart from IFRIC 21, no other standards, amendments or interpretations not applicable as of January 1, 2014 were early adopted.

Adopted for use in the European Union:

- IFRS Annual Improvements, 2010-2012 and 2011-2013 (applicable in annual periods beginning on or after July 1, 2015).

Not yet adopted for use in the European Union:

- IFRS 15 – *Revenue from Contracts with Customers*. This standard, which is applicable in annual periods beginning on or after January 1, 2017 retroactively, may have an impact on the amount and timing of revenue recognition by the Group. This impact cannot yet be reasonably estimated.
- IFRS 9 – *Financial Instruments*. This standard, which is applicable in annual periods beginning on or after January 1, 2018, may have an impact on the amount and timing of the recognition of financial assets and liabilities and on profit. This impact cannot yet be reasonably estimated.
- IFRS Annual Improvements, 2012-2014 (applicable in annual periods beginning on or after January 1, 2016).

The possible impact on the consolidated financial statements of applying these 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).

## **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 control, directly or indirectly, are fully consolidated. An entity is controlled when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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 "Other non-current financial assets". The accounting treatment of these investments is described in the paragraph 2.7 "Other financial assets and liabilities".

### **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 and Romania
- Latin America: Brazil and Argentina
- Asia: China and Taiwan

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.

### **2.3 Business combinations**

At the IFRS transition date, the Group elected to maintain the accounting treatment for business combinations applied under previous accounting standards, 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 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 27R.

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 for which control was lost 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 2014 or 2013.

## 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 gain or loss arising from translation of the loan at each successive period-end is 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 impairment 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 impairment indicator: 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 by the straight-line method over periods ranging from one to eight years, and of other intangible assets associated with stores.

### 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 to 20 years
➤ Car parks	6 to 10 years
Equipment, fixtures and fittings	4 to 8 years
Other	3 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 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 period generally not exceeding five years, plus a terminal value calculated by projecting data for the final 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 three-year business plan drawn up by country management and approved by Group management.

The discount rate for each country corresponds to the weighted average cost of equity and debt, determined using the median gearing rate for the sector. Each country's cost of equity is determined based on local parameters (risk-free interest rate and market premium). 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, 2014 or December 31, 2013.

#### **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 (shares 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.

**2.7.3. 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).

Fair value measurements of derivative financial instruments incorporate counterparty risk in the case of instruments with a positive fair value, and own credit risk for instruments with a negative fair value. Credit risk is measured using the mathematical models commonly used by market analysts. At December 31, 2014 and 2013, the effect of incorporating these two types of risk was not material.

## 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.
- Net 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
- by obtaining independent valuations prepared using two methods: the discounted cash flows method and the yield method. Valuers generally also compare the results of applying these methods to market values per square meter and to recent transaction values.

In view of the limited external data available, particularly concerning capitalization rates, the complexity of the property valuation process and the fact that valuations are based on passing rents for the Group’s own properties, the fair value of investment property is considered as being determined on the basis of level 3 inputs.

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 investment grade corporate bonds with a maturity close to that of the defined benefit obligation. The calculations are performed by a qualified actuary.

### 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), and carried-forward tax losses.

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 – *Customer Loyalty Programmes*, 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 (*Autorité des normes comptables* [ANC] recommendation 2013-03 dated November 7, 2013), 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 that came to the Group's attention 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****3.1 Creation of a company for shopping malls adjoining the Group's hypermarkets in Europe**

On December 16, 2013, Carrefour announced that it had signed a memorandum of understanding with Klépierre for the purchase of 127 shopping malls.

Following signature of the final agreement between the partners on January 24, 2014, consultation of employee representative bodies and the approval of the relevant regulatory authorities, on April 16, 2014, the Group and its co-investment partners announced the creation of Carmila, a company dedicated to enhancing the value of the shopping malls adjacent to Carrefour hypermarkets in France, Spain and Italy.

Upon its creation, Carmila owns a portfolio of 171 shopping malls comprising:

- on the one hand, 126 sites in France, Spain and Italy acquired on April 16, 2014 from Klépierre for a market value of €2.0 billion;
- on the other hand, 45 sites in France contributed by Carrefour with a market value of €0.7 billion.

Initial funding consisted of €1.8 billion in equity, contributed by the co-investors for €1.0 billion and by Carrefour for €0.8 billion (of which €0.7 billion through the transfer of assets at market value and €0.1 billion in cash), and €0.9 billion in bank credit lines obtained by Carmila.

At December 31, 2013, the buildings at the 45 sites concerned were reclassified as held for sale, in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.

In the 2014 consolidated financial statements, in application of the consolidation standards applicable as from 2014 (IFRS 10, IFRS 11 and IAS 28R), the new company has been accounted for by the equity method as it is jointly controlled by Carrefour and its co-investors, which own 42% and 58% of the capital respectively. The carrying amount on recognition in the consolidated statement of financial position was €784 million. The transaction led to the recognition in non-recurring income of a €333 million capital gain, in line with the accounting treatment specified in IFRS 10 in the case of a loss of control as defined in IFRS 3.

**3.2 Acquisition of Dia's operations in France**

On June 20, 2014, the Carrefour Group announced that, following exclusive negotiations with Dia, it had agreed to acquire Dia France based on an enterprise value of €600 million.

On November 21, 2014, Carrefour announced that the proposed deal had been authorized by France's anti-trust authorities, allowing the Group to pursue its multi-format expansion in its domestic market. The authorization covered the acquisition of over 800 points of sale, in exchange for an undertaking by Carrefour to sell around fifty others. Those sites were reclassified as held for sale as at December 31, 2014.

The transaction was completed on December 1, 2014.

In accordance with IFRS 3 – *Business Combinations*, the provisional allocation of the purchase price led to the recognition of goodwill of €189 million.

(in € millions)	Accounting value	Temporary fair value
Intangible assets	206	121
Tangible assets	445	454
Financial assets	12	23
<b>Fixed assets</b>	<b>664</b>	<b>598</b>
Net debt	(16)	(34)
Other net assets and liabilities	(87)	(127)
<b>Total Net Asset</b>	<b>560</b>	<b>437</b>
<b>Consideration transferred</b>		<b>626</b>
<b>Goodwill</b>		<b>189</b>

The effect of the acquisition on 2014 Group consolidated operating income and net income is not material.

### 3.3 Sale of an interest in the Brazilian subsidiary to an outside investor

On December 18, 2014, the Carrefour Group announced that Peninsula, a Brazilian investment firm, had acquired a 10% interest in Carrefour's local subsidiary for BRL 1.8 billion (€525 million).

Peninsula also has call options allowing it to increase its interest to up to 16% over the next five years.

In accordance with IFRS 10 – *Consolidated Financial Statements*, the transaction led to the recognition in consolidated equity of a capital gain of €285 million, net of income tax, and of non-controlling interests of €174 million.

### 3.4 Acquisitions in Italy

On June 30, 2014, Carrefour announced that it had entered into an agreement with the Rewe Group to acquire 53 Billa supermarkets located in northern Italy. The supermarkets represent a total retail surface area of 58,000 sq.m. and generated revenue of some €300 million excluding VAT in 2013.

The transaction was completed on September 11, 2014, once the regulatory approvals had been obtained and Billa's employee representatives had been consulted. In accordance with IFRS 3, provisional goodwill of €64 million was recorded in the consolidated financial statements at December 31, 2014.

On November 21, 2014, the Group announced the acquisition of 17 Il Centro stores, including sixteen located in Florence and Arezzo provinces and one in Spezia province. All of these stores will be converted to the Carrefour Express convenience brand. The transaction is in line with Carrefour's multi-format strategy and will enable the Group to strengthen its presence in north central Italy. The impact on the consolidated financial statements was not material.

### 3.5 2013 dividend reinvestment option

At the Annual General Meeting held on April 15, 2014, shareholders decided to set the 2013 dividend at €0.62 per share with a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at €26.10 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 €0.62 per share and rounded up to the nearest euro cent.

The option period was open from April 24 to May 15, 2014. At the end of this period, shareholders owning 64.55% of Carrefour's shares had elected to reinvest their 2013 dividends.

May 28, 2014 was set as the date for:

- Settlement/delivery of the 10,929,717 new shares corresponding to reinvested dividends, leading to a total capital increase of €285 million (share capital and premiums).
- Payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of €149 million.

### **3.6 Bond issue and buybacks**

On July 15, 2014, the Group issued €1,000 million worth of eight-year 1.75% bonds maturing in July 2022.

At the same time, two outstanding issues representing an aggregate €318 million were retired, as follows:

- ✓ €97 million outstanding from a €763 million 4.375% issue maturing in November 2016
- ✓ €221 million outstanding from a €500 million 5.25% issue maturing in October 2018.

The transaction consolidated the Group's long-term financing at the very attractive interest rates currently available in the market. It led to:

- A €682 million increase in the face value of the Group's bond debt
- Optimized future borrowing costs due to an issue at a historically low interest rate
- An extension of the average maturity of bond debt, from 3.7 years to 4.2 years (an increase of 0.5 years) as from July 15, 2014.

### **3.7 Discontinuation of operations in India**

On July 7, 2014 Carrefour announced that it intended to close its five cash & carry stores in India, the first of which was opened in 2010. All of the stores had been closed by the year-end.



**NOTE 4: RESTATEMENT OF COMPARATIVE INFORMATION****4.1 Early adoption of IFRIC 21**

Early adoption of IFRIC 21 has led to the recognition of certain levies in the period in which the obligating event occurs as opposed to the period for which the tax was calculated. This timing difference led to an €82 million increase in opening equity at the start of the comparative period (i.e. January 1, 2013), which was recognized by adjusting tax liabilities (€132 million) and deferred tax assets (€50 million).

The impact on the closing consolidated statement of financial position at December 31, 2013 is presented below:

(in € millions)	<b>ASSETS</b>	
	December 31, 2013 published	December 31, 2013 re stated
Goodwill	8,277	8,277
Other intangible assets	767	767
Property and equipment	11,109	11,109
Investment property	313	313
Investments in companies accounted for by the equity method	496	496
Other non-current financial assets	1,146	1,146
Consumer credit granted by the financial services companies – long term	2,381	2,381
Deferred tax assets	931	(50) 881
<b>Non-current assets</b>	<b>25,419</b>	<b>(50) 25,369</b>
Inventories	5,738	5,738
Trade receivables	2,213	2,213
Consumer credit granted by the financial services companies – short-term	3,221	3,221
Other current financial assets	359	359
Tax receivables	715	715
Other assets	841	841
Cash and cash equivalents	4,757	4,757
Assets held for sale	301	301
<b>Current assets</b>	<b>18,145</b>	<b>0 18,145</b>
<b>TOTAL ASSETS</b>	<b>43,564</b>	<b>(50) 43,514</b>

(in € millions)	<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
	December 31, 2013 published	IFRIC 21	December 31, 2013 re stated
Share capital	1,810		1,810
Consolidated reserves and income for the year	6,034	82	6,115
<b>Shareholders' equity – Group share</b>	<b>7,844</b>	<b>82</b>	<b>7,925</b>
Shareholders' equity attributable to non-controlling interests	754		754
<b>Total shareholders' equity</b>	<b>8,597</b>	<b>82</b>	<b>8,679</b>
Long-term borrowings	7,550		7,550
Provisions	3,618		3,618
Consumer credit financing – long-term	1,765		1,765
Deferred tax liabilities	521		521
<b>Non-current liabilities</b>	<b>13,454</b>		<b>13,454</b>
Short-term borrowings	1,683		1,683
Suppliers and other creditors	12,854		12,854
Consumer credit financing – short-term	3,145		3,145
Tax payables	1,045	(132)	913
Other payables	2,763		2,763
Liabilities related to assets held for sale	24		24
<b>Current liabilities</b>	<b>21,513</b>	<b>(132)</b>	<b>21,382</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>43,564</b>	<b>(50)</b>	<b>43,514</b>

The effect on 2013 net income and earnings per share is not material.

#### **4.2 Presentation of net income from companies accounted for by the equity method**

Joint ventures and associates are an integral part of the Group's operations. For this reason, net income from these companies is now reported as a component of recurring operating income, in connection with the guidance issued on April 4, 2013 by France's accounting authorities, ANC. Comparative information for 2013 has been restated on the same basis.

