

# HALF YEAR RESULTS

AUGUST 29<sup>th</sup>, 2013



**HALF YEAR  
RESULTS**

August 29<sup>th</sup>, 2013

# INTRODUCTION

Georges PLASSAT



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# FINANCIAL RESULTS

Pierre-Jean SIVIGNON



## H1 2013 Preliminary Remarks

### ***Business***

- **The Group continued to reorganize and strengthen its partnerships in Turkey, the Middle East and Africa**
  - Reorganization of its partnership with Sabanci in Turkey: Carrefour now hold 46.2% of CarrefourSA
  - Reorganization of its partnership with Majid Al Futtaim: Carrefour sold its 25% stake in Majid Al Futtaim Hypermarkets for €530 million to its regional partner and reinforced the franchise partnership in the Middle East, North Africa and Central Asia
  - Partnership agreement with CFAO: creation of a joint venture 55%-held by CFAO and 45% by Carrefour to develop stores in Western and Central Africa



## H1 2013 Preliminary Remarks

### ***Accounting standards***

- As a reminder, in accordance with IFRS 5 and following the refocusing of the Group over the last months, income and expenses from discontinued activities (Greece, Singapore, Colombia, Malaysia, Indonesia and Turkey) have been reclassified on the “Net income from discontinued operations” line of the consolidated income statement in 2012 and 2013.
- The 2012 accounts were readjusted to reflect the application of the amended standard IAS 19 (*Employee Benefits*), accounted for retrospectively as of January 1<sup>st</sup>, 2013.



## H1 2013 Key Figures

(€m)	H1 2012 <sup>(1)</sup>	H1 2013 <sup>(2)</sup>	Var. at constant exch. rates	Var. at current exch. rates
<b>Net sales</b>	<b>36,777</b>	<b>36,464</b>	<b>+1.4%</b>	<b>-0.8%</b>
Commercial income	7,908	7,986	+3.4%	+1.0%
EBITDA <sup>(3)</sup>	1,479	1,482	+2.4%	+0.2%
<i>EBITDA margin</i>	4.0%	4.1%	+10bp	+10bp
<b>ROI (Recurring operating income)</b>	<b>730</b>	<b>766</b>	<b>+7.7%</b>	<b>+4.9%</b>
<i>ROI margin</i>	2.0%	2.1%	+20bp	+10bp
Non recurring items	-21	489		
Net income from continuing operations, Group share	231	519		
Net income from discontinued operations, Group share	-229	383		
<b>Net income, Group share</b>	<b>3</b>	<b>902</b>		<b>+€0.9bn</b>
<b>Net debt at close</b>	<b>9,629</b>	<b>5,894</b>		<b>-€3.7bn</b>

(1) Figures for 2013 and the comparative 2012 information presented in this document take into account the classification of certain activities in accordance with IFRS 5 – Assets held for sale and discontinued operations (Greece, Singapore, Colombia, Malaysia, Indonesia and Turkey) as well as the retrospective application of the amended standard IAS 19 – Employee benefits.

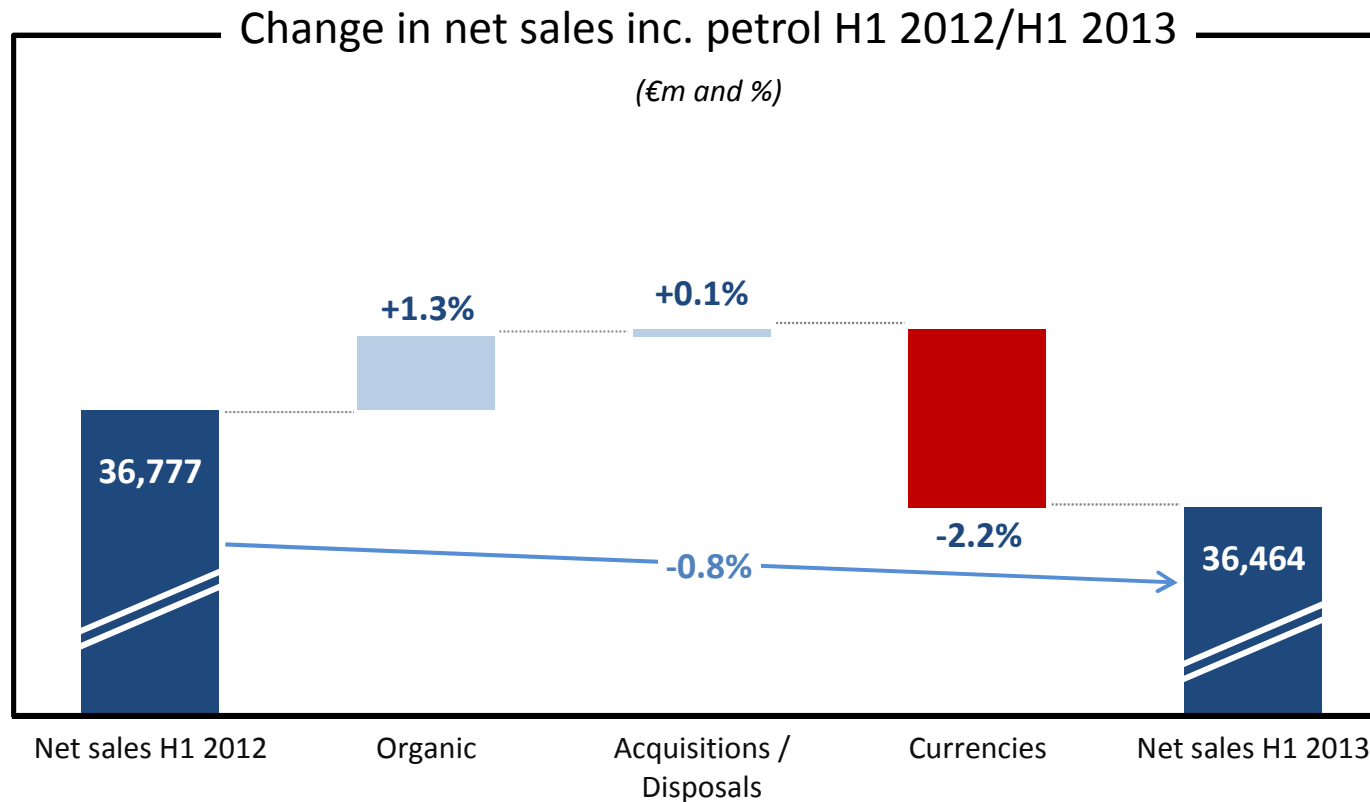
(2) The H1 2013 consolidated financial statements approved by the Board of Directors on August 28, 2013 have been audited by the Statutory Auditors.

