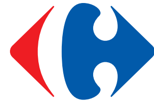

Half-year Financial Report

June 30, 2017

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The English version of the Half-year Financial Report is a free translation from the original which was prepared in French. The original French version of the document prevails over this translation.

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1. Consolidated sales and earnings performance

1.1 Main earnings indicators

(In € millions)	2017	2016	% change	% change at constant exchange rates
Net sales	**38,526**	**36,289**	**6.2%**	**3.2%**
Gross margin from recurring operations	**8,821**	**8,432**	**4.6%**	**1.9%**
in % of net sales	*22.9%*	*23.2%*		
Sales, general and administrative expenses and amortisation	(8,200)	(7,726)	6.1%	4.1%
Recurring operating income	**621**	**706**	**(12.1)%**	**(21.5)%**
Recurring operating income before depreciation[1]	*1,431*	*1,448*	*(1.2)%*	*(7.0)%*
Recurring operating income after net income from companies accounted for by the equity method	**633**	**686**	**(7.6)%**	**(17.6)%**
Non-recurring operating income and expenses, net	(150)	(114)	na	na
Finance costs and other financial income and expenses, net	(247)	(248)	(0.4)%	(7.7)%
Income tax expense	(89)	(101)	(12.3)%	(23.4)%
Net income from continuing operations - Group share	**79**	**158**	**(50.2)%**	**(69.2)%**
Net income from discontinued operations - Group share	(1)	(28)		
Net income - Group share	**78**	**129**		
Free cash flow (including non-recurring items)[2]	**(2,736)**	**(2,259)**		
Net debt at June 30, 2017	**7,720**	**7,367**		

- the Group's net sales were up 6.2% in the first half of 2017, totalling 38,526 million euros. The period also saw a positive currency effect of 3.0%;
- recurring operating income totalled 621 million euros and recurring operating income before depreciation and amortisation[1] came in at 1,431 million euros, retreating a slight 1.2%;
- non-recurring operating income and expenses represented a net expense of 150 million euros, mainly reflecting the transformation plans under way in some of the Group's host countries;
- finance costs and other financial income and expenses, net amounted to 247 million euros, which was stable compared with the first-half 2016 figure;
- income tax expense amounted to 89 million euros, representing an effective tax rate of 37.5%;
- net income from continuing operations – Group share came in at 79 million euros, compared with 158 million euros in first-half 2016;
- the net loss from discontinued operations totalled 1 million euros;
- taking into account all of these items, the Group ended the period with net income – Group share of 78 million euros, versus 129 million euros in first-half 2016;
- free cash flow[2] was a negative 2,736 million euros, versus a negative 2,259 million euros in first-half 2016.

Second-half sales are traditionally higher than those for the first half, due to increased activity in December. In 2016, the Group's first-half sales amounted to 36,289 million euros, representing 47% of the annual total of 76,645 million euros. Operating expenses on the other hand – such as payroll costs, depreciation and amortisation – are spread more or less evenly over the year. As a result, recurring operating income is generally lower in the first half than in the second.

1 Recurring operating income before depreciation and amortisation excludes the depreciation and amortisation relating to logistics equipment included in the cost of sales.

2 Free cash flow corresponds to cash flows from/(used in) operating activities before net finance costs, and after the change in working capital requirement, less cash flows from/(used in) investing activities.

Cash flows generated by the Group are also strongly impacted by seasonal trends, with working capital requirement rising sharply in the first half as a result of the large volume of supplier payments due at the beginning of the year for the purchases made ahead of the previous year's peak selling period in December.

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.

(In € millions)	2017	2016	% change	% change at constant exchange rates
France	17,307	17,179	0.7%	0.7%
Rest of Europe	10,010	9,428	6.2%	6.0%
Latin America	8,075	6,453	25.1%	9.4%
Asia	3,135	3,229	(2.9)%	(4.3)%
Total	**38,526**	**36,289**	**6.2%**	**3.2%**

Carrefour reported solid growth in first-half 2017, with sales climbing 6.2% to 38,526 million euros. The improvement reflects the Group's strong performance in all of the regions in which it does business, against a backdrop of significant promotional activity and a macroeconomic environment impacted by reduced inflation in several markets. It also reflects the positive impact of the Group's expansion and acquisitions, including Billa in Romania and Eroski in Spain. In addition, sales in first-half 2017 were boosted by a positive currency effect of 3.0%, mainly attributable to the rise of the Brazilian real.

