



# HALF YEAR RESULTS

August 30<sup>th</sup>, 2012



**HALF YEAR  
RESULTS**

August 30<sup>th</sup>, 2012

# FINANCIAL RESULTS

Pierre-Jean SIVIGNON

- *The H1 2012 accounts fully consolidate Guyenne & Gascogne as of June 1, 2012 following the successful tender offer for the company last June.*
- *The group acquired 129 Eki stores in Argentina, whose integration began in June 2012.*
- *The group completed the partnership with Itaú Unibanco in Brazil in financial services.*
- *Carrefour announced on June 15 the reorganization of its partnership with Marinopoulos (sale of its stake in their joint venture to Marinopoulos, which becomes the exclusive franchisee of Carrefour in Greece, Cyprus and the Balkans). The transaction was finalized on August 8.*  
*Carrefour has also decided to put an end to its activities in Singapore (2 stores whose closure becomes effective by year-end).*

***Consequently, in accordance with IFRS 5, the results of operations in Greece and Singapore are reclassified under Discontinued Operations as from January 1, 2012. The income statement at June 30, 2011 is presented pro forma taking into account these two changes.***

- *To better reflect the operating performance by region, Carrefour has revised its reporting segments.*
- *The impact of all of these restatements on the 2011 financial statements is presented in the appendix*

# H1 2012 Key Figures

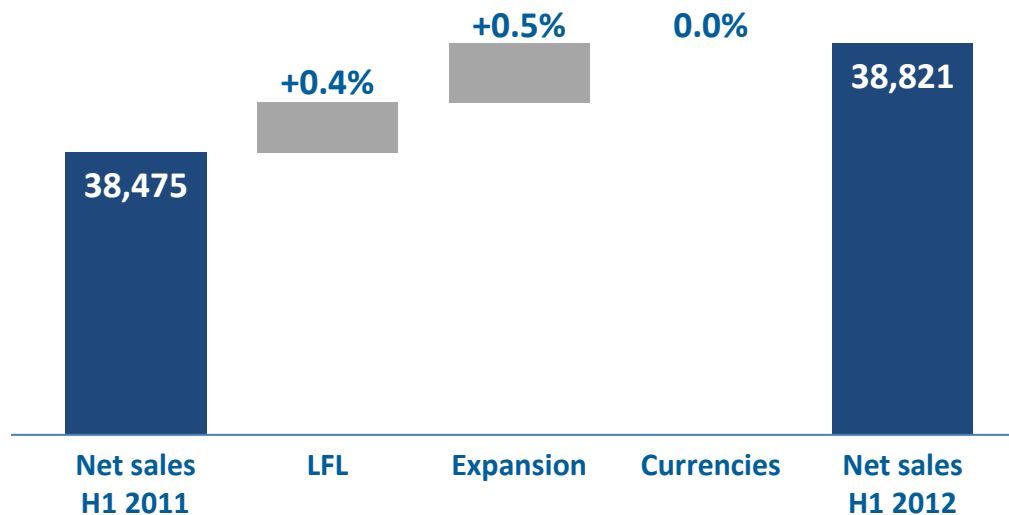
(€m)	H1 2011 <sup>(1)</sup>	H1 2012	Var.
<b>Net sales</b>	38,475	38,821	+0.9%
<b>Commercial income</b>	8,289	8,343	+0.6%
<b>EBITDA <sup>(2)</sup></b>	1,667	1,590	-4.6%
<b>ROI (Recurring operating income)</b>	838	769	-8.2%
<i>ROI margin</i>	2.2%	2.0%	
<b>Non recurring items</b>	(870)	(63)	
<b>Net income from continuing operations, Group share</b>	(879)	199	
<b>Net income from discontinued operations, Group share</b>	630	(230)	
<b>Net income, Group share</b>	(249)	(31)	
<b>Net debt at close</b>	10,654	9,629	-9.6%

1) The H1 2011 income statement has been adjusted according to IFRS 5. The activities in Greece and Singapore have been reclassified under discontinued operations as of January 1, 2012. Pro forma variations exclude Greece and Singapore.