(3) Recurring operating income before depreciation and amortization



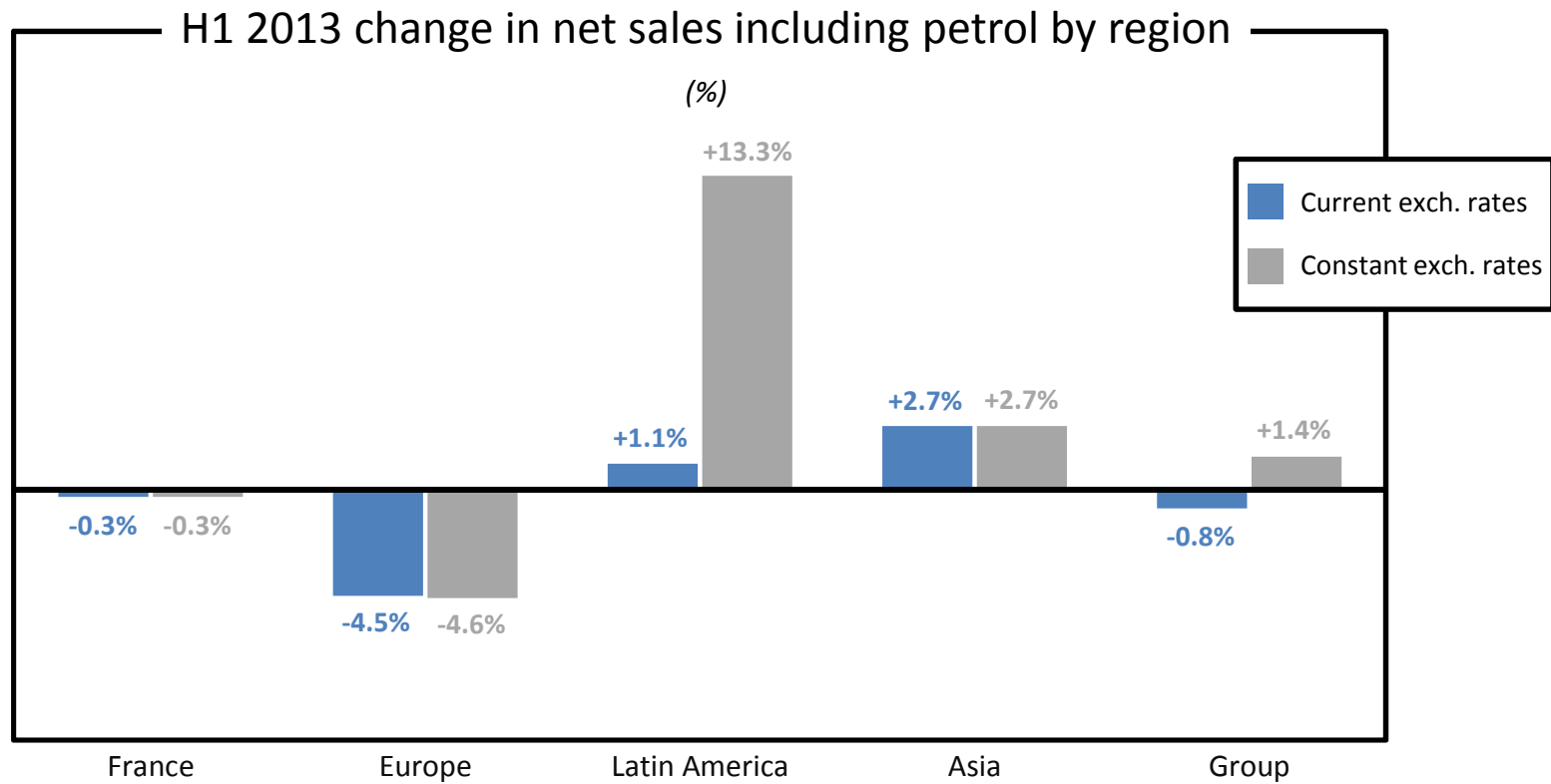
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## Organic growth in H1 2013, negative impact from currencies