France turned in a good performance in the first half of the year, with sales rising by 0.7%.

Sales in the rest of Europe increased by a sharp 6.2%.

In Latin America, first-half 2017 sales were up 25.1%, taking into account a positive currency effect of 15.8%. This sound performance was achieved at a time of significantly reduced food price inflation in Brazil and persistently weak consumption in Argentina linked to unfavourable economic conditions.

In Asia, first-half 2017 sales contracted 2.9% following an 8.3% decrease in sales in China, which was partially offset by 12.0% growth in sales in Taiwan.

Net sales by region – contribution to the consolidated total

In %	2017 [(1)]	2016
France	46.2%	47.3%
Rest of Europe	26.7%	26.0%
Latin America	18.8%	17.8%
Asia	8.3%	8.9%
Total	**100.0%**	**100.0%**

[(1)] at constant exchange rates

At constant exchange rates, the contribution of emerging markets (Latin America and Asia) to consolidated net sales continued to rise, representing 27.1% in first-half 2017, versus 26.7% in first-half 2016.

Recurring operating income by region

(In € millions)	2017	2016	% change	% change at constant exchange rates
France	199	312	(36.1)%	(36.1)%
Rest of Europe	149	155	(3.9)%	(3.7)%
Latin America	293	273	7.5%	(15.5)%
Asia	12	(7)	n/a	n/a
Global functions	(33)	(26)	27.1%	26.8%
Total	**621**	**706**	**(12.1)%**	**(21.5)%**

Recurring operating income fell by 12.1% year on year, to 621 million euros.

In France, the Group continued to roll out its multi-format and omni-channel strategy. Recurring operating income totalled 199 million euros, representing an operating margin ratio[3] of 1.1% (a 67-bps decrease). The change is attributable to the Group's higher promotional investments in a very competitive environment as well as targeted price adjustments in certain stores to improve Carrefour's competitiveness. France’s operational performance was also impacted by the increase of losses at ex-Dia stores compared with first-half 2016.

In Europe (excluding France), recurring operating income amounted to 149 million euros, representing an operating margin slightly down compared with first-half 2016. This variation includes the impact of the transformation and integration of Eroski stores in Spain and Billa stores in Romania.

In Latin America, recurring operating income in first-half 2017 came in at 293 million euros, representing an increase of 7.5%. In Brazil, the profitability of retail operations continued to rise, while financial services were impacted by expenses related to the launch of the Atacadão card and a regulatory change concerning consumer credit. The consumtion environment remained very challenging in Argentina, where volumes were under pressure and inflation was high, thus impacting the Group's margin.

In Asia, recurring operating income totalled 12 million euros, versus an operating loss of 7 million euros in first-half 2016. First-half 2017 marked a return to profit in a still highly competitive environment shaped by rapidly changing consumer habits. In Taiwan, sales continued to grow and operating margin improved.

Depreciation and amortisation

Depreciation and amortisation amounted to 781 million euros in first-half 2017. At 2% of sales, the ratio was stable compared with first-half 2016.

Taking into account the depreciation and amortisation relating to logistics equipment included in the cost of sales, a total of 810 million euros was recognised in the consolidated income statement at June 30, 2017, compared with 742 million euros at June 30, 2016.

Net income of equity-accounted companies

The net income of equity-accounted companies totalled 13 million euros, versus a net loss of 21 million euros in first-half 2016. The increase was mainly due to the improvement in net income from the Group's investment in Turkey.

3 Recurring operating income as a percentage of sales.

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 a net expense of 150 million euros in first-half 2017.

The detailed breakdown is as follows:

(In € millions)	**2017**	**2016**
Net gains on sales of assets	13	30
Restructuring costs	(102)	(89)
Other non-recurring items	(30)	(33)
Non-recurring income and expenses net before asset impairments and write-offs	**(119)**	**(93)**
Asset impairments and write-offs	(31)	(21)
Impairments and write-offs of goodwill	*0*	*0*
Impairments and write-offs of tangible and intangible assets	*(31)*	*(21)*
Non-recurring income and expenses, net	**(150)**	**(114)**

Restructuring costs concern plans to streamline operating structures in several of the Group's host countries. The expense recognised for first-half 2017 primarily includes the costs relating to the overhaul of supply chains in France as well as the plan to integrate the hypermarkets acquired in Spain.