**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**

2014						
(in € millions)						
	Total	France	Europe	Latin America	Asia	Global Functions
Net sales	74,706	35,336	19,191	13,891	6,288	0
Other revenue	2,221	738	549	621	270	43
Recurring operating income	<b>2,387</b>	<b>1,271</b>	<b>425</b>	<b>685</b>	<b>97</b>	<b>(92)</b>
Operating income	<b>2,572</b>					
Finance costs and other financial income and expenses, net	<b>(563)</b>					
<b>Income before taxes</b>	<b>2,010</b>					
<b>Net income for the year</b>	<b>1,367</b>					
Capital expenditure <sup>(1)</sup>	2,411	988	536	622	214	51
Depreciation and amortization expense	(1,381)	(610)	(380)	(174)	(189)	(28)
2013						
(in € millions)						
	Total	France	Europe	Latin America	Asia	Global Functions
Net sales	74,888	35,438	19,220	13,786	6,443	
Other revenue	2,375	968	555	520	267	65
Recurring operating income	<b>2,238</b>	<b>1,198</b>	<b>388</b>	<b>627</b>	<b>131</b>	<b>(106)</b>
Operating income	<b>2,411</b>					
Finance costs and other financial income and expenses, net	<b>(722)</b>					
<b>Income before taxes</b>	<b>1,689</b>					
<b>Net income for the year</b>	<b>1,364</b>					
Capital expenditure <sup>(1)</sup>	2,159	997	409	457	261	35
Depreciation and amortization expense	(1,426)	(622)	(393)	(187)	(184)	(39)

(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, 2014						
(in € millions)	Total	France	Europe	Latin America	Asia	Global functions
<b>ASSETS</b>						
Goodwill	8,228	4,285	3,139	700	103	1
Other intangible assets	1,315	781	313	108	16	97
Property and equipment	12,272	5,014	3,553	2,455	1,219	31
Investment property	296	33	141	64	57	-
Other segment assets <sup>(2)</sup>	16,442	8,641	2,895	3,413	849	644
<b>Total segment assets</b>	<b>38,553</b>	<b>18,754</b>	<b>10,041</b>	<b>6,739</b>	<b>2,244</b>	<b>773</b>
Unallocated assets	7,236					
<b>Total assets</b>	<b>45,789</b>					
<b>LIABILITIES (excluding equity)</b>						
Segment liabilities <sup>(3)</sup>	22,885	11,365	4,968	3,906	2,223	423
Unallocated liabilities	12,676					
<b>Total</b>	<b>35,561</b>					

December 31, 2013						
(in € millions)	Total	France	Europe	Latin America	Asia	Global functions
<b>ACTIF</b>						
Goodwill	8,277	4,394	3,082	705	95	1
Other intangible assets	767	307	288	90	9	73
Property and equipment	11,109	4,357	3,485	2,082	1,151	34
Investment property	313	8	207	43	54	-
Other segment assets <sup>(2)</sup>	15,109	6,760	4,226	2,695	907	521
<b>Total segment assets</b>	<b>35,575</b>	<b>15,826</b>	<b>11,288</b>	<b>5,616</b>	<b>2,216</b>	<b>629</b>
Unallocated assets	7,940					
<b>Total assets</b>	<b>43,514</b>					
<b>LIABILITIES (excluding equity)</b>						
Segment liabilities <sup>(3)</sup>	21,572	10,580	4,913	3,295	2,227	558
Unallocated liabilities	13,264					
<b>Total</b>	<b>34,835</b>					

(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, 2014 net sales amounted to €77,063 million versus €74,888 million the previous year, an increase of 2.9%.

Changes in exchange rates reduced net sales by €2,356 million in 2014, reflecting negative effects of €2,324 million in the Latin America segment, €31 million in Asia and €2 million in the Rest of Europe segment.

(in € millions)	2014	2013	% change
Net sales	74,706	74,888	-0.2%

**NET SALES BY COUNTRY**

(in € millions)	2014	2013	(in € millions)	2014	2013
<b>France</b>	<b>35,336</b>	<b>35,438</b>	<b>Latin America</b>	<b>13,891</b>	<b>13,786</b>
			Brazil	11,148	10,855
			Argentina	2,743	2,930
<b>Rest of Europe</b>	<b>19,191</b>	<b>19,220</b>	<b>Asia</b>	<b>6,288</b>	<b>6,443</b>
Spain	7,787	7,798	China	4,888	4,990
Italy	4,688	4,771	Taiwan	1,400	1,453
Belgium	3,968	3,968			
Poland	1,679	1,677			
Romania	1,069	1,006			

**NOTE 7: OTHER REVENUE BY NATURE**

(in € millions)	2014	2013	% change
Financing fees and commissions <sup>(1)</sup>	1,246	1,384	(10.0%)
Rental revenue <sup>(2)</sup>	219	247	(11.4%)
Revenue from sub-leases	230	235	(2.1%)
Other revenue	527	510	3.2%
<b>Total</b>	<b>2,220</b>	<b>2,375</b>	<b>(6.5%)</b>

(1) Include in 2014 the net banking income from financial companies. In 2013, this line included gross amounts.

(2) Decrease in rental revenue is linked to the sale of shopping malls to Carmila (see note 3.1)

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)	2014	2013	% change
Employee benefits expense	(7,762)	(7,679)	1.1%
Property rentals	(908)	(905)	0.2%
Maintenance and repair costs	(722)	(697)	3.6%
Fees	(861)	(771)	11.6%
Advertising expense	(866)	(856)	1.2%
Taxes other than on income	(532)	(545)	(2.3%)
Energy and electricity	(621)	(631)	(1.5%)
Other	(1,008)	(1,093)	(7.8%)
<b>Total</b>	<b>(13,281)</b>	<b>(13,178)</b>	<b>0.8%</b>

**NOTE 10: DEPRECIATION AND AMORTIZATION**

(in € millions)	2014	2013	% change
Depreciation	(1,203)	(1,199)	0.3%
Amortization	(147)	(180)	(17.9%)
Depreciation – finance leases	(19)	(30)	(37.5%)
Depreciation – investment property	(12)	(17)	(29.9%)
Provision expense, net	0	(6)	(100.0%)
<b>Total</b>	<b>(1,381)</b>	<b>(1,432)</b>	<b>(3.5%)</b>

**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 that came to the Group's attention during the reporting year.

(in € millions)	2014	2013
Net gains on sales of assets	336	425
Restructuring costs	(111)	(52)
Other non-recurring income and expenses	1	(101)
<b>Non-recurring income and expenses, net before asset impairments and write-offs</b>	<b>226</b>	<b>272</b>
Asset impairments and write-offs	(77)	(128)
<i>Impairments and write-offs of goodwill</i>	<i>0</i>	<i>(16)</i>
<i>Impairments and write-offs of property and equipment</i>	<i>(77)</i>	<i>(112)</i>
<b>Non-recurring income and expenses, net</b>	<b>149</b>	<b>144</b>
of which:		
<i>Non-recurring income</i>	<i>490</i>	<i>566</i>
<i>Non-recurring expense</i>	<i>(341)</i>	<i>(422)</i>

### Net gains on sales of assets

In 2014, net gains on sales of assets mainly concerned the gain realized on the creation of the Carmila joint venture described in Note 3.1 "Significant events".

In 2013, the Group sold its 25% interest in Majid Al Futtaim Hypermarkets, realizing a capital gain of €426 million.

### Restructuring costs

Restructuring costs recognized in 2014 concerned streamlining plans in progress in several of the Group's host countries.

### Other non-recurring income and expenses

In 2013, the Group revised its estimates of the potential costs associated with certain risks provided for in prior periods, based on information that came to the Group's attention during the year.

### Impairment losses and asset write-offs

In 2014, impairment losses of €66 million were recognized to take account of the difficulties experienced by certain stores, particularly in Italy and China. In addition, asset write-offs of €11 million were recorded.

In 2013, impairment losses amounted to €60 million and mainly concerned assets in Spain and Italy. Assets written off during the year totaled €43 million.

## **NOTE 12: FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES**

This item breaks down as follows:

(in € millions)	2014	2013
<b>Interest income from loans and cash equivalents</b>	<b>35</b>	<b>49</b>
Interest income from bank deposits	31	40
Interest income from loans	4	10
<b>Finance costs</b>	<b>(434)</b>	<b>(477)</b>
Interest expense on financial liabilities measured at amortized cost, adjusted for income and expenses from interest rate instruments	(406)	(446)
Interest expense on finance lease liabilities	(28)	(30)
Ineffective portion of fair value hedges of borrowings	0	0
<b>Finance costs, net</b>	<b>(399)</b>	<b>(428)</b>
<b>Other financial income and expenses, net</b>	<b>(164)</b>	<b>(294)</b>
Actualisation cost on defined employee benefit debt	(45)	(39)
Interest income on pension plan assets	6	6
Financial transaction tax	(37)	(41)
Late interest due in connection with tax reassessments and employee-related litigation	(3)	(70)
Dividends received on available-for-sale financial assets	1	1
Proceeds from the sale of available-for-sale financial assets measured at fair value through equity	48	16
Cost of sold available-for-sale financial assets measured at fair value through equity	(40)	(12)
Exchange gains and losses	1	(20)
Cost of bond buybacks	(3)	(119)
Variation valuation Cash flow hedge	(31)	0
Other	(61)	(16)
<b>Finance costs and other financial income and expenses, net</b>	<b>(563)</b>	<b>(722)</b>
<i>Financial expenses</i>	<i>(654)</i>	<i>(794)</i>
<i>Financial income</i>	<i>91</i>	<i>72</i>

**NOTE 13: INCOME TAX EXPENSE**

(in € millions)	2014	2013
Income tax payable (including provisions)	(610)	(723)
Deferred taxes	(99)	92
<b>Total income tax expenses</b>	<b>(709)</b>	<b>(631)</b>

Tax proof

Theoretical income tax for 2014, calculated by multiplying consolidated income before tax by the standard French corporate income tax rate (including the 10.7% *contribution exceptionnelle* surtax applicable until December 30, 2016), represented an expense of €764 million, compared with actual net income tax expense of €709 million. These two amounts can be reconciled as follows:

(in € millions)	2014	2013
Income before taxes	2,010	1,689
Standard French corporate income tax rate	38.0%	38.0%
Theoretical income tax	(764)	(642)
Tax effect of untaxed income and income taxed at a different rate <sup>(1)</sup>	111	236
Taxes with no tax base (provisions recorded solely for tax purposes, withholding taxes, etc.) <sup>(2)</sup>	(19)	(232)
Impact of non-deductible impairment losses on goodwill	0	(5)
Tax effect of other permanent differences	24	4
Valuation allowances on deferred tax assets <sup>(3)</sup>	(20)	(69)
Deferred tax assets not recognized during the year	(147)	(123)
Deferred tax assets recognized in prior years <sup>(4)</sup>	55	233
Other	51	(32)
<b>Total income tax expense</b>	<b>(709)</b>	<b>(631)</b>
Effective tax rate	35.3%	37.4%

- (1) In 2013, this item corresponded, for €131 million, to a capital gain taxed at a reduced rate and, for the balance, to the taxation of income generated outside France at rates that are below the French statutory rate.
- (2) The reported amount of taxes with no tax base notably takes into account changes in provisions for tax risks. 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 €64 million in 2014 (2013: €69 million).
- (3) In 2013, valuation allowances recorded on deferred tax assets mainly concerned Italy.
- (4) Deferred tax assets recognized in on prior years' tax losses primarily concern Italy in 2014, Spain and Belgium in 2013.



**NOTE 14: NET INCOME FROM DISCONTINUED OPERATIONS**

(in € millions)	2014	2013
Net income from discontinued operations – Group share	67	314
Net income from discontinued operations attributable to non-controlling interests	0	(8)
<b>Total</b>	<b>67</b>	<b>306</b>

In 2014, net income from discontinued operations mainly reflects the settlement during the period of an old litigation for €88 million, and the result of the closing of Indian operations for €(24) million. In 2013, net income from discontinued operations mainly reflected the €396 million profit on the sale of the Group's interest in Carrefour Indonesia, partly offset by the €65 million loss recognized on the loss of control of the Turkish subsidiary.

**NOTE 15: EARNINGS PER SHARE (Group share)**

Basic earnings per share	2014	2013
Net income from continuing operations	1,182	949
Net income from discontinued operations	67	314
Net income for the year	1,249	1,263
Weighted average number of shares outstanding <sup>(1)</sup>	707,397,621	694,925,592
<b>Basic earnings from continuing operations per share (in €)</b>	<b>1.67</b>	<b>1.37</b>
<b>Basic earnings from discontinued operations per share (in €)</b>	<b>0.09</b>	<b>0.45</b>
<b>Basic earnings per share (in €)</b>	<b>1.77</b>	<b>1.82</b>

(1) In accordance with IAS 33, the weighted average number of shares used to calculate 2013 earnings per share was adjusted to take into account 2013 dividends paid in shares on May 28, 2014.