## Growth in emerging markets, stable sales in France







## Growth in commercial income

(€m)	H1 2012	<b>H1 2013</b>	Var. at constant exch. rates	Var. at current exch. rates
<b>Net sales</b>	<b>36,777</b>	<b>36,464</b>	<b>+1.4%</b>	<b>-0.8%</b>
<b>Commercial income</b>	<b>7,908</b>	<b>7,986</b>	<b>+3.4%</b>	<b>+1.0%</b>
<i>Commercial margin %</i>	<i>21.5%</i>	<i>21.9%</i>	<i>+40bp</i>	<i>+40bp</i>

- Growth of both commercial income and commercial margin
- Commercial margin recovery in France
- Latin America benefited from sales growth



## SG&A under control

(€m)	H1 2012	H1 2013	Var. at constant exch. rates	Var. at current exch. rates
<b>SG&amp;A including asset costs</b>	<b>7,179</b>	<b>7,221</b>	<b>+3.0%</b>	<b>+0.6%</b>
<i>As a % of sales</i>	<i>19.5%</i>	<i>19.8%</i>	<i>+30bp</i>	<i>+30bp</i>
<b>SG&amp;A excluding asset costs</b>	<b>5,984</b>	<b>6,045</b>	<b>+3.6%</b>	<b>+1.0%</b>
<i>As a % of sales</i>	<i>16.3%</i>	<i>16.6%</i>	<i>+40bp</i>	<i>+30bp</i>
<b>Asset costs</b>	<b>1,195</b>	<b>1,175</b>	<b>-0.2%</b>	<b>-1.7%</b>
<i>As a % of sales</i>	<i>3.2%</i>	<i>3.2%</i>	<i>Stable</i>	<i>Stable</i>

- Stability of SG&A costs in France and Europe
- Tight control in Brazil and China
- Argentina impacted by wage inflation and price freeze
- Asset costs decreased



## France: Significant increase in ROI

<i>(€m)</i>	H1 2012	H1 2013	Var.
<b>Net sales</b>	<b>16,995</b>	<b>16,947</b>	<b>-0.3%</b>
<b>ROI</b>	<b>275</b>	<b>482</b>	<b>+75.4%</b>
<i>As a % of sales</i>	<i>1.6%</i>	<i>2.8%</i>	<i>+120bp</i>

- ROI of €482m, up €207m, a 120bp margin increase
  - Commercial margin up as a result of action plans
  - Stability of SG&A costs
  - Good profitability in all formats



## Other European countries: Difficult economic environment in the South

<i>(€m)</i>	H1 2012	H1 2013	Var.
<b>Net sales</b>	<b>9,605</b>	<b>9,176</b>	<b>-4.5%</b>
<b>ROI</b>	<b>153</b>	<b>36</b>	<b>-76.4%</b>
<i>As a % of sales</i>	<i>1.6%</i>	<i>0.4%</i>	<i>-120bp</i>

- Regional sales and profits impacted by persistently tough economic conditions in Southern Europe
  - Commercial margin resilience, constant focus on price positioning
  - Stability of SG&A costs
  - Italy strongly impacted regional profitability in the half



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## Latin America: Growth of sales and ROI at constant currencies

(€m)	H1 2012	H1 2013	Var. at constant exch. rates	Var. at current exch. rates
Net sales	6,879	6,953	+13.3%	+1.1%
ROI	231	217	+3.1%	-6.0%
<i>As a % of sales</i>	3.4%	3.1%	-30bp	-30bp

- ROI of €217m, up 3.1% at constant exchange rates (negative currency impact of 9.1%)
  - Commercial margin held up well
  - Better profitability in Brazil with tight management of SG&A costs
  - Profitability in Argentina impacted by wage inflation not reflected in sales due to the price freeze in place between February and June 2013