Operating income

The Group ended the period with operating income of 484 million euros, versus 572 million euros in first-half 2016, representing a decline of 88 million euros.

Finance costs and other financial income and expenses, net

Finance costs and other financial income and expenses represented a net expense of 247 million euros, stable compared with first-half 2016.

(In € millions)	**2017**	**2016**
Finance costs, net	(191)	(181)
Other financial income and expenses, net	(56)	(68)
Finance costs and other financial income and expenses,	**(247)**	**(248)**

Finance costs, net rose by 10 million euros to 191 million euros.

Other financial income and expenses represented a net expense of 56 million euros, compared with a net expense of 68 million euros in first-half 2016.

Income tax expense

Income taxes amounted to 89 million euros, compared with 101 million euros for first-half 2016. The effective tax rate was 37.5%. First-half income tax expense is estimated by multiplying pre-tax income for the period by the estimated effective tax rate for first-half 2017.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interests came to 69 million euros, versus 65 million euros in first-half 2016.

Net income from continuing operations – Group share

The Group reported net income from continuing operations of 79 million euros in first-half 2017, compared with 158 million euros in first-half 2016.

2. Group financial position

2.1 Shareholders' equity

At June 30, 2017, shareholders' equity stood at 11,279 million euros, compared with 12,008 million euros at the previous year-end.

The 730 million euro decrease primarily reflected:
- net income for the period of 147 million euros;
- other comprehensive income for a negative 239 million euros;
- dividends paid in an amount of 584 million euros, of which 523 million euros paid to Carrefour shareholders and 61 million euros to non-controlling shareholders of subsidiaries.

2.2 Net debt

Net debt increased by 3,189 million euros over the period to 7,720 million euros at June 30, 2017 from 4,531 million euros at December 31, 2016.

Year-end net debt is systematically lower due to the high volume of business generated in the month of December. At June 30, 2016, net debt stood at 7,367 million euros.

Net debt breaks down as follows:

(In € millions)	2017	2016
Bonds	7,099	6,962
Other borrowings	781	690
Commercial paper	1,311	0
Finance lease liabilities	306	322
Total borrowings before derivative instruments recorded in liabilities	**9,497**	**7,974**
Derivative instruments recorded in liabilities	91	101
Total long and short term borrowings (1)	**9,588**	**8,075**
Of which, long term borrowings	*6,586*	*6,200*
Of which, short term borrowings	*3,001*	*1,875*
Other current financial assets	252	239
Cash and cash equivalents	1,615	3,305
Total current financial assets (2)	**1,868**	**3,544**
Net debt = (1) - (2)	**7,720**	**4,531**

Long and short-term borrowings (excluding derivatives) mature at different dates, through 2025 for the longest tranche of bond debt, leading to balanced repayment obligations in the coming years, as shown below:

(In € millions)	2017	2016
Due within one year	2,911	1,774
Due in 1 to 2 years	1,466	333
Due in 2 to 5 years	2,098	3,221
Due beyond 5 years	3,022	2,646
Total	**9,497**	**7,974**

At June 30, 2017, the Group had access to 3.9 billion euros in committed syndicated lines of credit with no drawing restrictions expiring in 2022 (excluding extension options), underpinning its liquidity position.

2.3 Cash flows for the period and cash and cash equivalents

Net debt rose by 3,189 million euros in first-half 2017, versus a 2,822 million euro increase in first-half 2016. The change is analysed in the simplified statement of cash flows presented below:

(in € millions)	2017	2016
Cash flow from operations	976	1,088
Change in trade working capital requirement	(2,277)	(1,541)
Change in other receivables and payables	(354)	(544)
Change in consumer credit granted by the financial services companies	114	33
Investments	(991)	(1,057)
Change in amounts due to suppliers of fixed assets	(260)	(295)
Other	56	59
Free cash flow	**(2,736)**	**(2,259)**
Acquisitions of subsidiaries and investments in associates	(160)	(141)
Purchases and disposals without change in control	(57)	0
Cash dividends/reinvested dividends	6	(41)
Finance costs, net	(191)	(181)
Other	(51)	(201)
Decrease / (Increase) in net debt	**(3,189)**	**(2,822)**

Free cash flow was a negative 2,736 million euros in first-half 2017, versus a negative 2,259 million euros in first-half 2016, after taking into account a 736 million euro increase in trade working capital requirement.