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	2014	2013
Net income from continuing operations	1,182	949
Net income from discontinued operations	67	314
Net income for the year	1,249	1,263
Weighted average number of shares outstanding, before dilution	707,397,621	694,925,592
Potential dilutive shares	0	0
<i>Stock grants</i>	0	0
<i>Stock options</i>	0	0
Diluted weighted average number of shares outstanding	707,397,621	694,925,592
<b>Diluted earnings from continuing operations per share (in €)</b>	<b>1.67</b>	<b>1.37</b>
<b>Diluted earnings from discontinued operations per share (in €)</b>	<b>0.09</b>	<b>0.45</b>
<b>Diluted earnings per share (in €)</b>	<b>1.77</b>	<b>1.82</b>

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 2014 and 2013 and were therefore not dilutive. No stock grants were outstanding at December 31, 2014 (see Note 28.2).

## NOTE 16: OTHER COMPREHENSIVE INCOME

(in € millions)

<i>Group share</i>	2014			2013		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	28	(15)	13	39	(11)	28
Changes in the fair value of available-for-sale financial assets	10	(3)	7	7	1	8
Exchange differences on translating foreign operations	(5)	(0)	(5)	(407)		(407)
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>33</b>	<b>(18)</b>	<b>15</b>	<b>(360)</b>	<b>(11)</b>	<b>(371)</b>
Unrecognized actuarial gains and losses on defined benefit plans	(192)	66	(127)	27	(5)	22
<b>Items that will not be reclassified to profit or loss</b>	<b>(192)</b>	<b>66</b>	<b>(127)</b>	<b>27</b>	<b>(5)</b>	<b>22</b>
<b>Total comprehensive income - Group share</b>	<b>(159)</b>	<b>48</b>	<b>(112)</b>	<b>(333)</b>	<b>(15)</b>	<b>(349)</b>

  

<i>Non-controlling interests</i>	2014			2013		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	3	(1)	2	17	(5)	11
Changes in the fair value of available-for-sale financial assets	10	(3)	7	(5)	2	(3)
Exchange differences on translating foreign operations	18	0	18	(48)		(48)
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>31</b>	<b>(4)</b>	<b>27</b>	<b>(36)</b>	<b>(4)</b>	<b>(40)</b>
Unrecognized actuarial gains and losses on defined benefit plans	(3)	0	(3)	5	(2)	3
<b>Items that will not be reclassified to profit or loss</b>	<b>(3)</b>	<b>0</b>	<b>(3)</b>	<b>5</b>	<b>(2)</b>	<b>3</b>
<b>Total comprehensive income - non-controlling interests</b>	<b>28</b>	<b>(4)</b>	<b>24</b>	<b>(31)</b>	<b>(6)</b>	<b>(37)</b>

**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, 2014	December 31, 2013
Goodwill, net	8,228	8,277
Other intangible assets	1,315	767
<b>Intangible assets, net</b>	<b>9,543</b>	<b>9,044</b>

**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.

During 2014, the total carrying amount of goodwill declined by €49 million. Changes compared with 2013 resulted mainly from the recognition of goodwill arising on the transactions described in Notes 3.2 and 3.4, and the reclassification as "Other intangible assets" of certain items initially included in goodwill.

(in € millions)	Net goodwill at December 31, 2013	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	Net goodwill at December 31, 2014
France	4,394	215	(2)		(321)		4,285
Italy	899	64					963
Belgium	959						959
Spain	862						862
Brazil	606					7	613
Poland	253					(7)	246
Argentina	98					(12)	86
Other countries	206					8	214
<b>Total</b>	<b>8,277</b>	<b>279</b>	<b>(2)</b>	<b>0</b>	<b>(321)</b>	<b>(4)</b>	<b>8,228</b>

The €331 million decrease in net goodwill in 2013 was due mainly to the loss of control of operations in Turkey and to the currency effect in Brazil and Argentina.

(in € millions)	Net goodwill at December 31, 2012	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	Net goodwill at December 31, 2013
France	4,371	31			(8)		4,394
Italy	898				0		899
Belgium	955	3					959
Spain	862						862
Brazil	745			(11)		(127)	606
Poland	253	5				(5)	253
Turkey	176				(176)		0
Argentina	136				0	(38)	98
Other countries	211					(5)	206
<b>Total</b>	<b>8,608</b>	<b>39</b>	<b>0</b>	<b>(11)</b>	<b>(184)</b>	<b>(174)</b>	<b>8,277</b>

## 17.2 Other intangible assets

(in € millions)	December 31, 2014	December 31, 2013
Other intangible assets, at cost	3,796	2,911
Amortization	(2,380)	(2,035)
Impairment	(247)	(244)
Intangible assets in progress	146	134
<b>Other intangible assets, net</b>	<b>1,315</b>	<b>767</b>

(in € millions)	Cost	Amortization and impairment	Net
<b>At December 31, 2012</b>	<b>2,995</b>	<b>(2,194)</b>	<b>801</b>
Acquisitions	211		211
Disposals	(65)	33	(32)
Translation adjustment	(82)	61	(21)
Amortization		(185)	(185)
Impairment		(15)	(15)
Changes in scope of consolidation, transfers and other movements	(15)	23	8
<b>At December 31, 2013</b>	<b>3,044</b>	<b>(2,277)</b>	<b>767</b>
Acquisitions	287	0	287
Disposals	(62)	42	(20)
Translation adjustment	4	(4)	0
Amortization	0	(153)	(153)
Impairment	0	(5)	(5)
Changes in scope of consolidation, transfers and other movements	667	(229)	438
<b>At December 31, 2014</b>	<b>3,940</b>	<b>(2,625)</b>	<b>1,315</b>

## 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 2014 and 2013 in accordance with IAS 36 do not lead to the recognition of any impairment losses on these assets.

The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) applied for impairment testing purposes in 2013 and 2014 are presented below by CGU:

Country	2014		2013	
	After-tax discount rate	Perpetual growth rate	After-tax discount rate	Perpetual growth rate
France	6.1%	2.0%	6.2%	2.0%
Spain	6.5%	2.0%	7.6%	2.0%
Italy	6.5%	1.9%	7.3%	1.8%
Belgium	5.9%	2.0%	6.4%	2.0%
Poland	7.6%	2.3%	7.8%	2.3%
Romania	8.2%	2.1%	9.2%	2.3%
Brazil	11.1%	3.6%	10.3%	3.5%
Argentina	20.3%	7.7%	20.7%	6.2%
China	9.3%	3.0%	9.2%	3.0%
Taiwan	7.1%	2.0%	6.9%	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, 2014 did not reveal any impairments of goodwill.

For the Italy CGU, the recoverable amount of goodwill was found to be close to – but still greater than – the carrying amount.

Sensitivity analyses were performed to determine the changes in the main assumptions that would lead to an impairment loss being recognized. The amounts thereafter represent the difference between the recoverable amount and the carrying amount. The "-" sign indicates that the scenario would have led to the recognition of an impairment loss for the amount shown.

Sensitivity to changes in WACC and perpetual growth rate						Sensitivity to changes in net sales and EBITDA margin growth							
WACC (%)						Net sales growth (%)*							
		-1.00%	-0.50%	0.00%	0.50%	1.00%			-1.00%	-0.50%	0.00%	0.50%	1.00%
Perpetual growth (%)	-0.50%	719	435	208	22	-134	EBITDA margin growth (%)*	-0.50%	-47	-4	39	84	130
	-0.25%	880	562	309	105	-65		-0.25%	134	182	231	280	332
	0.00%	1,064	703	422	196	11		0.00%	315	368	422	477	533
	0.25%	1,275	863	547	296	93		0.25%	496	553	613	673	735
	0.50%	1,520	1,046	687	408	183		0.50%	677	739	804	869	937

\* 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 inputs 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, 2014	December 31, 2013
Land	2,473	2,380
Buildings	9,429	8,856
Equipment, fixtures and fittings	14,385	13,173
Other	400	423
Assets under construction	660	583
Finance leases – land	474	449
Finance leases – buildings	1,197	1,177
Finance leases – equipment, fixtures and fittings	85	83
Finance leases – other	0	0
<b>Property and equipment at cost</b>	<b>29,104</b>	<b>27,124</b>
Depreciation	(15,323)	(14,552)
Depreciation of assets under finance leases	(932)	(919)
Impairment	(578)	(544)
<b>Property and equipment, net</b>	<b>12,272</b>	<b>11,109</b>

## Changes in property and equipment

(in € millions)	Cost	Depreciation and impairment	Net
<b>At December 31, 2012</b>	<b>27,965</b>	<b>(16,456)</b>	<b>11,509</b>
Acquisitions	1,882		1,882
Disposals	(1,144)	1,028	(116)
Depreciation		(1,266)	(1,266)
Impairment		(52)	(52)
Translation adjustment	(966)	456	(510)
Changes in scope of consolidation, transfers and other movements (a)	(612)	275	(337)
<b>At December 31, 2013</b>	<b>27,124</b>	<b>(16,015)</b>	<b>11,109</b>
Acquisitions	2,050	0	2,050
Disposals	(808)	694	(114)
Depreciation	0	(1,253)	(1,253)
Impairment	0	(61)	(61)
Translation adjustment	185	(117)	69
Changes in scope of consolidation, transfers and other movements (b)	553	(80)	473
<b>At December 31, 2014</b>	<b>29,104</b>	<b>(16,832)</b>	<b>12,272</b>

(a) The net decrease of €337 million was due for the most part to the loss of control of operations in Turkey.

(b) The net increase of €473 million is due for the most part to the acquisition of Dia.

## 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, 2014

Finance leases (in € millions)	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	709	68	204	437
Discounted present value	449	64	162	222
<b>Operating leases (in € millions)</b>	<b>Total</b>	<b>Within one year</b>	<b>In one to five years</b>	<b>Beyond five years</b>
Minimum future lease payments	3,494	999	1,539	956
Discounted present value	2,744	929	1,212	603

### Lease financial impact related to 2014

Finance leases (in € millions)	Total
Minimum revenue receivable from sub-leases	9
Minimum lease payments made during the period	73
Contingent rentals	14
Revenue from sub-leases	24
<b>Operating leases (in € millions)</b>	<b>Total</b>
Minimum revenue receivable from sub-leases	48
Minimum lease payments made during the period	931
Contingent rentals	31
Revenue from sub-leases	286

## Lease commitments at December 31, 2013

<b>Finance leases</b> (in € millions)	<b>Total</b>	<b>Within one year</b>	<b>In one to five years</b>	<b>Beyond five years</b>
Minimum future lease payments	736	60	206	471
Discounted present value	447	56	163	228
<b>Operating leases</b> (in € millions)	<b>Total</b>	<b>Within one year</b>	<b>In one to five years</b>	<b>Beyond five years</b>
Minimum future lease payments	3,217	886	1,446	885
Discounted present value	2,551	826	1,136	587

## Lease financial impact related to 2013

<b>Finance leases</b> (in € millions)	<b>Total</b>
Minimum revenue receivable from sub-leases	11
Minimum lease payments made during the period	52
Contingent rentals	14
Revenue from sub-leases	16
<b>Operating leases</b> (in € millions)	<b>Total</b>
Minimum revenue receivable from sub-leases	26
Minimum lease payments made during the period	913
Contingent rentals	34
Revenue from sub-leases	274

**NOTE 19: INVESTMENT PROPERTY**

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

(in € millions)	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Investment property at cost	435	501
Depreciation and impairment	(139)	(188)
<b>Total</b>	<b>296</b>	<b>313</b>

### Changes in investment property

<b>At December 31, 2012</b>	<b>513</b>
Depreciation for the period	(28)
Translation adjustment	(11)
Acquisitions for the period	112
Disposals for the period	(0)
Transfers	(162)
Other movements (a)	(111)
<b>At December 31, 2013</b>	<b>313</b>
Depreciation for the period	(13)
Translation adjustment	1
Acquisitions for the period	74
Disposals for the period	(89)
Transfers	0
Other movements	9
<b>At December 31, 2014</b>	<b>296</b>

- (a) Including investment property concerned by the real estate transaction described in Note 3.1 reclassified as “Assets held for sale”  
 (b) Effect of the loss of control of operations in Turkey following reorganization of the local partnership.  
 (c) Disposals for 2014 concerned investment properties in Spain.

Rental revenue generated by investment property, reported in the income statement under “Other revenue”, totaled €59.6 million in 2014 (2013: €60.5 million). Operating costs directly attributable to the properties amounted to €6.8 million (2013: €5.5 million).