2) Recurring operating income before depreciation and amortization

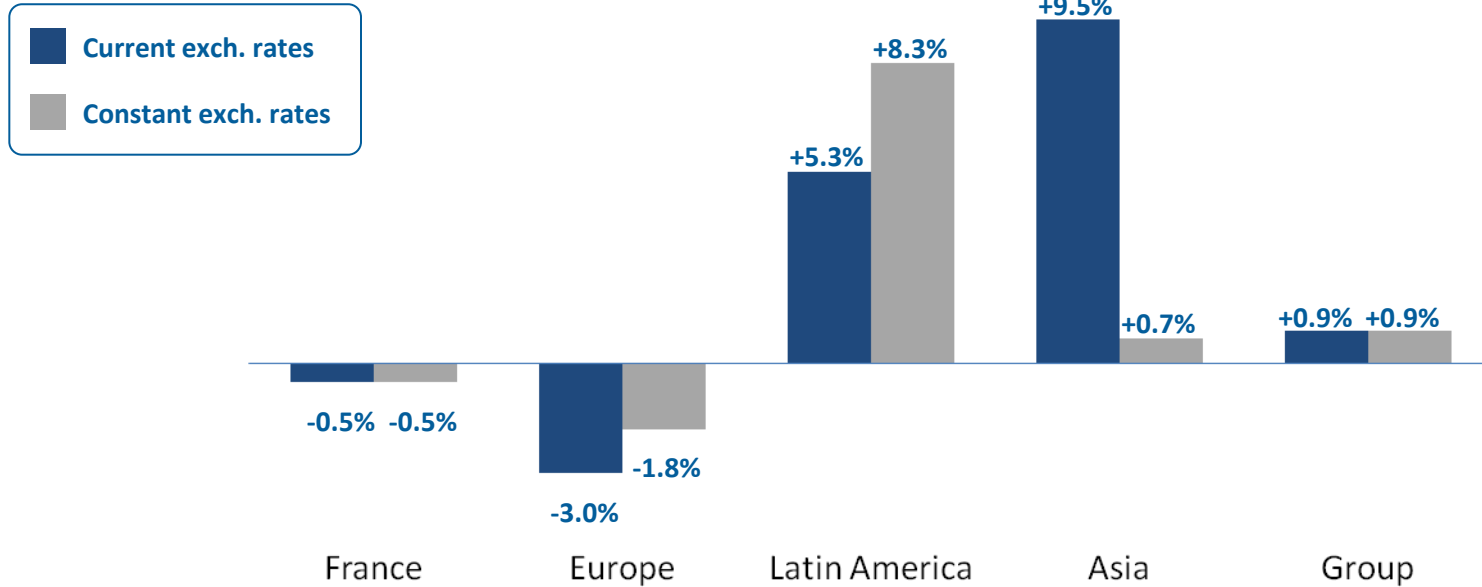
## Growth in net sales incl. petrol 2012/2011

(€m and %)



# Sales growth driven by emerging markets

## H1 2012 net sales inc. petrol growth by region



# Stable commercial income

	H1		
€m	2011	2012	Variation %
<b>Net sales</b>	<b>38,475</b>	<b>38,821</b>	<b>0.9%</b>
<b>Commercial income</b>	<b>8,289</b>	<b>8,343</b>	<b>0.6%</b>
<b><i>Commercial margin %</i></b>	<b>21.5%</b>	<b>21.5%</b>	