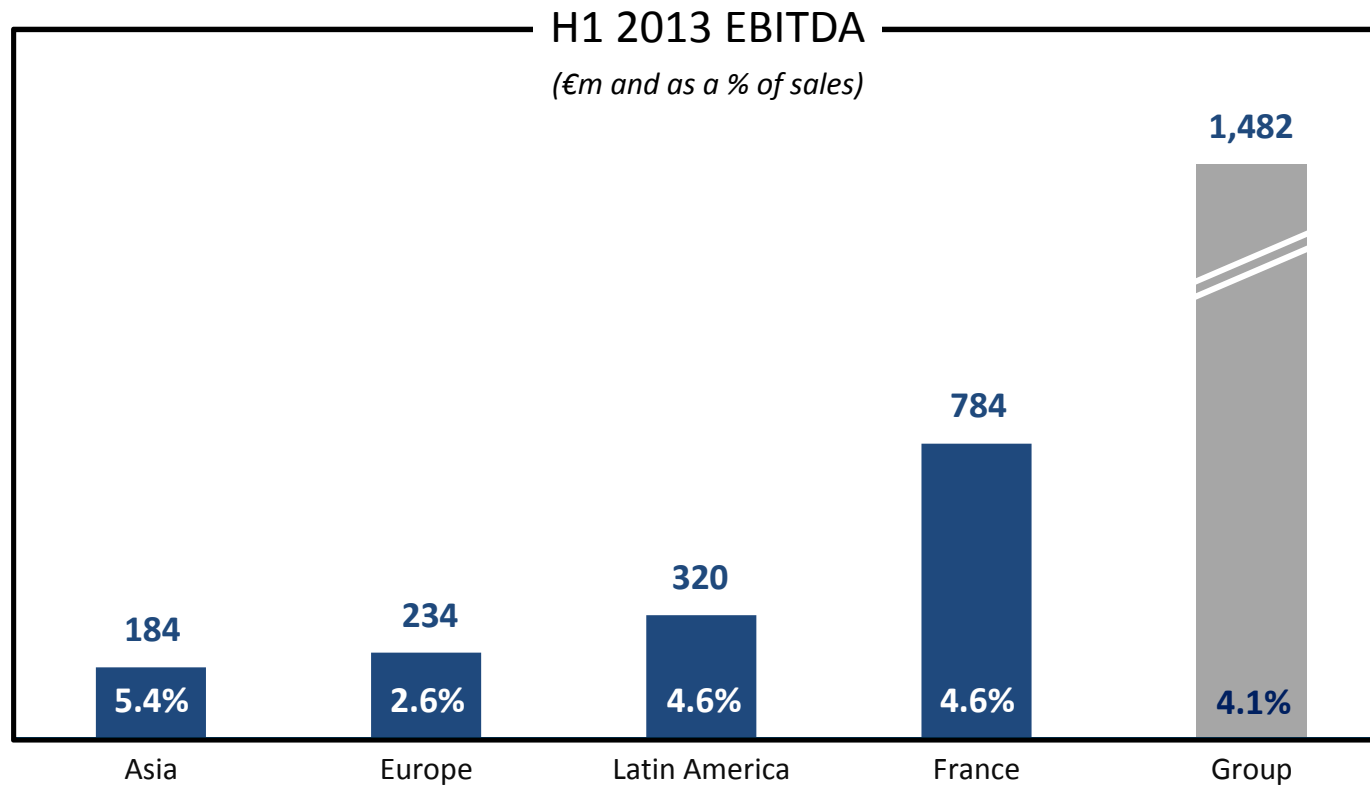
## Asia : Continued growth against a backdrop of wage inflation

(€m)	H1 2012	H1 2013	Var. at constant exch. rates	Var. at current exch. rates
Net sales	3,298	3,388	+2.7%	+2.7%
ROI	105	91	-13.4%	-12.9%
<i>As a % of sales</i>	3.2%	2.7%	-50bp	-50bp

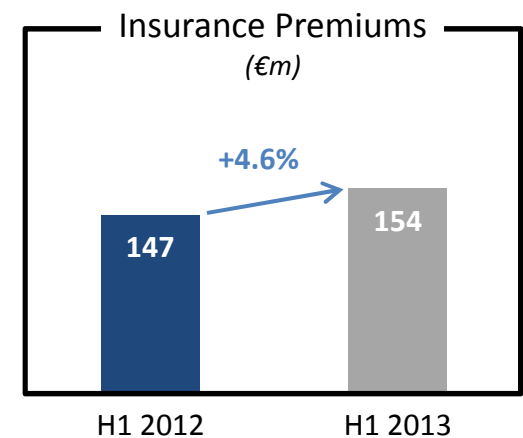
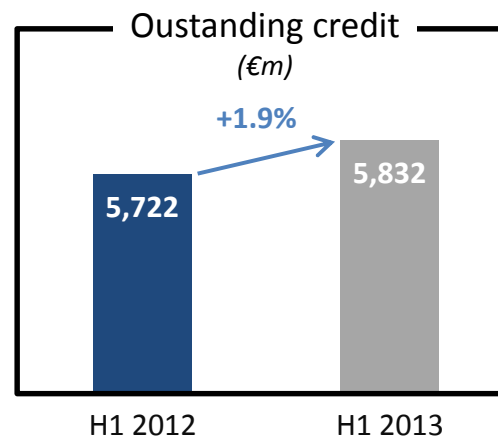
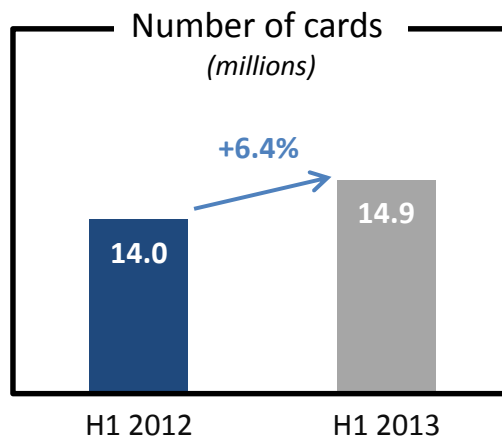
- Decrease in profits in the region
  - China and Taiwan regained momentum in the second quarter
  - Commercial margin held up well
  - SG&A costs reflect wage inflation and continued expansion in China