The estimated fair value of investment property was €753 million at December 31, 2014 (December 31, 2013: €833 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:

<b>At December 31, 2012</b>	<b>384</b>
Translation adjustment	(29)
Equity in net income	30
Dividends received	(30)
Other(a)	141
<b>At December 31, 2013</b>	<b>496</b>
Translation adjustment	5
Equity in net income	36
Dividends received	(33)
Other(b)	966
<b>At December 31, 2014</b>	<b>1,471</b>

- (a) The year-on-year change was mainly due to the use of the equity method to account for CarrefourSA following the reorganization of the partnership with Sabanci Holding in Turkey.  
 (b) The year-on-year change was mainly due to the first-time consolidation of the Carmila joint venture (see Note 3.1).



### 20.1.1 Joint ventures

The main financial indicators for the Carmila joint venture are as follows for 2014:

<i>Activity</i>	<i>Real estate</i>
<i>Country</i>	<i>France</i>
<i>Ownership % at December 31, 2014</i>	<i>42.22%</i>
in € million	8.5 months
Revenue (Rental income)	132
Operating income before depreciation and amortisation	101
Net income from continuing operations	15
Total non current assets	3,822
Total current assets	242
Cash and cash equivalent	127
Total non current liabilities	1,628
Total current liabilities	138
Amount of the investment in company accounted for by the equity method	963
Carrefour - Cash dividends received from Carmila	19

### 20.1.2 Associates

The main financial indicators for associates are presented below for 2014:

(in € millions)	% interest	On a 100% basis, including consolidation adjustments <sup>(1)</sup>				
		Total assets	Shareholders' equity	Non-current assets	Net sales	Net income/(loss)
<b>TOTAL</b>						
- CarrefourSA (Turkey)	46%	648	320	403	1,076	35
- Provenca SA (France)	50%	393	223	199	792	25
- Mestdagh (Belgium)	25%	215	70	74	575	(14)
- Ulysse (Tunisia)	25%	154	58	81	343	10
- Costasol (Spain)	34%	78	35	61	92	3
- Other companies <sup>(2)</sup>		554	211	376	1,008	5

(1) Source: financial statements available when the Group's consolidated financial statements were drawn up.

(2) Corresponding to a total of 146 companies, none of which is individually material.

### 20.2 Other non-current financial assets

(in € millions)	December 31, 2014	December 31, 2013
Investments in non-consolidated companies	78	60
Long-term loans	2	4
Deposits	709	697
Other	552	384
<b>Total other non-current financial assets</b>	<b>1,340</b>	<b>1,146</b>

**NOTE 21: DEFERRED TAXES**

The Group had a net deferred tax asset of €236 million at December 31, 2014, a decrease of €124 million compared with the previous year-end.

(in € millions)	December 31, 2013	December 31, 2012	Change
Deferred tax assets	759	881	(122)
Deferred tax liabilities	(523)	(521)	(2)
<b>Net deferred tax asset</b>	<b>236</b>	<b>361</b>	<b>(124)</b>

The following table shows the main sources of deferred taxes:

(in € millions)	Change				December 31, 2014
	December 31, 2013	Income statement	Shareholder's equity (other comprehensive income)	Changes in consolidation scope, translation adjustment, other	
Tax loss carryforwards	870	5	0	179	1,055
Property and equipment	344	(6)	0	(28)	309
Non-deductible provisions	851	(29)	72	15	909
Goodwill amortization allowed for tax purposes	173	14	0	(2)	185
Other intangible assets	5	(0)	0	2	7
Inventories	135	23	0	35	193
Financial instruments	28	18	(7)	(4)	34
Other temporary differences	414	6	1	(68)	353
<b>Deferred tax assets before netting</b>	<b>2,821</b>	<b>30</b>	<b>66</b>	<b>128</b>	<b>3,046</b>
Effect of netting deferred tax assets and liabilities	(495)	2	0	(89)	(583)
<b>Deferred tax assets net of deferred tax liabilities</b>	<b>2,325</b>	<b>32</b>	<b>66</b>	<b>39</b>	<b>2,463</b>
Valuation allowances on deferred tax assets	(1,444)	(83)	(4)	(173)	(1,704)
<b>Net deferred tax assets</b>	<b>881</b>	<b>(51)</b>	<b>63</b>	<b>(134)</b>	<b>759</b>
Property and equipment	(318)	39	0	(16)	(295)
Untaxed provisions	(248)	(61)	0	(37)	(347)
Goodwill amortization allowed for tax purposes	(182)	(6)	0	11	(177)
Other intangible assets	(8)	1	0	29	22
Inventories	(36)	(1)	0	(1)	(38)
Financial instruments	(32)	1	(16)	4	(43)
Other temporary differences	(192)	(20)	0	(18)	(230)
<b>Deferred tax liabilities before netting</b>	<b>(1,016)</b>	<b>(48)</b>	<b>(16)</b>	<b>(28)</b>	<b>(1,108)</b>
Effect of netting deferred tax assets and liabilities	495	0	0	90	585
<b>Deferred tax liabilities net of deferred tax assets</b>	<b>(520)</b>	<b>(48)</b>	<b>(16)</b>	<b>61</b>	<b>(523)</b>
<b>NET DEFERRED TAXES</b>	<b>361</b>	<b>(99)</b>	<b>47</b>	<b>(72)</b>	<b>236</b>

**Unrecognized deferred tax assets**

Unrecognized deferred tax assets amounted to €1,704 million at December 31, 2014 (December 31, 2013: €1,444 million), including €949 million related to tax loss carryforwards

(December 31, 2013: €743 million) and €754 million on temporary differences (December 31, 2013: €701 million).

**NOTE 22: INVENTORIES**

(in € millions)	December 31, 2014	December 31, 2013
Inventories at cost	6,444	5,978
Depreciation	(231)	(240)
<b>Inventories, net</b>	<b>6,213</b>	<b>5,738</b>

**NOTE 23: TRADE RECEIVABLES**

(in € millions)	December 31, 2014	December 31, 2013
Trade receivables	1,302	1,330
Depreciation	(185)	(203)
<b>Trade receivables, net</b>	<b>1,117</b>	<b>1,127</b>
Receivables from suppliers	1,144	1,086
<b>Total</b>	<b>2,260</b>	<b>2,213</b>

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, 2014	December 31, 2013
Available-for-sale financial assets	96	51
Derivative instruments	111	137
Deposits with maturities of more than three months	222	170
Other	76	1
<b>Total</b>	<b>504</b>	<b>359</b>

**NOTE 25: OTHER ASSETS**

(in € millions)	December 31, 2014	December 31, 2013
Employee advances	23	18
Proceeds receivable from disposals of non-current assets	120	14
Prepaid expenses	302	297
Other operating receivables, net	408	443
<b>Total</b>	<b>853</b>	<b>841</b>

**NOTE 26: CASH AND CASH EQUIVALENTS**

(in € millions)	December 31, 2014	December 31, 2013
Cash equivalents	1,086	3,019
Cash	2,027	1,738
<b>Total</b>	<b>3,113</b>	<b>4,757</b>

There are no material restrictions on the Group's ability to recover or use the assets and settle the liabilities of foreign operations, except for those resulting from local regulations in its host countries. The local supervisory authorities may require banking subsidiaries to keep a certain level of capital and liquidities, limit their exposure to other Group parties, and comply with other ratios.

**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, 2014, the share capital was made up of 734,913,909 ordinary shares with a par value of €2.5 each, all fully paid.

(in thousands of shares)	2014	2013
Outstanding at January 1	723,984	709,215
Issued for cash	-	-
Issued upon exercise of stock options	-	-
Issued in payment of dividends	10,930	14,770
Cancelled shares	-	-
<b>Outstanding at December 31</b>	<b>734,914</b>	<b>723,984</b>

### 27.3 Treasury stock

At December 31, 2014, a total of 23,386,284 shares were held in treasury (December 31, 2013: 22,806,284 shares).

	December 31, 2014	December 31, 2013	Change
Shares held directly	10,281,473	5,761,500	4,519,973
Shares held indirectly via an equity swap	13,104,811	17,044,784	(3,939,973)
<b>Treasury stock</b>	<b>23,386,284</b>	<b>22,806,284</b>	<b>580,000</b>

(1) or through a liquidity agreement set up in January 2014 with Oddo Corporate Finance.

#### 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, 2014, Carrefour was committed to buying back 13,104,811 shares under the equity swap for a total of €330 million recorded as a financial liability.

	Number of shares	Financial liability (in € millions)
Shares held indirectly via an equity swap at December 31, 2014	13,104,811	330
Forward purchases		
July 7, 2015	4,455,754	112
June 15, 2016	8,449,280	213
July 16, 2017	199,777	5

### 27.4 Dividends

The 2013 ordinary dividend of €0.62 per share was paid on May 28, 2014 as follows:

- 10,929,717 new shares were issued and delivered in settlement of reinvested dividends, increasing the capital by a total of €285 million (capital share and premiums).
- €149 million was paid in cash to shareholders who had not chosen to reinvest their dividends.

## 27.5 Non-controlling interests

Non-controlling interests mainly concern Carrefour Banque SA and its subsidiaries, which is 60.8%-owned by the Group. Key indicators are presented below.

in € million

Income statement		Statement of financial position	
Revenue (Net Banking Product)	440	Non current assets	2,400
Net result	49	Current assets	2,784
of which:			
- attributable to the Group	29	Non current liabilities (excluding shareholders' equity)	1,587
- attributable to non-controlling interests	20	Current liabilities	3,104
		<b>Dividends paid to non-controlling interests</b>	<b>11</b>

There are no individually material non-controlling interests in other subsidiaries.

## NOTE 28: SHARE-BASED PAYMENTS

The total cost of share-based payment plans amounted to €0.2 million in 2014, recorded under "Payroll costs" in recurring operating income (2013: €2 million). 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 the update to the Registration Document 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 2014 or 2013.

The following table provides **details of the stock option plans** that were in progress at December 31, 2014 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)
2007 Presence Plan	May 15, 2007	4,354,667	7 years	502	May 15, 2009 to May 14, 2014	0	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	431,088	29.55
2009 Presence Plan	June 17, 2009	6,974,861	7 years	2571	June 17, 2011 to June 16, 2016	5,502,482	29.55
2010 Performance Plan	July 16, 2010	1,439,017	7 years	56	July 17, 2012 to May 3, 2017	509,055	29.91
2010 Presence Plan II	July 16, 2010	1,941,610	7 years	507	July 17, 2012 to July 16, 2017	1,471,852	29.91
<b>Total</b>						<b>11,499,870</b>	

(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) Adjusted number of options 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, 2014 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 2014** were as follows:

<b>Options outstanding at December 31, 2013</b>	<b>15,303,093</b>
- of which, exercisable options	14,857,011
Options granted in 2014 <sup>(1)</sup>	0
Options exercised in 2014 <sup>(2)</sup>	0
Options cancelled or that expired in 2014	(3,803,223)
- of which, expired options <sup>(3)</sup>	(3,792,357)
- of which, cancelled options - Presence Plans	(2,311)
- of which, cancelled options - Performance Plans	(8,555)
<b>Options outstanding at December 31, 2014</b>	<b>11,499,870</b>
- of which, exercisable options	11,499,870

- (1) The Remunerations Committee decided not to grant any stock options in 2014.  
(2) No options were exercised in 2014 because they were out of the money.  
(3) The 2007 plan expired in May 2014. The 3,792,357 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.

<b>Fair value of the options at the grant date</b>	<b>2007 Presence Plan</b>	<b>2008 Presence Plan I</b>	<b>2008 Presence Plan II</b>
Exercise price in €	56.40	45.26	45.26
Reference share price in € on the grant date	52.23	32.8	43.94
Volatility, in %	25.54%	32.25%	33.15%
Dividend growth, in %	12.96%	2.25%	2.34%
Interest rate, in %	4.50%	4.80%	4.80%
<b>Fair value of the options, in €</b>	<b>10.92</b>	<b>7.31</b>	<b>14.74</b>
2014 amortization (in %)	0%	0%	0%
Accumulated amortization at December 31, 2014 (in %)	100%	100%	100%



Fair value of the options at the grant date	2009 Presence & Performance Plans	2010 Presence II & Performance Plans
Exercise price in €	33.7	34.11
Reference share price in € on the grant date	31.54	35.26
Volatility, in %	43.35%	22.85%
Dividend growth, in %	-34.95%	3.33%
Interest rate, in %	3.30%	(1)
<b>Fair value of the options, in €</b>	<b>12.67</b>	<b>5.96</b>
2014 amortization (in %)	0%	3%
Accumulated amortization at December 31, 2014 (in %)	100%	100%

(1) Reuters page on the pricing date

## 28.2 Stock grants

No new stock grants were made in 2014 and no stock grants were outstanding at December 31, 2014.

