MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014

Contents

1. **Sales and earnings performance**

1.1 Main earnings indicators

(In € millions)	2014	2013*	% change	% change at constant exchange rates
Net sales	**74,706**	**74,888**	**(0.2)%**	**2.9%**
Recurring operating income	**2,387**	**2,238**	**6.7%**	**10.6%**
Recurring operating income after net income from companies accounted for by the equity method	**2,423**	**2,267**	**6.9%**	**10.8%**
Non-recurring operating income and expenses, net	149	144	na	na
Finance costs and other financial income and expenses, net	(563)	(722)	(22.0)%	(12.9)%
Income tax expense	(709)	(631)	12.4%	13.0%
Net income from continuing operations - Group share	**1,182**	**949**	**24.6%**	**37.4%**
Net income from discontinued operations - Group share	67	314		
Net income - Group share	**1,249**	**1,263**		
Free cash flow (including non-recurring items)	**306**	**26**		
Net debt at 31 December	**4,954**	**4,117**		

* 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 to the consolidated financial statements.

Carrefour's 2014 performance reflected the sustained growth momentum enjoyed by the Group, with faster organic sales growth and an increase in earnings at constant exchange rates.

- Sales were up 2.9% at constant exchange rates, reflecting gains across all formats in France, significantly improved trends in Europe and strong organic growth in emerging markets, led by Brazil and Argentina.

- Recurring operating income totaled €2,387 million, up 10.6% at constant exchange rates with increases of 7.0% in Europe (including France) and 14.9% in emerging markets (Latin America and Asia).

- Non-recurring income and expenses represented a positive €149 million, corresponding mainly to the gain recognized on the asset contribution to the new Carmila joint venture. In 2013, non-recurring items consisted for the most part of the capital gain realized on the sale of the Group's 25% stake in Majid Al Futtaim Hypermarkets.

- Finance costs, net amounted to €563 million. This was €159 million less than the 2013 figure which included the €119 million cost of the bond buyback program. In addition, the net cost of debt was lower in 2014.

- Income tax expense amounted to €709 million, representing an effective tax rate of 35.3%.

- The Group ended the year with net income from continuing operations of €1,182 million, compared with €949 million in 2013.

- The €67 million net income from discontinued operations recorded during the year corresponded primarily to the settlement of a dispute that arose in a prior year.

- Taking into account all of these items, the Group ended the year with net income (Group share) of €1,249 million, versus €1,263 million in 2013.

- Free cash flow came to €306 million versus €26 million in 2013.

1.2 Analysis of the main income statement items

Net sales by region

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 administrative, finance and marketing support entities.

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(In € millions)	2014	2013	% change	% change at constant exchange rates
France	35,336	35,438	(0.3)%	(0.3)%
Rest of Europe	19,191	19,220	(0.2)%	(0.1)%
Latin America	13,891	13,786	0.8%	17.6%
Asia	6,288	6,443	(2.4)%	(1.9)%
Total	**74,706**	**74,888**	**(0.2)%**	**2.9%**

Net sales for the year amounted to €74,706 million, up 2.9% at constant exchange rates on 2013.

Performance by region can be explained as follows:

- In France, the Group's businesses became more competitive, leading to a second year's organic growth in sales (excluding gasoline) across all formats.
- For the first time in six years, sales in Europe were generally stable, supported by gains in Spain, Belgium and Romania.
- In Latin America, sales continued to grow rapidly, rising by 17.6% in local currency. However, due to the extremely negative currency effect, the increase at current exchange rates was just 0.8%.
- In Asia, sales were down 1.9% at constant exchange rates.

Net sales by region – contribution to the consolidated total

In %	2014 (1)	2013
France	45.9%	47.3%
Rest of Europe	24.9%	25.7%
Latin America	21.0%	18.4%
Asia	8.2%	8.6%
Total	**100.0%**	**100.0%**

(1) at constant exchange rate

At constant exchange rates, the contribution of emerging markets (Latin America and Asia) to consolidated net sales continued to rise, representing 29.2% in 2014 versus 27% in 2013.