- Resilient commercial income, stable as a percentage of sales

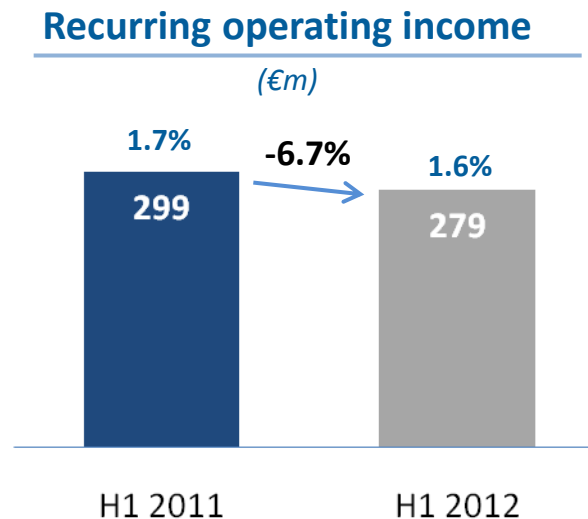
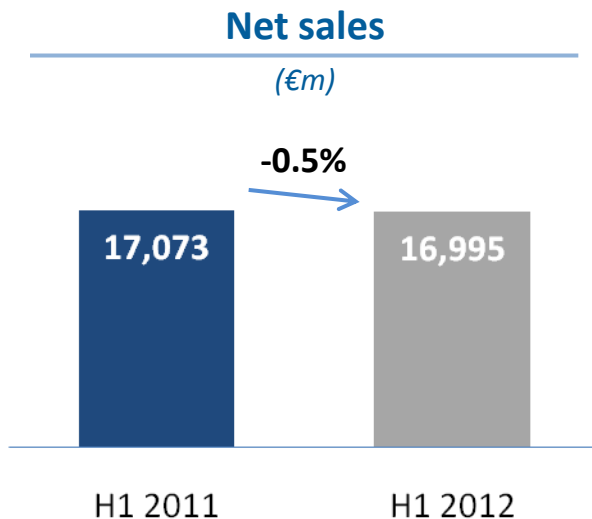
# Increase in SG&A as a percentage of sales

	<b>H1</b>		
<i>€m</i>	<b>2011</b>	<b>2012</b>	<b>Variation %</b>
<b>SG&amp;A including asset costs</b>	<b>7,451</b>	<b>7,573</b>	<b>1.6%</b>
<i>As a % of sales</i>	<i>19.4%</i>	<i>19.5%</i>	
<b>SG&amp;A excluding asset costs</b>	<b>6,176</b>	<b>6,262</b>	<b>1.4%</b>
<i>As a % of sales</i>	<i>16.0%</i>	<i>16.1%</i>	
<b>Asset costs</b>	<b>1,275</b>	<b>1 311</b>	<b>2.8%</b>
<i>As a % of sales</i>	<i>3.3%</i>	<i>3.4%</i>	

- Rise in group SG&A attributable to emerging countries
- Slight increase in asset costs, primarily due to rents linked to the impact of expansion



## France: ROI impacted by continued price investments

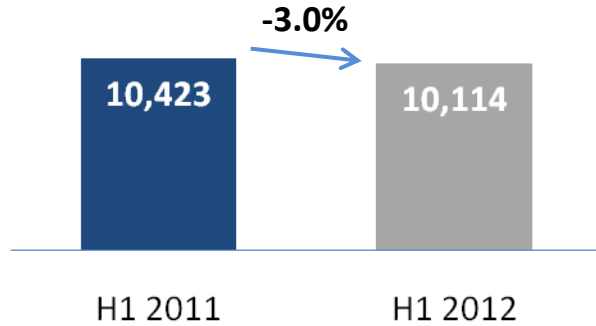


- ROI down 6.7%, or 10 bp as a percentage of sales
  - Slightly negative impact on commercial income of continued price investments
  - Stable SG&A as a percentage of sales

# Europe (ex France): ROI impacted by economic environment in Spain despite cost control

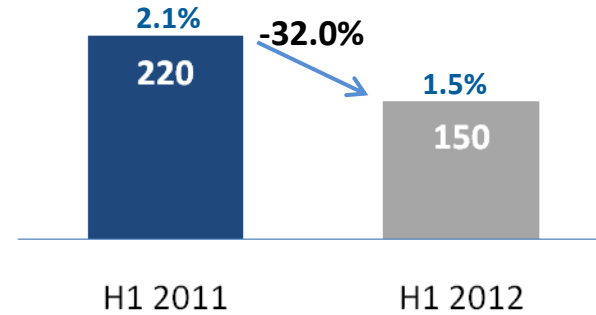
## Net sales

(€m)



## Recurring operating income

(€m)