## NOTE 29: PROVISIONS

(in € millions)	December 31, 2013	Translation adjustment	Increases	Discounting adjustment	Reversals of surplus provisions	Utilizations	Other	December 31, 2014
Post-employment benefit obligations – Note 30	1,272	1	118	196	(114)	(61)	14	1,426
Claims and litigation	1,814	7	523	0	(337)	(448)	11	1,570
<i>Tax reassessments<sup>(1)</sup></i>	1,075	4	256	0	(158)	(279)	(6)	892
<i>Disputes with current and former   employees</i>	423	3	197	0	(146)	(96)	5	385
<i>Legal disputes</i>	316	1	70	0	(33)	(73)	11	292
Restructuring	120	2	46	0	(17)	(28)	18	140
Other <sup>(2)</sup>	413	0	74	0	(37)	(32)	27	444
<b>Total</b>	<b>3,618</b>	<b>11</b>	<b>760</b>	<b>196</b>	<b>(505)</b>	<b>(569)</b>	<b>69</b>	<b>3,581</b>

- (1) Provisions for tax claims decreased by a net €183 million in 2014, reflecting revised estimates of the potential cost associated with certain tax risks, and the reversal of certain provisions following payments in settlement of several old tax disputes.
- (2) 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, 2014, the claims and legal proceedings in which the Group was involved were covered by provisions totaling €1,570 million (December 31, 2013: €1,814 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 in particular 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.

In 2009, the Group set up a supplementary pension plan. The main terms of this defined benefit plan are as follows:

- Plan participants must have completed at least three years' service at the time of retirement, their annual compensation must be greater than 16 times the annual ceiling for Social Security contributions and they must still be employed by the Group at the time of retirement.
- Plan participants hired at age 45 or over are credited with up to 10 years' service as follows: age 45 = 0 year; age 46 = 1 year; age 47 = 2 years, etc.
- Years of service taken into account for the calculation of plan benefits are capped at 20 years.
- Benefits: 1.5% of the reference compensation per year of service. The reference compensation corresponds to the average of the last three years' salary and bonus or 60 times the annual ceiling for Social Security contributions whichever is lower.
- The replacement rate represented by pension benefits from all sources is capped at 50% of the reference compensation,
- The annual benefit is capped at 25% of the participant's compensation for the last full year of service.
- Upon the participant's death, a reversionary pension is payable to the surviving spouse in an amount equal to 50% of the original benefit.

##### **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 statutory 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 sum 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 Trattamento 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 in full discharge of the Group's obligation, which therefore only concerns deferred salary rights that vested before 2007.

### 30.2 Net income/expense for the period

Expense recognized in the income statement (in € millions)	France	Belgium	Italy	Other countries	Group total
Service cost <sup>(1)</sup>	60	7	0	(0)	67
Interest cost (discount effect)	27	10	1	1	39
Return on plan assets	(3)	(3)	0	(0)	(6)
Other items	0	(0)	0	0	(0)
<b>Expense (income) for 2013</b>	<b>84</b>	<b>15</b>	<b>1</b>	<b>0</b>	<b>100</b>
Service cost <sup>(1)</sup>	(70)	7	(3)	3	(63)
Interest cost (discount effect)	30	10	4	1	45
Return on plan assets	(3)	(3)	0	(0)	(6)
Other items	(0)	0	0	(1)	(1)
<b>Expense (income) for 2014</b>	<b>(43)</b>	<b>14</b>	<b>1</b>	<b>2</b>	<b>(25)</b>

(1) The following table presents details of service cost:

2013 (in € millions)	France	Belgium	Italy	Other countries	Group total
Current service cost	59	6	0	2	67
Past service cost (plan amendments and curtailments)	7	0	0	0	7
Settlements and other	(5)	1	0	(2)	(6)
<b>Total service cost</b>	<b>60</b>	<b>7</b>	<b>0</b>	<b>(0)</b>	<b>67</b>
2014 (in € millions)	France	Belgium	Italy	Other countries	Group total
Current service cost	55	7	0	0	63
Past service cost (plan amendments and curtailments)	(105)	0	(3)	3	(105)
Settlements and other	(20)	0	0	(0)	(20)
<b>Total service cost</b>	<b>(70)</b>	<b>7</b>	<b>(3)</b>	<b>3</b>	<b>(63)</b>

The net income for 2014 in the amount of €25 million corresponds to €67 million deducted from employee benefits expense, less €39 million recorded in financial expense and €3 million recorded in non-recurring expense.

### 30.3 Change in the provision

<b>Balance sheet movements (in € millions)</b>	France	Belgium	Italy	Other countries	<b>Group total</b>
<b>Provision at December 31, 2012</b>	<b>813</b>	<b>249</b>	<b>145</b>	<b>50</b>	<b>1,256</b>
Movements recorded in the income statement	84	15	1	0	100
Benefits paid directly by the employer	(6)	(21)	(8)	(0)	(36)
Change in actuarial gains and losses <sup>(1)</sup>	(4)	0	0	(10)	(15)
Change in actuarial gains and losses	(28)	(16)	13	(1)	(32)
Other	(0)	0	(0)	(2)	(3)
<b>Provision at December 31, 2013</b>	<b>859</b>	<b>227</b>	<b>150</b>	<b>37</b>	<b>1,272</b>
Movements recorded in the income statement	(43)	14	1	2	(25)
Benefits paid directly by the employer	(3)	(15)	(12)	(1)	(31)
Effect of changes in scope of consolidation	26	0	2	(15)	13
Change in actuarial gains and losses <sup>(1)</sup>	150	34	12	1	196
Other	(1)	1	0	(0)	1
<b>Provision at December 31, 2014</b>	<b>987</b>	<b>261</b>	<b>153</b>	<b>23</b>	<b>1,425</b>

(1) This line breaks down as follows:

<b>2013 (in € millions)</b>	France	Belgium	Italy	Other countries	<b>Group total</b>
Actuarial (gain)/loss due to experience	4	(6)	2	2	1
Actuarial (gain)/loss due to demographic assumption changes	(7)	0	(2)	(0)	(9)
Actuarial (gain)/loss due to financial assumption changes	(24)	(5)	13	(2)	(18)
Return on Plan Assets (Greater) / Less than Discount Rate	(1)	(4)	0	0	(5)
<b>Changes in actuarial gains and losses</b>	<b>(28)</b>	<b>(16)</b>	<b>13</b>	<b>(1)</b>	<b>(32)</b>
<b>2014 (in € millions)</b>	France	Belgium	Italy	Other countries	<b>Group total</b>
Actuarial (gain)/loss due to experience	(45)	0	(4)	(0)	(49)
Actuarial (gain)/loss due to demographic assumption changes	22	0	0	1	24
Actuarial (gain)/loss due to financial assumption changes	174	39	16	(0)	229
Return on Plan Assets (Greater) / Less than Discount Rate	(2)	(5)	0	(0)	(8)
<b>Changes in actuarial gains and losses</b>	<b>150</b>	<b>34</b>	<b>12</b>	<b>1</b>	<b>196</b>

### 30.4 Plan assets

<b>Change in the fair value of plan assets (in € millions)</b>	France	Belgium	Italy	Other countries	<b>Group total</b>
<b>Fair value at December 31, 2012</b>	<b>134</b>	<b>93</b>	<b>0</b>	<b>6</b>	<b>233</b>
Effect of changes in scope of consolidation	0	0	0	0	0
Expected return on plan assets	3	3	0	0	6
Benefits paid out of plan assets	(30)	(13)	0	(0)	(43)
Actuarial gain/(loss)	1	4	0	0	5
Other	0	5	0	(1)	4
<b>Fair value at December 31, 2013</b>	<b>108</b>	<b>92</b>	<b>0</b>	<b>4</b>	<b>204</b>
Effect of changes in scope of consolidation	1	0	0	0	1
Expected return on plan assets	3	3	0	(0)	6
Benefits paid out of plan assets	(21)	(12)	0	(1)	(34)
Actuarial gain/(loss)	2	5	0	0	8
Other	1	0	0	3	5
<b>Fair value at December 31, 2014</b>	<b>93</b>	<b>89</b>	<b>0</b>	<b>6</b>	<b>188</b>

Plan assets break down as follows by asset class:

	<b>December 31, 2014</b>			<b>December 31, 2013</b>		
	Bonds	Equities	Real estate and other	Bonds	Equities	Real estate and other
France	68%	4%	28%	65%	16%	18%
Belgium	72%	20%	9%	70%	20%	10%

All bonds and equities held in plan asset portfolios are listed securities.

### 30.5 Measurement of the defined benefit obligation

Obligation (in € millions)	France	Belgium	Italy	Other countries	Group total
Provision	859	227	150	37	1,272
Fair value of plan assets	108	92	0	4	204
<b>Defined Benefit Obligation (DBO) at December 31, 2013</b>	<b>966</b>	<b>319</b>	<b>150</b>	<b>41</b>	<b>1,475</b>
Provision	987	261	153	23	1,425
Fair value of plan assets	93	89	0	6	188
<b>Defined Benefit Obligation (DBO) at December 31, 2014</b>	<b>1,080</b>	<b>350</b>	<b>153</b>	<b>30</b>	<b>1,613</b>

### 30.6 Actuarial assumptions and sensitivity analysis

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

	2014	2013
Retirement age	60-65	60-65
Rate of future salary increases	2.1% to 3.0%	2.0% to 3.0%
Inflation rate	1.9%	2%
Discount rate	1.5% to 1.9%	2.7% to 3.2%

Projected benefit obligations were calculated using a discount rate of 1.90% (2013: 3.20%) for the French and Belgian plans and 1.50% (2013: 2.70%) for the Italian plan. These rates are based on an index of AA-rated corporate bonds with maturities similar to the estimated duration of the defined benefit obligation.

The average duration of the defined benefit obligation under French, Belgian and Italian plans is 11.5 years, 10.4 years and 11 years respectively.

Sensitivity tests show that a 25-bps increase in the discount rate would have a negative impact of around €43 million on the defined benefit obligation under the French, Belgian and Italian plans.

The tests also show that a 25-bps increase in the inflation rate would have an impact of around €8 million 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 around a dozen 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 Argentina, the tax authorities have challenged Carrefour's omission of certain categories of supplier rebates from the basis for calculating sales tax. Total reassessment notified for the period 1996-2004 amounted to ARS 580 million (approximately €57 million). The Group has contested the tax authorities' interpretation. The estimated risk is reviewed regularly with Carrefour Argentina's advisors and an appropriate provision is recorded.

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.

### **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.

### **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****32.1 Net debt****32.1.1 Net debt calculation**

Net debt at December 31, 2014 amounted to €4,954 million, an increase of €837 million from December 31, 2013. This amount breaks down as follows:

(in € millions)	December 31, 2014	December 31, 2013
Bonds and notes	6,915	7,462
Other borrowings	1,078	1,356
Commercial paper	120	-
Finance lease liabilities	398	388
<b>Total borrowings before derivative instruments recorded in liabilities</b>	<b>8,511</b>	<b>9,206</b>
Derivative instruments recorded in liabilities	61	27
<b>Total long and short-term borrowings <sup>(1)</sup></b>	<b>8,572</b>	<b>9,233</b>
<i>Of which, long-term borrowings</i>	<i>6,815</i>	<i>7,550</i>
<i>Of which, short-term borrowings</i>	<i>1,757</i>	<i>1,683</i>
Other current financial assets	504	359
Cash and cash equivalents	3,113	4,757
<b>Total current financial assets (2)</b>	<b>3,618</b>	<b>5,116</b>
<b>Net debt = (1) – (2)</b>	<b>4,954</b>	<b>4,117</b>

**32.1.2 Bonds and notes**

(in € millions)		December 31, 2013	Issues	Repayments	Other movements	December 31, 2014
<b>Public placements</b>	Maturity	<b>7,156</b>	<b>1,000</b>	<b>(1,216)</b>		<b>6,940</b>
Euro Bond Fixed rate, EUR, 7 years, 5.125%	2014	649		(649)		
EMTNs, EUR, 5 years, 5.125%	2014	250		(250)		
Euro Bond Fixed rate, EUR, 7 years, 5.375%	2015	644				644
Euro Bond Fixed rate, EUR, 10 years, 3.825%	2015	50				50
Euro Bond Fixed rate, EUR, 10 years, 3.8%	2015	50				50
Euro Bond Fixed rate, EUR, 10 years, 4.375%	2016	263		(96)		167
EMTNs, EUR, 4 years, 4.375%	2016	500				500
EMTNs, EUR, 8 years, 4.678%	2017	250				250
EMTN, EUR, 5 years, 1.875%	2017	1,000				1,000
Euro Bond Fixed rate, EUR, 7 years, 5.25%	2018	500		(221)		279
EMTNs, EUR, 6 years, 1.75%	2019	1,000				1,000
EMTNs, EUR, 10 years, 4.00%	2020	1,000				1,000
EMTNs, EUR, 11 years, 3.875%	2021	1,000				1,000
EMTNs, EUR, 8 years, 1.75%	2022	1,000	1,000			1,000
<b>Private placements</b>		<b>279</b>		<b>(279)</b>		
<b>Costs related to the buybacks carried out in July 2014 <sup>(1)</sup></b>					<b>(50)</b>	<b>(50)</b>
<b>Adjustment to fair value hedges of fixed rate borrowings</b>		<b>26</b>			<b>(1)</b>	<b>25</b>
<b>Total bonds and notes</b>		<b>7,462</b>	<b>1,000</b>	<b>(1,496)</b>	<b>(51)</b>	<b>6,915</b>

(1) Since the terms of the new bond issue were not substantially different from the two earlier issues that were redeemed, the initial liability has been maintained in the balance sheet and the transaction costs have been included in the initial measurement of amortized cost in accordance with IAS 39.