Recurring operating income by region

(In € millions)	2014	2013	% change	% change at constant exchange rates
France	1,271	1,198	6.1%	6.1%
Rest of Europe	425	388	9.6%	9.6%
Latin America	685	627	9.4%	23.2%
Asia	97	131	(25.5)%	(24.8)%
Global functions	(92)	(106)	(12.7)%	(12.7)%
Total	**2,387**	**2,238**	**6.7%**	**10.6%**

Recurring operating income increased by 10.6% at constant exchange rates, to €2,387 million, representing 3.2% of sales, compared with 3.0% in 2013.

The increase reflected:

- A higher gross margin, representing 23.0% of sales versus 22.7% in 2013.
- Tight control of general and administrative expenses (including asset costs), which remained stable at 20% of net sales.

In France, recurring operating income rose by 6.1% to €1,271 million, representing a 0.2-point improvement in operating margin to 3.6% of sales. All formats contributed to this performance, which was attributable to the favorable margin impact of reduced shrinkage and logistics cost savings.

In the Rest of Europe, recurring operating income of €425 million was 9.6% higher at constant exchange rates. Operating margin advanced by 0.2 points to 2.2% of sales. Profitability in Spain continued to improve, while in Italy, on-going deployment of action plans helped to drive an improvement in sales trends in the second half of the year. In the other countries of the region, profitability held firm overall and continued to improve in Belgium.

Recurring operating income in Latin America amounted to €685 million, an increase of 23.2% at constant exchange rates that reflected resilient margins and excellent like-for-like sales in Brazil and Argentina.

In Asia, recurring operating income came to €97 million versus €131 million in 2013. The margin rate held firm. The Group is adapting its business to an environment shaped by very subdued consumer spending. Distribution costs rose due to wage inflation and expansion costs in China. The performance of operations in Taiwan improved compared with the prior year.

Depreciation and amortization

Depreciation and amortization amounted to €1,381 million in 2014. This represented 1.8% of sales, unchanged from 2013.

Net income from companies accounted for by the equity method

Net income from companies accounted for by the equity method totaled €37 million versus €30 million in 2013.

Non-recurring income and expenses, net

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 in prior periods, based on information that came to the Group's attention during the reporting year.

Non-recurring items represented net income of €149 million in 2014, comprising €490 million in income and €341 million in expenses.

The detailed breakdown is as follows:

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

Gains on disposals of assets in 2014 mainly concerned the asset contribution to the Carmila joint venture (see section 4.2 "Significant events of the period"). In 2013, gains on disposals of assets arose primarily from the sale of the Group's 25% stake in Majid Al Futtaim Hypermarkets.
A description of non-recurring income and expenses is provided in Note 11 to the consolidated financial statements.

Operating income

The Group ended the year with operating income of €2,572 million versus €2,411 million in 2013, representing an increase of €161 million.

Finance costs and other financial income and expenses, net

Finance costs and other financial income and expenses represented a net expense of €563 million, representing 0.8% of sales versus 1.0% in 2013.

(In € millions)	2014	2013
Finance costs, net	(399)	(428)
Other financial income and expenses, net	(164)	(294)
Finance costs and other financial income and expenses, net	**(563)**	**(722)**

Finance costs, net decreased by €29 million to €399 million. The improvement was primarily attributable to a decline in the average cost of bond debt that was mainly due to the bond buybacks carried out in June 2013 and July 2014.

Other financial income and expenses represented a net expense of €164 million, compared with a net expense of €294 million in 2013. The favorable change was mainly due to the high basis of comparison in 2013, which included the €119 million one-off cost of the bond buyback program.

Income tax expense

Income taxes amounted to €709 million in 2014 compared with €631 million the year before. The effective tax rate was 35.3%.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interests came to €118 million in 2014 versus €101 million in 2013.

Net income from continuing operations – Group share

The Group reported net income from continuing operations of €1,182 million in 2014, up from €949 million in 2013.

Net income from discontinued operations – Group share

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.

2. Financial position

2.1 Shareholders' equity

At December 31, 2014, shareholders' equity stood at €10,228 million, compared with €8,679 million at the previous year-end.