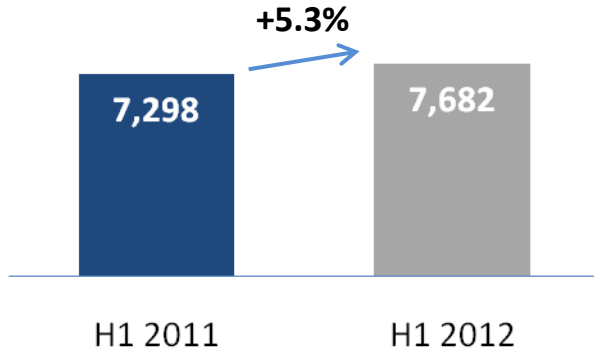


- ROI down 32%, or -60 bp as a percentage of sales, largely due to Spain; resilience in other countries
  - Slight drop in commercial income largely due to a fall in sales and investments in the offer in Spain
  - Distribution costs under control throughout the region; significant drop in Spain

# Latin America: Sales and ROI sharply up, driven by Brazil

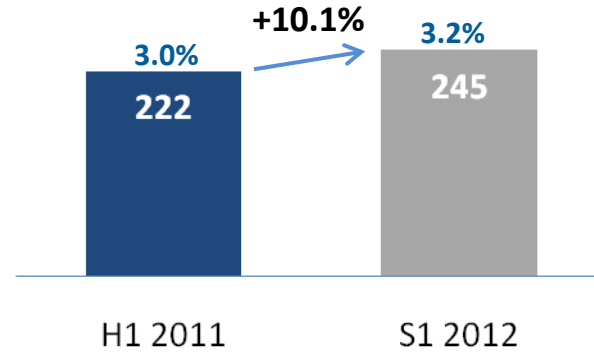
## Net sales

(€m)



## Recurring operating income

(€m)

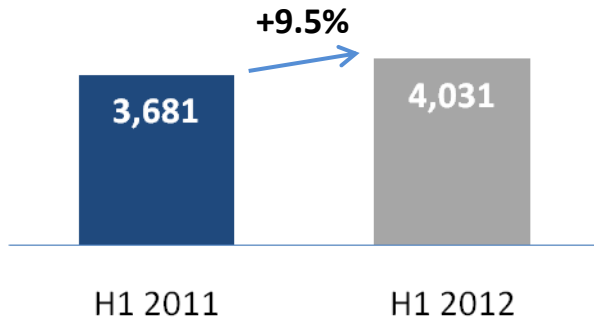


- ROI up 10.1% to €245m
  - Solid commercial income
  - Increase in distribution costs essentially due to inflation in Argentina
  - Solid performance in Brazil

# Asia: ROI impacted by slower sales growth

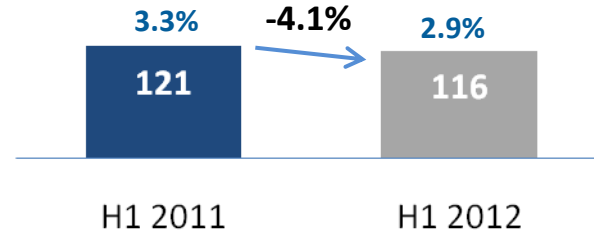
## Net sales

(€m)



## Recurring operating income

(€m)

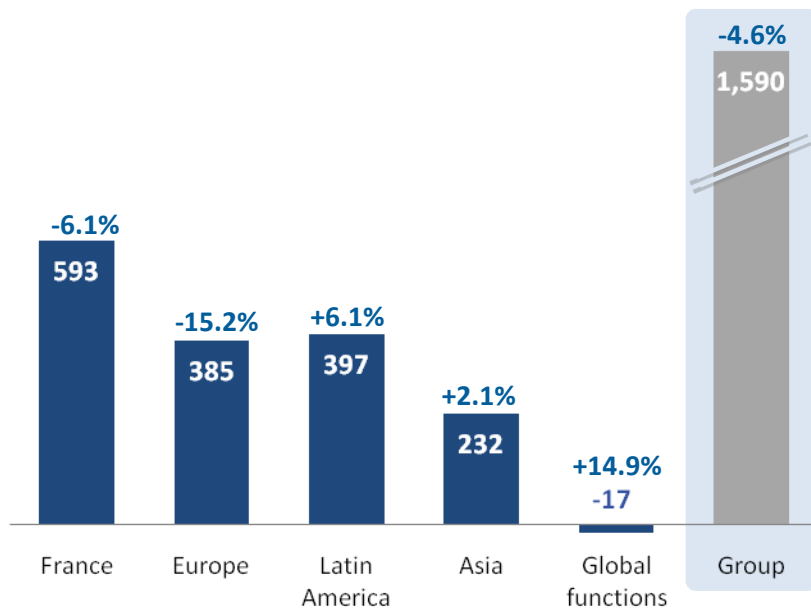


- ROI down 4.1%, or -40 bp, limited drop in China and good performance in Taiwan and Indonesia
  - Solid commercial income throughout the region
  - Distribution costs impacted by wage inflation and continued expansion in China