## Solid H1 2013 EBITDA



## Financial Services and Insurance: Growth of key indicators

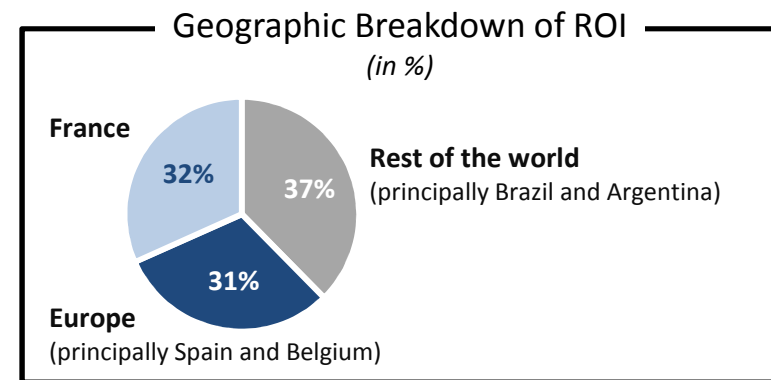
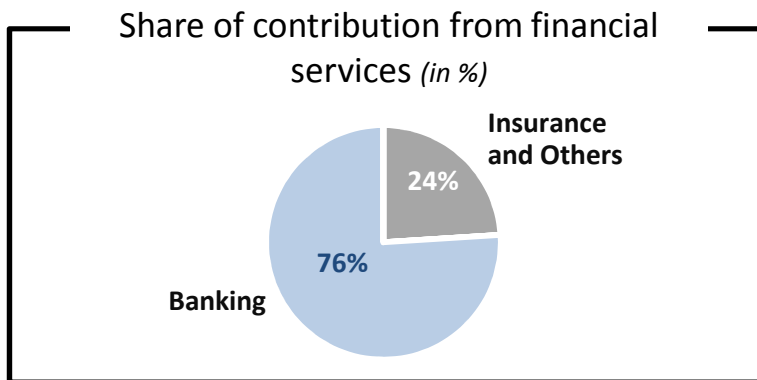
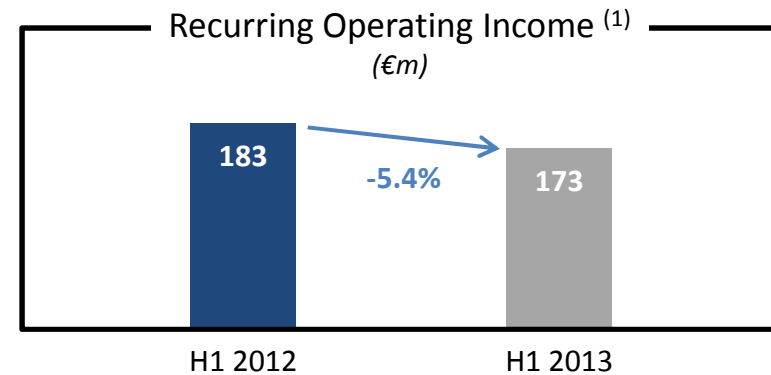
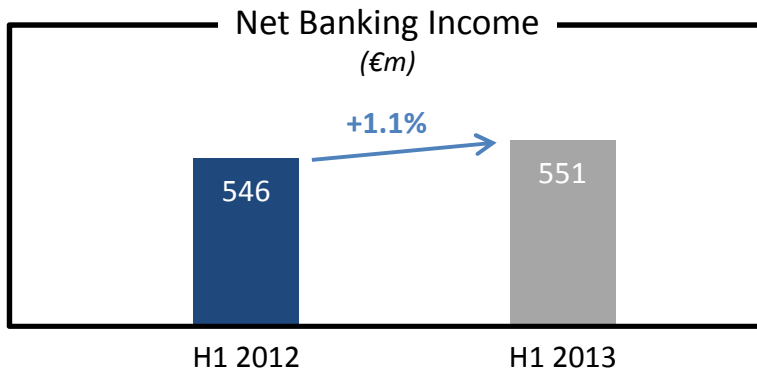


- Ongoing development of the Carrefour Banque brand in France
- Success of a savings account offering in France
- Continued partnership with Itaú Unibanco in Brazil and commercial agreement with E. Sun Bank in Taiwan





## Financial Services: Growth in net banking income



(1) Before unallocated headquarters costs and including financial services commissions, revenues from warranties and cost savings generated by the reduction in fees as compared to competitor' payment cards.



## Significant increase of net income

(€m)	H1 2012	H1 2013
<b>Recurring operating income</b>	<b>730</b>	<b>766</b>
Non-recurring items	-21	489
<b>EBIT</b>	<b>709</b>	<b>1,254</b>
Net financial expenses	-327	-402
<i>Net interest expenses</i>	-254	-214
<i>Other net financial expenses</i>	-72	-188
<b>Profit before taxes</b>	<b>382</b>	<b>853</b>
Income tax	-117	-298
Companies accounted for by the equity method	23	25
<b>Net income from continuing operations</b>	<b>288</b>	<b>580</b>
Minority share of net income from continuing ops.	-57	-61
<b>Net income from continuing ops., Group share</b>	<b>231</b>	<b>519</b>
Net income from discontinued ops., Group share	-229	383
<b>Net income, Group share</b>	<b>3</b>	<b>902</b>