### 32.1.3 Other borrowings

(in € millions)	December 31, 2014	December 31, 2013
Equity swap liability	330	429
Brazilian and Argentinan borrowings	200	149
Other borrowings	350	367
Accrued interest <sup>(1)</sup>	112	97
Other items	87	314
<b>Total</b>	<b>1,078</b>	<b>1,356</b>

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

Part of Carrefour Brazil's bank borrowings (€26 million at December 31, 2014 and €40 million at December 31, 2013) 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 loans having been repaid in January 2015, the banks canceled their rights under the covenants as of December 31, 2014.

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

### 32.2.1 Analysis by interest rate

(in € millions)	December 31, 2014		December 31, 2013	
	before hedging	after hedging	before hedging	after hedging
Fixed rate borrowings	8,035	7,473	8,483	8,161
Variable rate borrowings	450	1,038	696	1,045
<b>Total</b>	<b>8,485</b>	<b>8,511</b>	<b>9,179</b>	<b>9,206</b>

### 32.2.2 Analysis by currency

The following analysis by currency concerns borrowings including the impact of currency swaps.

(in € millions)	December 31, 2014	December 31, 2013
Euro	8,120	8,802
Brazilian real	120	157
Chinese yuan	23	79
Taiwan dollar	73	78
Argentine peso	101	46
Polish zloty	69	36
Romanian leu	6	6
<b>Total</b>	<b>8,511</b>	<b>9,206</b>

Euro-denominated borrowings represented 95% of total borrowings at December 31, 2014 (December 31, 2013: 96%).



**32.2.3 Analysis by maturity**

(in € millions)	December 31, 2014	December 31, 2013
Due within one year	1 696	1 683
Due in 1 to 2 years	1 329	1 242
Due in 2 to 5 years	2 486	2 955
Due beyond 5 years	3 000	3 326
<b>Total</b>	<b>8 511</b>	<b>9 206</b>

**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 light 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, 2014, consumer credit totaled €5,980 million (December 31, 2013: €5,602 million), as follows:

(in € millions)	December 31, 2014	December 31, 2013
Payment card receivables	4,149	3,834
Loans	2,145	2,063
Consumer credit (on purchases made in Carrefour stores)	90	191
Other financing	395	305
Provisions	(801)	(796)
Other	3	5
<b>Total consumer credit granted by the financial services companies</b>	<b>5,980</b>	<b>5,602</b>
<i>Short-term financing</i>	<i>3,420</i>	<i>3,221</i>
<i>Long-term financing</i>	<i>2,560</i>	<i>2,381</i>

The related consumer credit financing amounted to €5,308 million at December 31, 2014, as follows:

(in € millions)	December 31, 2014	December 31, 2013
Debt securities (retail certificates of deposit, medium-term notes)	1,568	1,292
Bank borrowings	460	507
Bonds and notes <sup>(1)</sup>	1,254	897
Customer passbook savings deposits	524	580
Securizations <sup>(2)</sup>	637	900
Consumer credit portfolios sold to banks	522	348
Other	343	385
<b>Total</b>	<b>5,308</b>	<b>4,909</b>
<i>Short-term borrowings</i>	<i>3,718</i>	<i>3,145</i>
<i>Long-term borrowings</i>	<i>1,589</i>	<i>1,765</i>

(1) In 2014:

- Carrefour Banque's €500 million four-year bond issue at 3-month Euribor +75 bps carried out on March 21, 2014.
- Buyback and retirement in July 2014 of €150 million worth of bonds included in the €710 million issue carried out in 2012.

In 2013:

- Carrefour Banque's €300 million three-year bond issue at 3-month Euribor +85 bps carried out on April 16, 2013.
- Buyback and retirement on December 16, 2013 of €150 million worth of bonds included in the €710 million issue carried out in 2012.

(2) This item comprises two securitization programs launched by Carrefour Banque:

- Master Credit Cards Pass reloadable securitization program with compartments launched in November. Asset pool: €560 million. Proceeds from the securitization: €400 million. Fund amount at December 31, 2014: €510 million following the November 2014 reload.
- "FCT Copernic 2012-1" compartment of the FCT Copernic reloadable securitization fund launched in 2012. Asset pool: €855 million. Proceeds from the securitization: €500 million (class A1 notes). Fund amount at December 31, 2014: €127 million.

The two securitization funds are fully consolidated in the Group's accounts.

**NOTE 34: FINANCIAL INSTRUMENTS**

<b>At December 31, 2014</b>		<b>Breakdown by category</b>						
(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)	Debt hedged by fair value hedges	Derivative instruments	Fair value
Investments in non-consolidated companies	78	-	78	-	-	-	-	78
Other long-term investments	1,262	-	403	859	-	-	-	1,262
Other non-current financial assets	1,340	-	481	859	-	-	-	1,340
Consumer credit granted by the financial services companies	5,980	-	-	5,976	-	-	4	5,980
Trade receivables	2,260	-	-	2,260	-	-	-	2,260
Other current financial assets	504	-	96	297	-	-	111	504
Other assets <sup>(1)</sup>	551	-	-	551	-	-	-	551
Cash and cash equivalents	3,113	3,113	-	-	-	-	-	3,113
<b>ASSETS</b>	<b>13,748</b>	<b>3,113</b>	<b>577</b>	<b>9,943</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>13,748</b>
Total long- and short-term borrowings	8,572	-	-	-	7,986	525	61	9,147
Total consumer credit financing	5,308	-	-	-	5,015	293	-	5,308
Suppliers and other creditors	13,384	-	-	13,384	-	-	-	13,384
Other payables <sup>(2)</sup>	2,910	-	-	2,910	-	-	-	2,910
<b>LIABILITIES</b>	<b>30,174</b>	<b>-</b>	<b>-</b>	<b>16,294</b>	<b>13,001</b>	<b>818</b>	<b>61</b>	<b>30,749</b>

(1) Excluding prepaid expenses

(2) Excluding deferred revenue

<b>At December 31, 2013</b>		<b>Breakdown by category</b>						
(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)	Debt hedged by fair value hedges	Derivative instruments	Fair value
Investments in non-consolidated companies	60	-	60	-	-	-	-	60
Other long-term investments	1,086	-	225	860	-	-	-	1,086
Other non-current financial assets	1,146	-	285	860	-	-	-	1,146
Consumer credit granted by the financial services companies	5,602	-	-	5,597	-	-	5	5,602
Trade receivables	2,213	-	-	2,213	-	-	-	2,213
Other current financial assets	359	-	51	171	-	-	137	359
Other assets <sup>(1)</sup>	545	-	-	545	-	-	-	545
Cash and cash equivalents	4,757	4,757	-	-	-	-	-	4,757
<b>ASSETS</b>	<b>14,621</b>	<b>4,757</b>	<b>336</b>	<b>9,385</b>	<b>-</b>	<b>-</b>	<b>142</b>	<b>14,621</b>
Total long- and short-term borrowings	9,233	-	-	-	8,679	526	27	9,592
Total consumer credit financing	4,911	-	-	-	4,542	369	-	4,911
Suppliers and other creditors	12,854	-	-	12,854	-	-	-	12,854
Other payables <sup>(2)</sup>	2,686	-	-	2,686	-	-	-	2,686
<b>LIABILITIES</b>	<b>29,682</b>	<b>-</b>	<b>-</b>	<b>15,539</b>	<b>13,221</b>	<b>895</b>	<b>27</b>	<b>30,042</b>

(1) Excluding prepaid expenses

(2) Excluding deferred revenue

**Analysis of assets and liabilities measured at fair value**

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, 2014**

(in € millions)	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			78	<b>78</b>
Other long-term investments	403			<b>403</b>
Available-for-sale financial assets		96		<b>96</b>
Derivative instruments recorded in current financial assets		111		<b>111</b>
Cash and cash equivalents	3,113			<b>3,113</b>
Derivative instruments recorded in liabilities		(51)	(9)	<b>(61)</b>

**December 31, 2013**

(in € millions)	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			60	<b>60</b>
Other long-term investments	225			<b>225</b>
Available-for-sale financial assets		51		<b>51</b>
Derivative instruments recorded in current financial assets		137		<b>137</b>
Cash and cash equivalents	4,757			<b>4,757</b>
Derivative instruments recorded in liabilities		(18)	(9)	<b>(27)</b>

No assets or liabilities were reclassified between the various levels between December 31, 2010 and 2014.

**NOTE 35: OTHER PAYABLES**

(in € millions)	December 31, 2014	December 31, 2013
Accrued employee benefits expense	1,856	1,696
Due to suppliers of non-current assets	706	739
Deferred revenue	111	77
Other payables	349	251
<b>Total</b>	<b>3,022</b>	<b>2,763</b>

**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 through regular debt issuance programs, 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, described in a prospectus filed with the Banque de France.
- Maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2014, the Group had three undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of €4,449 million. Group policy consists of keeping these facilities on stand-by to support 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, 2014 since, at that date, it had €4.45 billion in committed syndicated lines of credit with no drawing restrictions, expiring in 2017, 2018 and 2019. In addition, it had sufficient cash reserves at that date to meet its debt repayment obligations in 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 four years and four 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 over a three-year period performed by comparing static forecasts of committed financing facilities with dynamic lending forecasts.
- Gradually achieve compliance with the new Basel III liquidity coverage ratios, through a process that is designed to deliver a sustainable improvement in asset quality by investing in a dedicated fund eligible for inclusion in the ratio calculation (LCR – Liquidity Coverage Ratio).
- Diversify refinancing sources to include bank lines of credit, bond issues, securitization programs, money market issues and customer deposits. During 2014, Carrefour Banque carried out two major public placements to support the financing and development of its businesses:
  - o €500 million was raised through a four-year variable rate bond issue carried out in March.
  - o €110 million was raised through the November launch of a revolving credit receivables securitization program, whose master trust structure will allow Carrefour Banque to dynamically manage asset-backed securities series issued by the securitization fund.

These two operations, which together raised €610 million, 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.

In November 2014, Carrefour Banque secured its refinancing sources by rolling over its €750 million five-year syndicated line of credit and negotiating two one-year extension options, one year ahead of the facility's December 2015 expiry date.