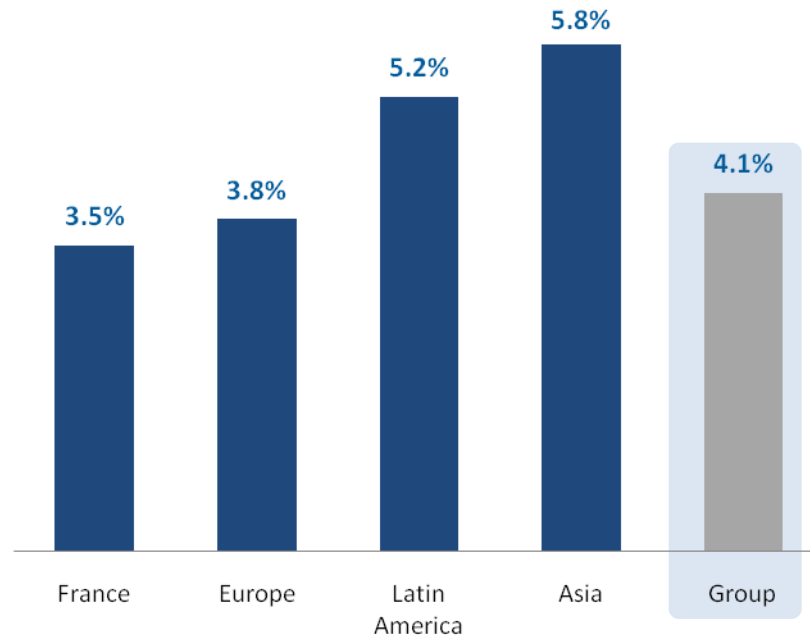
# Resilient group EBITDA

## H1 2012 EBITDA

(€m, change in %)



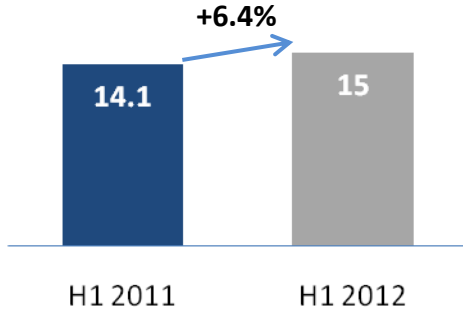
## H1 2012 EBITDA margin



# Financial Services and Insurance: Continued growth of key indicators

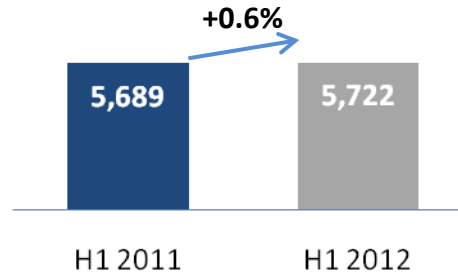
## Number of cards

(millions)



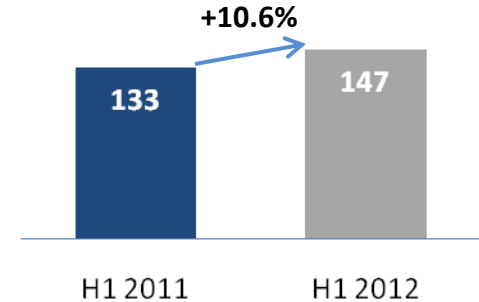
## Outstanding credit

(€m)



## Insurance Premiums

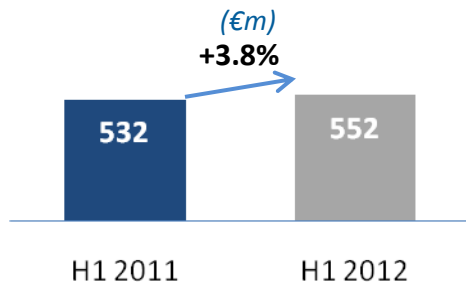
(€m)