Mainly capital gains

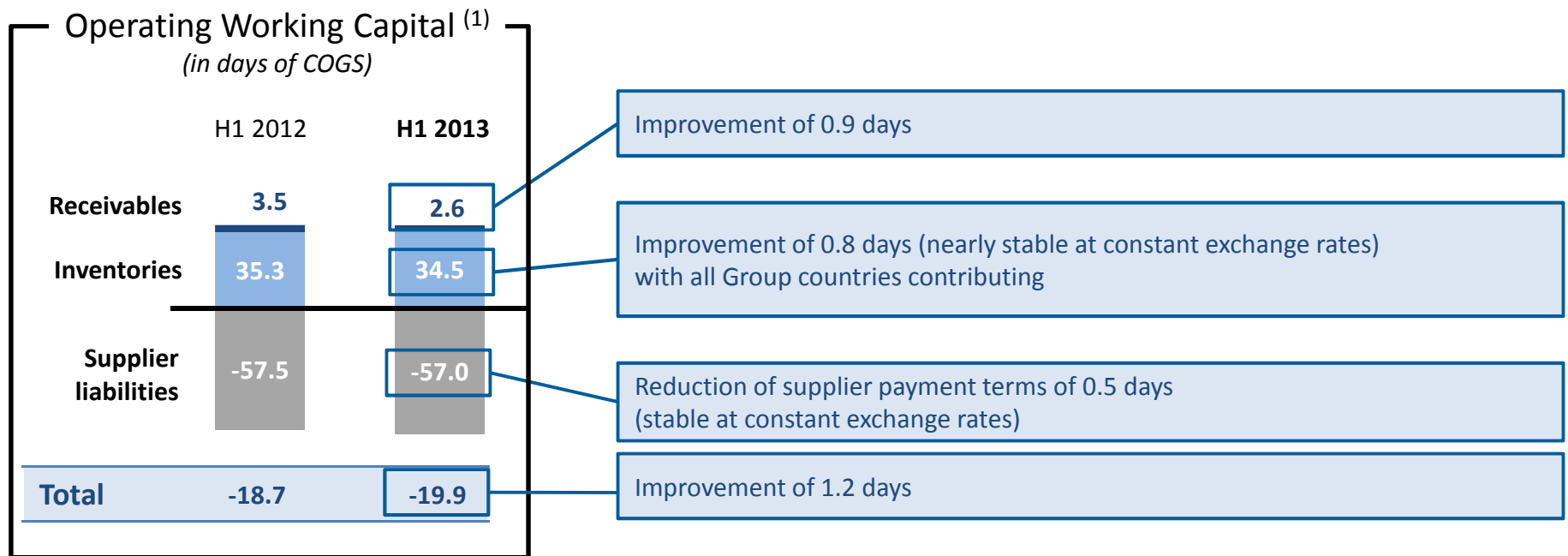
- Decrease of €40m in debt related net interest expense
- Increase in other financial expenses entirely due to the non-recurring bond buy-back expense: €119m

Effective tax rate of 34.9%

Positive net impact from the Group's refocusing



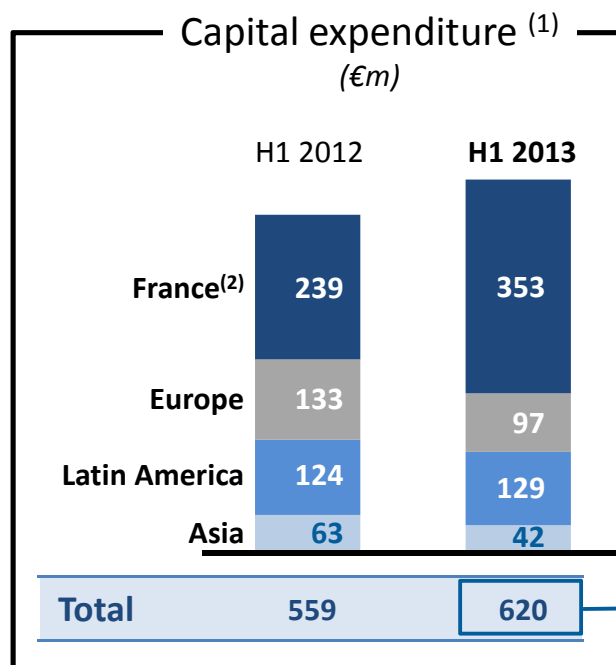
## Improvement in operating working capital



(1) Restated for Greece, Singapore, Colombia, Malaysia, Indonesia and Turkey.



## Investments up 11%



- Acceleration of investments in France, mainly remodeling
- Decreased investment in Europe
- Continued investment in Latin America and Asia

(1) Restated for Greece, Singapore, Colombia, Malaysia, Indonesia and Turkey.

(2) Includes Global Functions capex: €14m in H1 2012 and H1 2013.