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

December 31, 2014	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
<i>(in € millions)</i>					
Borrowings hedged by fair value hedges	500	524	12	512	0
Borrowings hedged by cash flow hedges	0	0	0	0	0
Fixed rate borrowings	7,163	7,992	1,572	3,313	3,106
Unhedged borrowings	450	456	236	220	0
Finance lease liabilities	398	709	68	204	437
Derivative instruments	61	49	35	5	9
<b>Total long and short-term borrowings</b>	<b>8,572</b>	<b>9,729</b>	<b>1,923</b>	<b>4,254</b>	<b>3,553</b>
Suppliers and other creditors	13,384	13,384	13,384	0	0
Consumer credit financing	5,308	5,308	3,718	1,589	0
Other payables <sup>(1)</sup>	2,910	2,910	2,910	0	0
<b>Total</b>	<b>30,174</b>	<b>31,331</b>	<b>21,935</b>	<b>5,843</b>	<b>3,553</b>

(1) Excluding deferred revenue

December 31, 2013	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
<i>(in € millions)</i>					
Borrowings hedged by fair value hedges	500	572	23	549	0
Borrowings hedged by cash flow hedges	251	252	0	251	0
Fixed rate borrowings	7,637	8,624	1,927	3,550	3,147
Unhedged borrowings	429	441	105	336	0
Finance lease liabilities	388	745	68	206	471
Derivative instruments	27	37	10	10	17
<b>Total long and short-term borrowings</b>	<b>9,233</b>	<b>10,671</b>	<b>2,133</b>	<b>4,903</b>	<b>3,635</b>
Suppliers and other creditors	12,854	12,854	12,854		
Consumer credit financing	4,911	4,911	3,145	1,765	
Other payables <sup>(1)</sup>	2,686	2,686	2,686		
<b>Total</b>	<b>29,682</b>	<b>31,121</b>	<b>20,818</b>	<b>6,668</b>	<b>3,635</b>

(1) Excluding deferred revenue

## 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 recommending 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 basic swaps and options. 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:

<i>(in € millions)</i>	50-bps decline		50-bps increase	
	Impact on shareholders' equity	Impact on income statement	Impact on shareholders' equity	Impact on income statement
<i>(- = loss; + = gain)</i>				
Investments	-	(6.2)	-	6.2
Variable rate borrowings	-	(1.7)	-	1.7
Borrowings hedged by fair value hedges	-	(2.5)	-	2.5
Swaps qualified as fair value hedges	-	5.2	-	(5.1)
Swaps qualified as cash flow hedges	-	-	-	-
Options classified as cash flow hedges	-	(7.0)	-	22.4
Options classified as held for trading	-	0.0	-	0.2
<b>Total effect</b>	<b>0.0</b>	<b>(12.2)</b>	<b>0.0</b>	<b>27.9</b>

## 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.

The following table shows the effect of an increase/decrease in exchange rates on instruments accounted for as cash flow hedges:

(in € millions)	10% decline		10% increase	
	Impact on shareholders' equity	Impact on income statement	Impact on shareholders' equity	Impact on income statement
USD / EUR Cash Flow hedging position	39.4	-	(39.4)	-
HGK / EUR Cash Flow hedging position	(0.5)	-	0.4	-

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 euro 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 eurozone.

The translation risk on foreign operations outside the eurozone mainly concerns the Brazilian real and Argentine peso. For example, changes in the average exchange rates used in 2014 compared with those for 2013 reduced consolidated net sales by €2,356 million or 3.2% and operating income by €74 million or 2.9%.

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	December 31, 2014	December 31, 2013
(in € millions)		
Investments in non-consolidated companies	78	60
Other long-term investments	1,262	1,086
<b>Total other non-current financial assets</b>	<b>1,340</b>	<b>1,146</b>
Consumer credit granted by the financial services companies	5,980	5,602
Trade receivables	2,260	2,213
Other current financial assets	504	359
Other assets <sup>(1)</sup>	551	545
Cash and cash equivalents	3,113	4,757
<b>Maximum exposure to credit risk</b>	<b>13,748</b>	<b>14,641</b>

(1) Excluding prepaid expenses



#### 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.

At December 31, 2014, trade receivables net of impairment amounted to €1,117 million (see Note 23). At that date, past due receivables amounted to a net €129 million, with receivables over 90 days past due representing 2.9% of total trade receivables net of impairment. No additional depreciation has 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, 2014	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 one year
Consumer credit granted by the financial services companies	5,981	5,822	39	24	28	67

  

(in € millions)	December 31, 2013	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 one year
Consumer credit granted by the financial services companies	5,602	5,387	92	30	17	75

#### Analysis of consumer loans by maturity

##### December 31, 2014

(in € millions)	TOTAL	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	2,834	952	1,701	181
Belgium	188	8	174	6
Spain	1,448	1,071	198	178
Italy	190	93	97	
Argentina	174	170	4	
Brazil	1,146	1,126	20	
<b>Total</b>	<b>5,980</b>	<b>3,421</b>	<b>2,194</b>	<b>366</b>

##### December 31, 2013

(in € millions)	TOTAL	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	2,875	1,010	1,663	202
Belgium	196	176	20	
Spain	1,313	932	174	206
Italy	180	87	61	32
Argentina	145	142	3	
Brazil	892	874	18	
<b>Total</b>	<b>5,602</b>	<b>3,221</b>	<b>1,940</b>	<b>441</b>

## 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 option plans. The frequency and size of these purchases depend on the share price.

At December 31, 2014, shares and options held directly or indirectly by the Group covered its total commitments under outstanding stock option.

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, 2014	December 31, 2013	Change
Change in inventory	(310)	(135)	(176)
Change in trade receivables	80	(34)	114
Change in trade payables	246	(31)	277
Change in loyalty program liabilities and other	(78)	276	(355)
<b>Change in trade working capital requirement</b>	<b>(63)</b>	<b>76</b>	<b>(139)</b>
Change in other receivables and payables	81	(361)	442
<b>Change in working capital requirement</b>	<b>18</b>	<b>(284)</b>	<b>302</b>

**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, 2014	By maturity			December 31, 2013
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
<b>Related to cash management transactions</b>	<b>7,869</b>	<b>5,719</b>	<b>1,505</b>	<b>645</b>	<b>8,258</b>
<i>Financial services companies</i>	6,969	5,541	1,419	8	7,150
<i>Other companies</i>	900	177	86	637	1,107
<b>Related to operations/real estate/expansion, etc.</b>	<b>2,795</b>	<b>1,516</b>	<b>972</b>	<b>306</b>	<b>1,942</b>
<b>Related to sales of securities</b>	<b>171</b>	<b>45</b>	<b>53</b>	<b>73</b>	<b>169</b>
<b>Related to leases</b>	<b>3,494</b>	<b>999</b>	<b>1,539</b>	<b>956</b>	<b>3,217</b>
<b>TOTAL</b>	<b>14,328</b>	<b>8,278</b>	<b>4,069</b>	<b>1,981</b>	<b>13,586</b>
Commitments received (in € millions)	December 31, 2014	By maturity			December 31, 2013
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
<b>Related to cash management transactions</b>	<b>6,819</b>	<b>1,197</b>	<b>4,201</b>	<b>1,422</b>	<b>6,752</b>
<i>Financial services companies</i>	1,563	449	1,095	19	1,656
<i>Other companies</i>	5,256	748	3,106	1,403	5,096
<b>Related to operations/real estate/expansion, etc.</b>	<b>921</b>	<b>220</b>	<b>466</b>	<b>235</b>	<b>882</b>
<b>Related to sales of securities</b>	<b>337</b>	<b>237</b>	<b>72</b>	<b>28</b>	<b>303</b>
<b>Related to leases</b>	<b>654</b>	<b>235</b>	<b>339</b>	<b>80</b>	<b>830</b>
<b>TOTAL</b>	<b>8,730</b>	<b>1,889</b>	<b>5,077</b>	<b>1,764</b>	<b>8,766</b>

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.
- Other commitments given or received.

Off-balance sheet commitments related to purchases and 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 immediately exercisable put and call 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, 2014, 685 hypermarket properties and 515 supermarket properties were owned outright out of a total consolidated store base of 1,194 hypermarkets and 1,335 supermarkets.

Rent on store properties not owned by the Group totaled €908 million in 2014 (see Note 9).

Of total future minimum rentals, 25% are due within one year, 41% in one to five years and 34% 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 €3,494 million, or €2,744million after discounting (see Note 18).

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 €219 million in 2014. 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 €654 million, or €530 million after discounting.

#### NOTE 40: EMPLOYEE INFORMATION

	December 31, 2014	December 31, 2013
Average number of Group employees	368,797	351,463
Number of Group employees at the period-end	381,227	363,989

#### NOTE 41: RELATED PARTIES

The following table presents the main related party transactions carried out in 2014 with companies over which the Group exercised significant influence or joint control at December 31, 2014.

(in € millions)	CarrefourSA (Turkey)	Provencia (France)	Mestdagh (Belgium)	Ulysse (Tunisia)	Carmila (France)
Net sales (sales of goods)	-	545	71	3	-
Franchise fees	3	9	8	2	-
Service agreements	-	-	-	-	2
Receivables at December 31	1	30	7	1	-

**NOTE 42: MANAGEMENT COMPENSATION**

The following table shows the compensation paid by the Group to serving members of the Management team and the Board of Directors during 2014 and 2013.

(in € millions)	2014	2013
Compensation for the period	4.2	4.3
Prior year bonus	6.3	4.7
Benefits in kind (accommodation and company car)	0.1	0.2
<b>Total compensation paid during the period</b>	<b>10.5</b>	<b>9.2</b>
Employer payroll taxes	3.6	3.2
Termination benefits	-	0.4

Other management benefit plans are as follows:

- Defined benefit pension plan described in Note 30.
- Stock option and stock grant plans. The serving members of the Management team at December 31, 2014 held 6,160 stock options at that date. The serving members of the Management team at December 31, 2013 held 142,575 stock options at that date.

Directors' attendance fees paid to members of the Board of Directors amounted to €0.8 million in 2014 (2013: €0.8 million).

**NOTE 43: SUBSEQUENT EVENTS**

On January 22, 2015, the Group obtained a new €2,500 million five-year bank facility (expiring in January 2020) with two one-year extension options from a pool of 22 banks. This facility replaces two existing facilities, for €1,591 million and €1,458 million, expiring in July 2017 and November 2018 respectively.

The operation contributed to the ongoing strategy to secure the Group's long-term financing sources by extending the average maturity of its facilities (from 3.5 years to 4.7 years at January 22, 2015), and reduce the related borrowing costs, while aligning their amount with the Group's needs.

On January 27, 2015, the Group carried out a new €750 million 10.3-year 1.25% bond issue due June 2025. The issue's settlement date was February 3, 2015.

The issue has consolidated the Group's long-term financing, extended the average maturity of its bond debt (from 4.2 years to 4.8 years at February 3, 2015) and further reduced its borrowing costs.

No 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**

(in € millions)	2014				2013			
	Deloitte & Associés	KPMG	Mazars	Total	Deloitte & Associés	KPMG	Mazars	Total
Audit services	2.3	10.2	2.5	15.1	2.3	9.1	2.5	13.9
Other services	0.8	0.3	0.1	1.2	0.7	0.5	0.1	1.3
<b>TOTAL</b>	<b>3.1</b>	<b>10.5</b>	<b>2.6</b>	<b>16.3</b>	<b>3.0</b>	<b>9.6</b>	<b>2.6</b>	<b>15.2</b>

**NOTE 45: SCOPE OF CONSOLIDATION****45.1 Fully consolidated companies at December 31, 2014****FRANCE**Percent interest  
used in  
consolidation

AJACCIO DISTRIBUTION	100,0
ALFROY	100,0
ALSATOP	100,0
AMIDIS ET CIE	100,0
AVENUE	52,0
BELLEVUE DISTRIBUTION	100,0
BLO DISTRIBUTION	100,0
BOEDIM	100,0
BREM 63 SCI	51,0
C.S.D	74,0
C.S.F	100,0
CADS	97,7
CALLOUETS	51,0
CAMPUS ERTECO	100,0
CARAUTOROUTES	100,0
CARCOOP	100,0
CARDADEL	100,0
CARFUEL	100,0
CARIMA	100,0
CARLIER	100,0
CARMA	50,0
CARMA COURTAGE	50,0
CARMA VIE	50,0
CARREFOUR ADMINISTRATIF FRANCE	100,0
CARREFOUR BANQUE (Ex S2P - SOCIETE DES PAIEMENTS PASS)	60,8
CARREFOUR DRIVE	100,0
CARREFOUR FRANCE	100,0
CARREFOUR France PARTICIPATION	100,0
CARREFOUR HYPERMARCHES	100,0
CARREFOUR IMPORT	100,0
CARREFOUR MANAGEMENT	100,0
Carrefour Marchandises Internationales	100,0
CARREFOUR MONACO	100,0
CARREFOUR PARTENARIAT INTERNATIONAL	100,0
CARREFOUR PROPERTY DEVELOPEMENT	58,2
CARREFOUR PROPERTY France	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	100,0
CARREFOUR SUPPLY CHAIN	100,0
CARREFOUR SYSTEME INFORMATION FRANCE	100,0
CARREFOUR VOYAGES	100,0
CARTAILLAN	100,0
CARVILLENEUVE	100,0
CENTRE DE FORMATION ET COMPETENCES	100,0
CHALLENGER	100,0
CHAMNORD	59,4
CHRISTHALIE	100,0
CIGOTOP	100,0
CLAIREFONTAINE	100,0
COMPAGNIE D'ACTIVITE ET DE COMMERCE INTERNATIONAL -CACI-	100,0
COSG	100,0
COVIAM 8	100,0
COVICAR 2	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
CRFP17	100,0
CRFP18	100,0
CRFP19	100,0
CRFP4	100,0
CRFP8	100,0
CSD TRANSPORTS	74,0
DAUPHINOISE DE PARTICIPATIONS	100,0
DE FONTALES	100,0
DE KERSALUN	100,0
DE LA COQUERIE	51,0
DE LA FONTAINE	51,0
DE SIAM	51,0
DELDIS	99,0
DIGITAL MEDIA SHOPPER	100,0
DISTRIVAL	100,0
ECALHAN	51,0
ED FRANCHISE	100,0
EPG	66,0
ERTECO	100,0
ERTECO FRANCE	100,0
FALDIS	99,9
FAVICAR	100,0
FCT Copemic 2012	60,8
FCT Master Credit Card 2013	60,8
FINANCIERE RSV	100,0
FINIFAC	100,0
FLORADIS	100,0
FORUM DEVELOPEMENT	100,0
GAMACASH	100,0
GEILEROP	100,0
GENEDIS	100,0
GERNIMES	100,0
GIE CARREFOUR PERSONAL FINANCE SERVICES	57,9
GIMONDIS	100,0
GM CARREFOUR	100,0
GMDIS	100,0
GUILVIDIS	100,0
GUYENNE & GASCOGNE	100,0
GVTIMM	51,0
HAUTS DE ROYA	100,0
HERMES	100,0
HYPARLO	100,0
HYPERMARCHES DE LA VEZERE	50,0
IMMAUFFAY	51,0
IMMO ARTEMARE	51,0
IMMO BACQUEVILLE	51,0
IMMOBILIERE CARREFOUR	100,0
IMMOBILIERE ERTECO	100,0
IMMOCYPRIEN	51,0
IMMODIS	100,0
IMMODIVINE	51,0
IMMOLOUBES	51,0
IMMOTOURNAY	51,0
INTERDIS	100,0
KERGALYS	100,0
LA BAUDRIERE	51,0
LA BLANCHISSERIE	100,0
LA CROIX VIGNON	51,0
LA GERSOISE	51,0
LA GUJANNAISE	100,0
LA MESTRASAISE	100,0
LALAUDIS	99,0