The €1,549 million increase reflected:

- Net income for the year of €1,367 million.
- The sale of the Group's 10% stake in the Brazilian subsidiary, which had a positive net impact of €458 million on total shareholders' equity.
- Dividend payments of €504 million, of which €434 million paid to Carrefour shareholders (including €285 million paid in stock) and €70 million to minority shareholders of subsidiaries.
- Net actuarial losses recognized in the year for €129 million.

2.2 Net debt

Net debt increased by €837 million to €4,954 million from €4,117 million at December 31, 2013.

Net debt breaks down as follows:

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

Long and short-term borrowings (excluding derivatives) mature at different dates through 2022 for the longest tranche of bond debt, leading to balanced repayment obligations in the coming years as shown below:

(in € millions)	2014	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
Total	**8,511**	**9,206**

At December 31, 2014, the Group's liquidity position was strengthened by the availability of €4.45 billion in committed syndicated lines of credit with no drawing restrictions expiring in 2017, 2018 and 2019.

2.3 Cash flows for the year and cash and cash equivalents at December 31, 2014

Cash and cash equivalents totaled €3,113 million at December 31, 2014, compared with €4,757 million at December 31, 2013. The decrease of €1,644 million was primarily due to the Group's decision to launch new capital spending programs in late 2013 that have been continued in 2014.

Net debt was reduced by €837 million over the year, after increasing by €203 million in 2013. The decrease is analyzed in the simplified statement of cash flows presented below:

(In € millions)	**2014**	**2013**
Cash flow from operations	2,504	2,039
Change in trade working capital requirement	(63)	76
Investments	(2,305)	(1,671)
Other	169	(418)
Free cash flow	**306**	**26**
Financial investments	(1,336)	(57)
Disposals	236	542
Purchases and disposals without change in control	311	(11)
Cash dividends/reinvested dividends	(214)	(206)
Finance costs, net	(399)	(428)
Changes in the scope of consolidation and impact of discontinued	(64)	752
Other	323	(415)
Decrease / (Increase) in net debt	**(837)**	**203**

Free cash flow stood at €306 million in 2014, compared with €26 million in 2013, after taking into account a €465 million increase of cash flow from operations, a €442 million increase of change in non trade working capital requirement, and a significantly higher capital expenditure (with the net spend up €634 million over the year).

Financial investments represented a net outflow of €1,336 million in 2014, compared with a €57 million outflow in 2013. The 2014 net outflow mainly related to the Carmila capital increase subscribed by the Group and the the acquisition of Erteco (DIA France).

Disposals of the period represented a €236 million inflow and consisted of the Carmila asset contribution in France and Spain. The €542 million inflow in 2013 related to the sale of the Group's 25% stake in Majid Al Futtaim Hypermarkets.

Purchases and disposals without change in control represented in 2014 a €311 millions net inflow and consisted primarily of the sale of 10% of our Brazilian subsidiary to Peninsula, an outside investor, offset by the purchase of the minority interests in Carcoop (France).

Changes in the scope of consolidation and discontinued operations had a negative impact of €64 million. In 2013, the €752 million positive impact was mainly due to the sale of Indonesian operations during the year and the loss of control of the subsidiary in Turkey.

2.4 Financing and liquid resources

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

- Promoting conservative financing strategies in order to ensure that the Group has a sufficiently strong credit rating and can raise funds on the bond and commercial paper markets.
- Maintaining a presence in the debt market by conducting regular EMTN and bond issues, mainly in euros, in order to guarantee a balanced maturity profile. The Group's issuance capacity under its Euro Medium Term Notes (EMTN) program totals €12 billion.
- Using the €5 billion commercial paper program listed on NYSE Euronext Paris.
- Maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2014, the Group had three undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of €4.45 billion. Group policy consists of keeping these facilities on stand-by as backing for issues under 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, however, include any rating trigger, although the pricing grid may 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.

At December 31, 2014, both Carrefour and Carrefour Banque were rated BBB+/A-2, with a stable outlook by S&P.