## Improved free cash flow

(€m)	6 months to June 30 <sup>th</sup> , 2012	6 months to June 30 <sup>th</sup> , 2013
Gross cash flow (ex. discontinued activities)	828	676
Change in working capital	-2,415	-2,441
Capital expenditures	-559	-620
Change in net payables to fixed asset suppliers	-342	-92
Asset disposals (business related)	78	54
<b>Free cash flow from continuing activities</b>	<b>-2,410</b>	<b>-2,422</b>
Free cash flow from discontinuing activities	-293	-37
<b>Free cash flow</b>	<b>-2,702</b>	<b>-2,459</b>



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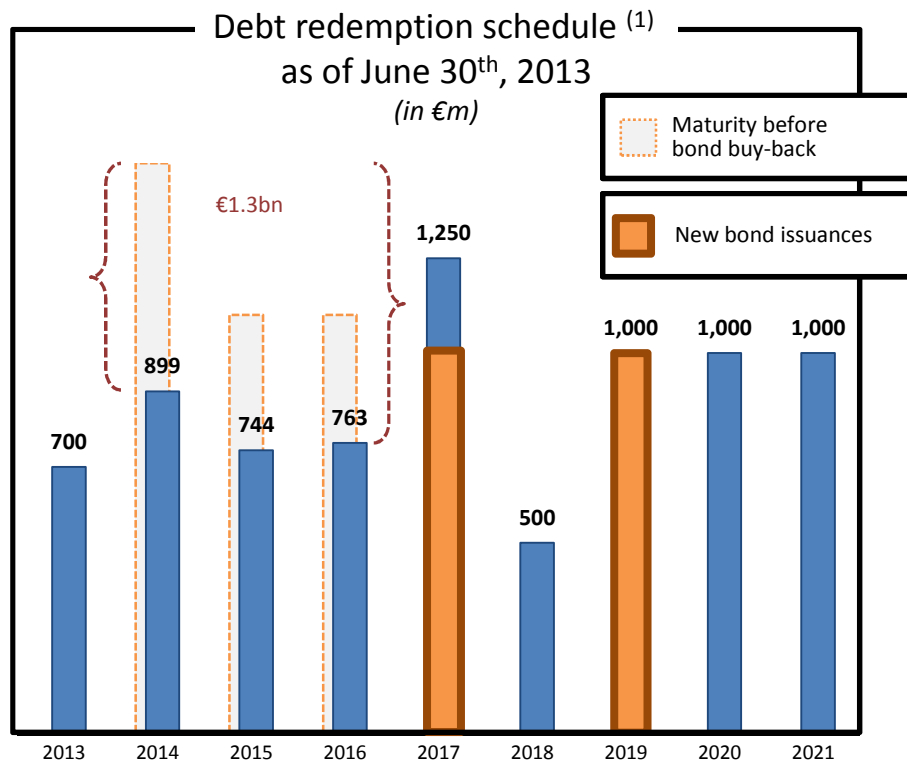
## Net debt reduced by €3,7 billion versus June 30<sup>th</sup>, 2012

(€m)	6 months to June 30 <sup>th</sup> , 2012	6 months to June 30 <sup>th</sup> , 2013
<b>Opening net debt (at December 31<sup>st</sup>)</b>	<b>-6,911</b>	<b>-4,320</b>
<b>Free cash flow</b>	<b>-2,702</b>	<b>-2,459</b>
Acquisitions	-153	-35
Disposals	155	539
Others	-59	92
Discontinued activities	-5	441
<b>Cash flow after investments and disposals</b>	<b>-2,763</b>	<b>-1,422</b>
Dividends paid by parent company <sup>(1)</sup>	0	-108
Dividends paid to non-controlling interests / capital increase	-49	-56
Treasury shares	0	0
Acquisitions / Disposals without change of control	47	-11
Other changes in net borrowings including Discontinued Activities	66	25
Consumer credit impact	-19	-2
<b>Closing net debt (at June 30<sup>th</sup>)</b>	<b>-9,629</b>	<b>-5,894</b>

(1) The 2011 dividend was paid on July 27<sup>th</sup>, 2012.



## Improved liquidity position



- **Bond issuances**

- €1bn in December 2012 (maturity 2017) with a 1.875% coupon
- €1bn in May 2013 (maturity 2019) with a 1.75% coupon

- **Bond buy-back**

- €1.3bn of nominal repurchased on 2014, 2015 and 2016 maturities

- **Renegotiation of 3 syndicated credit lines**

- €4.15bn confirmed and undrawn credit lines
- Maturities lengthened from 1 to 2 years and evenly distributed over time
- Optimization of costs

(1) Public issuances only



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# CONCLUSION

Pierre-Jean SIVIGNON





## Conclusion

- **H1 2013 highlights:**
  - Organic sales growth, significant currency impact
  - Recurring operating income growth
  - Continued improvement to financial structure
- **Amid toughening consumption trends worldwide and exchange rate volatility, Carrefour is staying the course**
- **Confirmation of 2013 priorities:**
  - Development of the multi-local, multi-format model
  - Decentralization and empowerment
  - Continued strict financial discipline