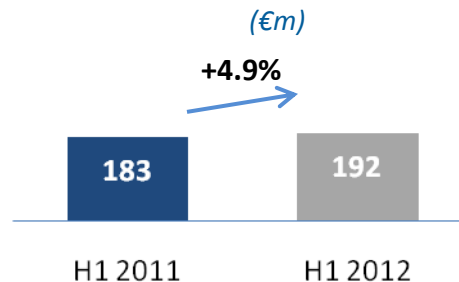
- Roll out of the Carrefour Banque brand in France
- Completion of partnership with Itaú Unibanco in Brazil, launch of private label card in Colombia with Colpatría Bank, commercial agreement with E.Sun Bank in Taiwan, Mega Bank in Indonesia and AkBank in Turkey

# Financial Services: Growth in ROI

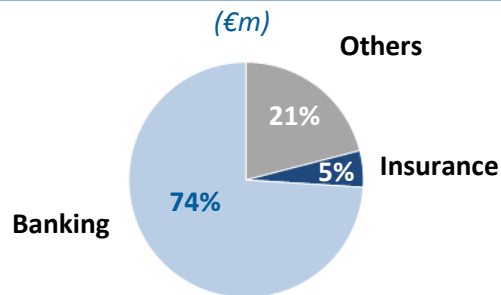
## Net banking income



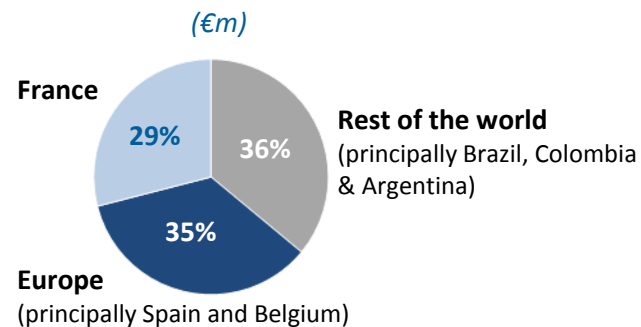
## Recurring Operating Income <sup>(1)</sup>



## Share of contribution from financial services



## Geographic Breakdown



(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 competitors' payment cards

# Net income close to break-even

€m	H1	
	2011	2012
Recurring operating income	838	769
Non-recurring items	-870	-63
EBIT	-31	706
Net financial expenses	-330	-344
<i>Net interest expenses</i>	-234	-244
<i>Other net financial expenses</i>	-97	-100
Income tax	-482	-126
Net income from companies accounted for by the equity method	24	23
Net income from continuing operations	-820	259
Minority share of net income from continuing ops.	58	60
Net income from continuing ops., Group share	-879	199
Net income from discontinued ops., Group share	630	-230
Net income, Group share	-249	-31

→ Limited non-recurring expenses

→ Slight increase of financial expenses

→ 34.8% effective tax rate

→ Mainly disposal of Greece and end of activities in Singapore



# Improvement in operating working capital, disciplined investments

## Operating Working Capital \*

(in days of COGS)

	H1 2011	H1 2012
<b>Total</b>	-16.9	-19.0
<b>Receivables</b>	3.6	3.3
<b>Inventories</b>	36.7	35.6
<b>Supplier liabilities</b>	-57.1	-57.9

- Improvement in inventory ratio, notably in France, Spain and Brazil
- Gain of nearly one day in supplier payment terms

## Capital expenditure

(€m)

	H1 2011	H1 2012
<b>Total</b>	725*	603
<b>France</b>	292	238
<b>Europe</b>	210	142
<b>Latin America</b>	156	141
<b>Asia</b>	67	82

- Drop in capex versus H1 2011, mainly linked to a reduction in remodeling costs (including Planet roll out costs) in France and Europe
- Continued pace of investments in Latin America, acceleration in Asia