LANN KERGUEN	51,2
LAPALUS	100,0
LE COURTEMBLET	100,0
LE PHENIX	100,0
LES TASSEAUX	51,0
LES TRANCHEES	100,0
LES VALLEES	51,0
LIMADOR	100,0
LOCTUDIS	100,0
LOGIDIS	100,0
LUDIS	100,0
LVDIS	100,0
MAISON JOANNES BOUBEE	100,0
MARIC	100,0
MATOLIDIS	100,0
MAXIMOISE DE CREATION	51,0
MELGVEN DISTRIBUTION	100,0
MENUDIS	100,0
MICHEL HOCHARD	100,0
MONTECO	100,0
MONTEL DISTRIBUTION	100,0
MORTEAU DISTRIBUTION	100,0
MPF PODIROUX	100,0
NOBLADIS	100,0
NOSAEL	51,0
NOVA.DIS	100,0
ON LINE CARREFOUR	100,0
OOSHOP	100,0
OPCI KART CRF	100,0
P.R.M.	100,0
PHIVETOL	100,0
PROFIDIS	100,0
PROFIDIS ET CIE	100,0
PROLACOUR	100,0
RESSONS	51,0
SAINT HERMENTAIRE	100,0
SAINTE VICTOIRE DISTRIBUTION	100,0
SAM PROSPECTIVE	90,0
SAMAD	100,0
SCI LA SEE	100,0
SELIMA	100,0
SELOJA	51,0
SIGOULIM	51,0
SOCIETE DES NOUVEAUX HYPERMARCHES	100,0
SODIMOB	100,0
SODISAL	100,0
SODISCAF	100,0
SODITA	100,0
SODITRIVE	100,0
SOFALINE	100,0
SOFIDIM	98,9
SOPROMAL	100,0
SOTRESCO	100,0
SOVAL	100,0
SOVIDIS	100,0
SOVIDIS PROPRIANO	100,0
STELAJR	99,9
STENN	100,0
SUPERDIS	96,5
TERTRA	51,0
TOURANGELLE DE PARTICIPATIONS	100,0
UNICAGES	100,0
UNIVU	100,0
VALECAR	100,0
VARJEA	100,0
VEZERE DISTRIBUTION	50,0
VISAGE	100,0
VIZEGU	90,1

**GERMANY**

CARREFOUR PROCUREMENT INTERNATIONAL AG & CO. KG	100,0
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**ARGENTINA**

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

**BELGIUM**

BIGG'S SA	100,0
BRUGGE RETAIL ASSOCIATE	100,0
CARREFOUR BELGIUM	100,0
CARREFOUR Finance	100,0
CARUM	100,0
DE NETELAAR	100,0
DEURNE RETAIL ASSOCIATE	100,0
DIKON	100,0
DRIVE 1	100,0
DRIVE 2	100,0
ECLAIR	100,0
EXTENSION BEL-TEX	100,0
FILUNIC	100,0
FIMASER	60,8
FOMAR	100,0
FRESHFOOD	100,0
GB RETAIL ASSOCIATES SA	100,0
GENT DAMPOORT RETAIL ASSOCIATE	100,0
GROSFruit	100,0
HALLE RETAIL ASSOCIATE	100,0
HEPPEN RETAIL ASSOCIATE	100,0
LA LOUVIERE RETAIL ASSOCIATE	100,0
MABE	100,0
MARKET A1 CBRA	100,0
MARKET B2 CBRA	100,0
MARKET C3 CBRA	100,0
MARKET D4 CBRA	100,0
NORTHSHORE PARTICIPATIONS	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
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	90,0
BANCO CSF S.A.	45,9
BSF HOLDING S.A.	45,9
CARREFOUR COMMERCIO E INDUSTRIA LTDA	90,0
COMERCIAL DE ALIMENTOS CARREFOUR S.A.	90,0
IMOPAR PARTICIPACOES E ADMINISTRACAO IMOBILIARIA LTDA	90,0
PANDORA PARTICIPACOES LTDA.	90,0
RIOBONITO ASSESSORIA DE NEGOCIOS LTDA.	90,0
TROPICARGAS TRANSPORTES LTDA.	90,0
VERPARINVEST S.A	90,0

**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
Carrefour(SH) Supply Chain 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
CHONGQING CARREFOUR COMMERCIAL CO LTD	65.0
DALIAN CARREFOUR COMMERCIAL CO., LTD.	65.0
DONGGUAN CARREFOUR COMMERCIAL CO., LTD	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	83.0
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
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 PROXIMITY SUPERMARKET	100.0
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
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
CARREFOURONLINE S.L (SUBMARINO HISPANIA)	100.0
CENTROS COMERCIALES CARREFOUR, S.A.	100.0
CORREDURIA DE SEGUROS CARREFOUR	100.0
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

**IRLAND**

Carrefour Insurance Limited	100.0
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**ITALIA**

Carrefour banca	60.8
Carrefour Italia Finance Srl	100.0
CARREFOUR ITALIA SPA	100.0
CARREFOUR PROPERTY ITALIA SRL	99.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BRIANZA	52.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BUOLO	89.0
CONSORZIO PROPRIETARI CENTRO COMMERCIALE GIUSSANO	76.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE MASSA	54.1
CONSORZIO PROPRIETARI CENTRO COMMERCIALE THIENE	57.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE TORINO MONTECUCCO	87.2
CONSORZIO PROPRIETARI CENTRO COMMERCIALE VERCELLI	84.2
Diperdi Srl	99.8
GS SPA	99.8
S.C.A.R.L. Shopville Gran Reno	57.7
SOCIETA SVILUPPO COMMERCIALE SRL	99.8

**LUXEMBOURG**

VELASQUES SA	100.0
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**NETHERLANDS**

ALCYION, 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
FOURET BV	100,0
FRANCOFIN BV	100,0
HYPER GERMANY BV	100,0
HYPER INVEST BV	100,0
INTERCROSSROADS BV	100,0
SOCA BV	100,0

**POLAND**

CARREFOUR POLSKA	100,0
CARREFOUR POLSKA WAW	100,0
CPA WAW 1 SKA	100,0
IBES	100,0
WIGRY	100,0

**ROMANIA**

ARTIMA SA	100,0
CARREFOUR MERCHANDISING	100,0
CARREFOUR ROUMANIE	100,0
MILITARI GALERIE COMERCIALA	100,0
SUPECO INVESTMENT SRL	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

## 45.2 Companies accounted for by the equity method at December 31, 2014

## FRANCE

Percent interest  
used in  
consolidation

ABREDIS	50,0
ADIALEA	45,0
ALEXANDRE	50,0
AUDIST SAS	50,0
AZAYDIS	34,0
AZIMMO	33,8
BLADIS	33,3
BORDEROUGE	40,0
CALODIAN DISTRIBUTION	50,0
CARDUTOT	26,0
CARGAN	50,0
CARMILA	42,2
CERBEL	50,0
CEVIDIS	50,0
CHERBOURG INVEST	48,0
CHRISTIA	50,0
CINQDIS 09	50,0
CJA DISTRIBUTION	50,0
COLODOR	50,0
CONCEPT 2003	50,0
COROU	50,0
COVIAM 21	50,0
DECODIS	50,0
DEPOT PETROLIER DE LYON	50,0
DEPOTS PETROLIERS COTIERS	24,4
DIPLO	50,0
DIRIC	50,0
DISMONPT	50,0
DISTRI PALAVAS	50,0
DU MOULIN	50,0
ENTREPOT PETROLIER DE VALENCIENNES	34,0
FABCORJO	50,0
FARO	50,0
FERRARI	50,0
FIVER	50,0
FONCIERE MARSEILLAN	50,0
FONCIERE PLANES	50,0
FONCIERE SOLANDIS	33,8
FRELUM	50,0
GANDIS	50,0
GERIC GIE	60,8
GPVM	30,0
GRANDI	50,0
GWENDA	50,0
HBLP	25,0
IDEC	50,0
IMMO ST PIERRE EGLISE	50,0
JOSIM	34,0
JUPILOU	34,0
LA CATALANE DE DISTRIBUTION	50,0
LA CRAUDIS	50,0
LAITA BELON DISTRIBUTION	50,0

LB LE PLAN	50,0
LE CLAUZELS	50,0
LE PETIT BAILLY	50,0
LEATILD	50,0
LES OLMIERS	50,0
LEZIDIS	50,0
LSODIS	50,0
LUMIMMO	51,0
MADIS	50,0
MAGODIS	50,0
MAISON VIZET FABRE	29,1
MALISSOL	50,0
MARIDYS	50,0
MASSEINE	50,0
MAUDIS	50,0
MBD	50,0
NASOCA	50,0
NOUKAT	50,0
OLICOURS	50,0
OUIDIS	50,0
PAM	50,0
PASLUD	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
ROND POINT	34,0
ROSE BERGER	50,0
SAM	50,0
SCA	50,0
SCB	26,0
SCI DOMINIQUE	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	50,0
SCYCADIS	50,0
SEREDIS	26,0
SIFO	50,0
SMD	50,0
SME	50,0
SOCADIS	50,0
SOCADIS CAVALAIRE	50,0
SODIBOR	50,0
SODYEN	50,0
SOFIDIS	50,0
SOLANDIS	34,0
SOQUIMDIS	50,0
SOVADIS	50,0
ST PAUL DE DISTRIBUTION	50,0
Ste du Depot pétrolier de Nanterre	20,0
STE FINANCIERE GERIC	34,9
TARDIS	50,0
TURENNE	50,0
VALMENDIS	50,0

**BELGIQUE**

MESTDAGH	25,0
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**ESPAGNE**

2013 COÑAGO NEVADO	26,0
2013 CID OTERO	26,0
2013 ALBADALEJO VALENCIA	26,0
2013 MARTINEZ CARRION	26,0
2013 GISBERT CATAÑA	26,0
2013 SOBAS ROMERO	26,0
2013 CORCOLES ARGADONA SL	26,0
2011 CAYETANO PANELLES, S.L.	26,0
2013 ALVARO EFREM JIMENEZ	26,0
2013 CORDOBA RODRIGUEZ	26,0
2013 ERIK DAVID	26,0
2013 FLORES HERNANDEZ	26,0
2013 LIZANDA TORTAJADA	26,0
2013 NAYARA S.MARTIN	26,0
2013 VICENTE ARLANDIS	26,0
ANTONIO PEREZ, S.L.	26,0
COSTASOL DE HIPERMERCADOS, S.L.	34,0
DIAGONAL PARKING, S.C.	58,0
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

**ITALIE**

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

**POLOGNE**

C SERVICES	30,0
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**ROUMANIE**

PLOIESTI SHOPPING CITY	50,0
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**TUNISIE**

ULYSSE	25,0
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**TURQUIE**

CARREFOUR SABANCI TICARET MERKEZI AS CARREFOURSA	46,2
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