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**APPENDICES**



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## Income Statement H1 2013

(€m)	H1 2012 pro forma	<b>H1 2013</b>	% Change
<b>Sales, net of taxes</b>	<b>36,777</b>	<b>36,464</b>	<b>-0.8</b>
<b>Sales, net of taxes and loyalty</b>	<b>36,406</b>	<b>36,177</b>	<b>-0.6</b>
Other revenues	1,156	1,184	+2.4
<b>Total revenues</b>	<b>37,563</b>	<b>37,361</b>	<b>-0.5</b>
Cost of goods sold	-29,654	-29,374	-0.9
<b>Gross margin from current operations</b>	<b>7,908</b>	<b>7,986</b>	<b>+1.0</b>
SG&A	-6,429	-6,504	+1.2
<b>Current Operating Income before D&amp;A and provisions (EBITDA)</b>	<b>1,479</b>	<b>1,482</b>	<b>+0.2</b>
Depreciation & Provisions	-749	-717	-4.3
<b>Recurring Operating Income</b>	<b>730</b>	<b>766</b>	<b>+4.9</b>
Non-recurring expenses	-21	489	
<b>Operating Income</b>	<b>709</b>	<b>1,254</b>	<b>+77.0</b>
Net financial expenses	-327	-402	+22.9
Income tax	-117	-298	+154.5
Companies accounted for by the equity method	23	25	+7.5
Minority share of net income from continuing operations	-57	-61	+7.0
<b>Net Income from continuing operations, Group Share</b>	<b>231</b>	<b>519</b>	
Net Income from discontinued operations, Group Share	-229	383	
<b>Net Income, Group Share</b>	<b>3</b>	<b>902</b>	



## Consolidated store network H1 2013

	Hyper	Super	Convenience	Cash & Carry	TOTAL
<b>France</b>	<b>212</b>	<b>523</b>		<b>6</b>	<b>741</b>
Spain	165	114	7		286
Belgium	45	40			85
Italy	43	224	175	19	461
Poland	88	144			232
Turkey	28	216			244
Romania	24	71			95
<b>Europe</b>	<b>393</b>	<b>809</b>	<b>182</b>	<b>19</b>	<b>1,403</b>
Argentina	76	127	273		476
Brazil	197	41			238
<b>Latin America</b>	<b>273</b>	<b>168</b>	<b>273</b>		<b>714</b>
China	219				219
Taiwan	62	5			67
India				4	4
<b>Asia</b>	<b>281</b>	<b>5</b>		<b>4</b>	<b>290</b>
<b>TOTAL</b>	<b>1,159</b>	<b>1,505</b>	<b>455</b>	<b>29</b>	<b>3,148</b>



## Stores under Group banners (incl. franchisees and partners) H1 2013

	Hyper	Super	Convenience	Cash & Carry	TOTAL
<b>France</b>	<b>232</b>	<b>953</b>	<b>3,418</b>	<b>140</b>	<b>4,743</b>
Spain	171	118	123		412
Belgium	45	436	240		721
Italy	45	428	688	19	1,180
Poland	88	144	355		587
Turkey	28	216			244
Romania	24	71	24		119
Other	58	745			803
<b>Europe</b>	<b>459</b>	<b>2,158</b>	<b>1,430</b>	<b>19</b>	<b>4,066</b>
Argentina	76	127	273		476
Brazil	197	41			238
<b>Latin America</b>	<b>273</b>	<b>168</b>	<b>273</b>		<b>714</b>
China	219				219
Taiwan	62	5			67
Indonesia	71	12			83
India				4	4
<b>Asia</b>	<b>352</b>	<b>17</b>		<b>4</b>	<b>373</b>
<b>Other <sup>(1)</sup></b>	<b>58</b>	<b>139</b>		<b>9</b>	<b>206</b>
<b>TOTAL</b>	<b>1,374</b>	<b>3,435</b>	<b>5,121</b>	<b>172</b>	<b>10,102</b>

(1) Maghreb, Middle East and Dominican Republic



## H1 2012 restatement

### H1 2012 result

	Published March 7 <sup>th</sup> , 2013	IFRS 5	IAS 19	Pro forma H1 2012
Total ROI	740	7	-17	730
Non recurring	-63	-2	45	-21



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## Consolidated income statement pro forma 2012

	2012 pro forma
(€m)	
<b>Sales, net of taxes</b>	<b>75,701</b>
<b>Sales, net of taxes and loyalty</b>	<b>75,048</b>
Other revenues	2,309
<b>Total Revenues</b>	<b>77,357</b>
Cost of sales	-60,685
<b>Commercial income</b>	<b>16,672</b>
SG&A	-13,033
<b>Recurring operating incomes before D&amp;A (EBITDA)</b>	<b>3,639</b>
Depreciation & amortization	-1,520
<b>Recurring operating income (ROI)</b>	<b>2,119</b>
Non-current income and expenses	-660
<b>Operating income</b>	<b>1,460</b>
Financial expenses	- 879
Profit before tax	-385
Companies accounted for by the equity method	72
Minority share of net income	-123
<b>Net income from continuing operations, Group share</b>	<b>145</b>
Net income from discontinued operation, Group share	1,122
<b>Net income, Group share</b>	<b>1,267</b>



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## Disclaimer

*This press release contains both historical and forward-looking statements. These forward-looking statements are based on Carrefour management's current views and assumptions. Such statements are not guarantees of future performance of the Group. Actual results or performances may differ materially from those in such forward-looking statements as a result of a number of risks and uncertainties, including but not limited to the risks described in the documents filed with the Autorité des marchés financiers as part of the regulated information disclosure requirements and available on Carrefour's website ([www.carrefour.com](http://www.carrefour.com)), and in particular the Annual Report (Document de référence). These documents are also available in English language on the company's website. Investors may obtain a copy of these documents from Carrefour free of charge. Carrefour does not assume any obligation to update or revise any of these forward-looking statements in the future.*