\* Restated for Greece

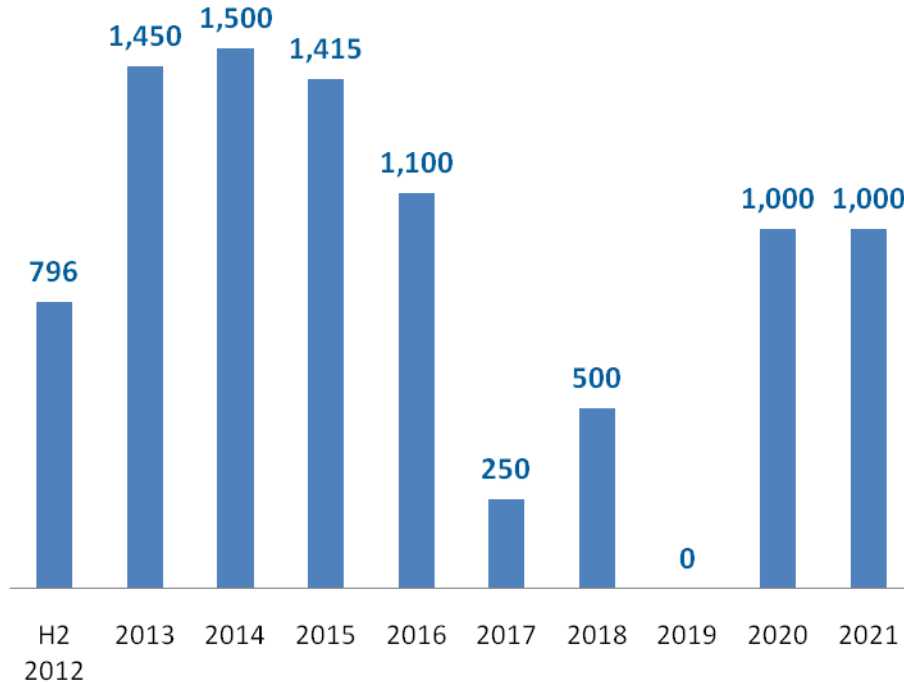
# Net debt reduced by €1 billion versus June 30, 2011

€m	H1 2011	H1 2012	
<b>Opening net debt (at December 31<sup>st</sup>)</b>	(7,998)	(6,911)	→ Decrease of €1.1bn
Gross cash flow (ex. discontinued activities)	1,214	907	
Change in working capital	(3,472)	(2,587)	
Capex	(725)	(603)	
Change in payable to fixed asset suppliers	(142)	(384)	
Discontinued activities	(103)	(116)	
<b>Free cash flow</b>	<b>(3,227)</b>	<b>(2,783)</b>	
Acquisitions	(51)	(153)	
Disposals	68	236	
Others	12	(56)	
Discontinued activities	564	(7)	
<b>Cash flow after investments and disposals</b>	<b>(2,633)</b>	<b>(2,763)</b>	
Other changes to net debt	80	64	
Consumer credit impact	(104)	(19)	
<b>Net debt at close (at June 30<sup>th</sup>)</b>	<b>(10,654)</b>	<b>(9,629)</b>	→ Decrease of €1.0bn

## Improved liquidity position

### Debt redemption schedule as of June 30, 2012

(€m)



- Bond issuance for €500m in January 2012 (maturity in 2016)
- €4.35bn of confirmed, undrawn credit lines including a new €1.1bn signed in April 2012
  - No covenants or MACs
  - Repayments in 2015 and 2016
- Bond repayment schedule evenly distributed over time (no refinancing concentrations)