2.5 Restrictions on the use of capital resources

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 subsidairies to keep a certain level of capital and liquidities, limit their exposure to other Group parties, and comply with other ratios.

2.6 Expected sources of funding

To meet its commitments, Carrefour can use its free cash flow and raise debt capital using its EMTN and commercial paper programs, as well as its credit lines.

3. Outlook for 2015

Carrefour is staying the course in an environment that remains uncertain. In the third year of its plan, the group will focus in 2015 on the following operational priorities:

- Continue plans aiming at continuous improvement of our offer and price image to enhance our customers' shopping experience in all countries;
- Accelerate multi-format expansion:
  - Continue targeted expansion in our key markets,
  - Gradual integration of DIA France's stores,
  - Continued opening of convenience stores in Brazil and China;
- Develop our multi-channel offer, supported by our physical store network:
  - Revamp and convergence of our websites in France, gradual broadening of our offer,
  - Continue roll-out of click & collect,
  - Develop e-commerce activities in several countries;
- Continue structural projects including:
  - Revamp of the supply-chain in France,
  - IT rationalization,
  - Evolution of our model in China;
- Continue store remodeling:
  - Continue the program to bring up to standards,
  - Modernize our store network;
- Enhance the attractiveness of our sites by capitalizing on property company Carmila in France, Spain and Italy.

2015 outlook:

- Total investments, including DIA France, of between €2.5bn and €2.6bn;
- Increased free cash flow;
- Continue strict financial discipline: preserve BBB+ rating.

4. Other information

4.1 Accounting principles

The accounting and calculation methods used to prepare the consolidated financial statements for the year ended December 31, 2014 are the same as those used for the 2013 consolidated financial statements, except for the adoption of the following standards and amendments whose application did not have any material impact on the consolidated financial statements:

- IFRS 10 **–** Consolidated Financial Statements
- IFRS 11 **–** Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IAS 28 (revised) **–** Investments in Associates and Joint Ventures
- Amendment to IAS 32 – Financial Instruments: Presentation
- Amendment to IAS 36 – Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets.
- Amendment to IAS 39 – Financial Instruments: Recognition and Measurement

The Group also elected to early adopt IFRIC 21 – Levies, that was adopted by the European Union on June 13, 2014. 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.

- The effect of applying IFRIC 21 was a €82 million increase in opening shareholders' equity at January 1, 2013.

- The impact on the 2013 consolidated income statement was not material.

The Group decided not to early adopt the following standards and interpretations that were not applicable as of January 1, 2014:

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.
- IFRS 9 – Financial Instruments.
- 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.

Details of the new and amended standards and interpretations, including those not yet adopted for use in the European Union, are provided in Note 1.2 "IFRSs and interpretations applied by the Group".

4.2 Significant events of the period

Creation of a company for shopping centers adjacent to 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 consists 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 million in cash), and €0.9 billion in bank credit lines obtained by Carmila.

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 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.

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, 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
Fixed assets	**664**	**598**
Net debt	(16)	(34)
Other net assets and liabilities	(87)	(127)
Total Net Asset	**560**	**437**
Consideration transferred		**626**
Goodwill		**189**

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

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 net capital gain of €285 million and of non-controlling interests of €174 million.

This transaction is a significant first stage in a project to open up the Brazilian subsidiary's capital in order to strengthen its local roots and support its development. It will enable Carrefour to benefit from its new partner's recognized experience in the local retail market as it continues to develop the multi-format model.

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 La 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.

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.

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.

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.

Purchasing cooperation agreement between Carrefour and Cora

On December 22, 2014 Carrefour France and Cora/Supermarchés Match announced that they had signed an agreement to cooperate on purchasing. This agreement establishes a long-term partnership, with no equity ties between the two companies, under which both companies maintain their independence while committing to sustainable relationships with their suppliers. The agreement will enhance the competitiveness of their banners for the benefit of consumers. It has been effective since January 1, 2015.

4.3 Main related party transactions

The main related party transactions are disclosed in Note 41 to the consolidated financial statements.

4.4 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.