# HALF YEAR RESULTS

August 30<sup>th</sup>, 2012

# APPENDICES

# Income Statement H1 2012

In millions of euros	H1 2011 pro forma	H1 2012	% Prog
<b>Sales, net of taxes</b>	<b>38,475</b>	<b>38,821</b>	<b>0.9</b>
Loyalty program	-450	-377	-16.2
Other revenues	1,093	1,203	10.0
Total revenues	39,118	39,647	1.4
Cost of sales	-30,829	-31,304	1.5
<b>Gross margin of current operations</b>	<b>8,289</b>	<b>8,343</b>	<b>0.6</b>
SG&A	-6,623	-6,753	2.0
<b>Recurring operating income before D&amp;A and provisions (EBITDA)</b>	<b>1,667</b>	<b>1,590</b>	<b>-4.6</b>
<b>Recurring operating income</b>	<b>838</b>	<b>769</b>	<b>-8.2</b>
Non current income and expenses	-870	-63	NA
Operating income	-31	706	NA
Financial result	-330	-344	4.3
Income tax	-482	-126	-73.9
Equity accounted companies	24	23	-1.5
Minority interests	-59	-60	-1.7
<b>Net income from recurring operations Group Share</b>	<b>-879</b>	<b>199</b>	<b>NA</b>
Discontinued operations Group Share	630	-230	NA
<b>Net income - Group Share</b>	<b>-249</b>	<b>-31</b>	

# H1 2011 ROI: Pro forma adjustments and new reporting segments

Recurring Operating Income H1 2011 (€m)

	Published segment reporting	Published segment reporting restated for Greece / Singapore	New segment reporting
France	301	301	299
Europe ex. France	142	208	220
Latin America	193	193	222
Asia	135	135	121
Global Functions	-	-	(24)
<b>Total</b>	<b>772</b>	<b>838</b>	<b>838</b>

- Restatement of operations in Greece and Singapore as Discontinued Operations: positive impact of €66m on H1 2011 ROI
- Revision to reporting segments

# 2011 ROI: Pro forma adjustments and new reporting segments

Recurring Operating Income 2011 (€m)

	Published segment reporting	Published segment reporting restated for Greece / Singapore	New segment reporting
France	862	862	905
Europe ex. France	508	633	645
Latin America	554	554	582
Asia	258	257	238
Global Functions	-	-	(64)
<b>Total</b>	<b>2,182</b>	<b>2,306</b>	<b>2,306</b>

- Restatement of operations in Greece and Singapore as Discontinued Operations: positive impact of €125m on 2011 ROI
- Revision to reporting segments



# Consolidated store network H1 2012

	HYPER	SUPER	CONVENIENCE	CASH & CARRY	TOTAL
<b>FRANCE</b>	<b>212</b>	<b>568</b>		<b>2</b>	<b>782</b>
Spain	166	108	8		282
Belgium	46	40			86
Italy	43	227	165	14	449
Poland	84	164			248
Turkey	28	215			243
Romania	25	55			80
<b>EUROPE</b>	<b>392</b>	<b>809</b>	<b>173</b>	<b>14</b>	<b>1,388</b>
Argentina	75	127	201		403
Brazil	189	41			230
Colombia	76		16		92
<b>LATIN AMERICA</b>	<b>340</b>	<b>168</b>	<b>217</b>		<b>725</b>
China	208				208
Taiwan	60	3			63
Indonesia	70	14			84
Malaysia	26				26
India				2	2
<b>ASIA</b>	<b>364</b>	<b>17</b>		<b>2</b>	<b>383</b>
<b>TOTAL</b>	<b>1,308</b>	<b>1,562</b>	<b>390</b>	<b>18</b>	<b>3,278</b>

# Stores under Group banners (incl. franchisees and partners) H1 2012

	HYPER	SUPER	CONVENIENCE	CASH & CARRY	TOTAL
<b>FRANCE</b>	<b>220</b>	<b>934</b>	<b>3,301</b>	<b>139</b>	<b>4,594</b>
Spain	172	113	75		360
Belgium	46	434	220		700
Italy	45	446	721	14	1,226
Poland	84	164	232		480
Turkey	28	215			243
Romania	25	55	8		88
Others	117	439	512	3	1,071
<b>EUROPE</b>	<b>517</b>	<b>1,866</b>	<b>1,768</b>	<b>17</b>	<b>4,168</b>
Argentina	75	127	201		403
Brazil	189	41			230
Colombia	76		16		92
<b>LATIN AMERICA</b>	<b>340</b>	<b>168</b>	<b>217</b>		<b>725</b>
China	208				208
Taiwan	60	3			63
Indonesia	70	14			84
Malaysia	26				26
India				2	2
<b>ASIA</b>	<b>364</b>	<b>17</b>		<b>2</b>	<b>383</b>
<b>TOTAL</b>	<b>1,441</b>	<b>2,985</b>	<b>5,286</b>	<b>158</b>	<b>9,870</b>