Operational investments mainly reflect the ongoing programme to modernise and develop the store network, as well as investments carried out by Cargo Property, the real estate subsidiary dedicated to logistics, created in 2016. In first-half 2016, the figure also included investments made on rebranding Dia stores under the Carrefour banner.

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 through regular debt issuance programmes, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium Term Notes (EMTN) programme totals 12 billion euros. Since 2007, the loan agreements for the EMTN programme 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-euro commercial paper programme on 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 June 30, 2017, the Group had two undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of 3.9 billion euros. Group policy consists of keeping these facilities on stand-by to support the commercial paper programme. 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 is robust, as it has sufficient cash reserves 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 averaged three years and nine months at June 30, 2017.

At the same date, Carrefour was 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 subsidiaries to comply with certain capital, liquidity and other ratios and to limit their exposure to other Group parties.

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 programmes, as well as its credit lines.

3. Outlook for the second half of 2017

Groupe Carrefour 2017 sales will grow by 2% to 4% at constant exchange rates in the full year.

Our 2017 results will be impacted by our H1 performance and an operating environment that will remain difficult in H2 in some countries. At current exchange rates, our full year 2017 ROI evolution vs 2016 should be roughly in line with the evolution we saw in H1 2017.

Carrefour will strengthen its financial discipline, with investments reaching between 2.2 billion euros and 2.3 billion euros in the full year (excluding Cargo Property), vs. the initial forecast of 2.4 billion euros. The Group aims to reach free cash flow in 2017 at the same level as in 2016.

Carrefour's new management team is fully focused on improving the Group's performance and adapting to the rapid and far-reaching evolutions within the industry. Management will come back to the market by the end of the year.

4. Other information

4.1 Accounting principles

The condensed consolidated financial statements for the six-month period ended June 30, 2017 have been prepared in accordance with IAS 34 – *Interim Financial Reporting*.

The accounting and calculation methods used to prepare the condensed consolidated financial statements for the six-month period ended June 30, 2017 are the same as those used for the 2016 consolidated financial statements, except for the specific requirements of IAS 34 and standards, amendments and interpretations which were applicable as of January 1, 2017 (not applicable to the Group or having no material impact on the Group's consolidated financial statements).

Details of the new and amended standards and interpretations, including those not yet adopted for use in the European Union, are provided in the condensed consolidated financial statements (paragraph 1.2, "IFRSs and interpretations applied by the Group").

4.2 Significant events of the period

a. Securing the Group's long-term financing

In December 2016, the Group exercised its option to extend its 2,500 million-euro credit facility by one year. The extension was effective in January 2017 and the facility will now mature in January 2022.

On May 2, 2017, the Group obtained a new 1,400 million-euro five-year bank facility (maturing in May 2022) from a pool of eight banks with two one-year extension options. This new facility will replace the facility of the same amount expiring in April 2019.

These operations contribute to the ongoing strategy to secure the Group's long-term financing sources by maintaining the average maturity of its facilities (which has risen from 4.1 years as of December 31, 2016 to 4.7 years as of June 30, 2017).

On June 7, 2017 (settlement on June 14, 2017), the Group issued USD 500 million worth of six-year cash-settled convertible bonds (maturing in June 2023) to institutional investors. The bonds were issued at 98.25% of their nominal value, and do not bear interest as they are zero-coupon bonds. The resulting initial conversion price is 27.7536 euros, including a conversion premium of 20% over the Carrefour reference share price. They may be converted into cash only and will not give rise to the issuance of new shares or carry rights to existing shares.

In parallel with the bond issue, the Group purchased cash-settled call options on its own shares in order to hedge its economic exposure relating to cash payments due on bonds in the event that investors exercise their conversion rights.

The above operations, for which a EUR/USD cross currency swap was arranged in euros, provide the Group with the equivalent of standard euro-denominated bond financing.

The issue consolidated the Group's long-term financing, extended the average maturity of its bond debt (from 3.6 years to 3.9 years at June 7, 2017) and further reduced its borrowing costs.

b. Acquisition of hypermarkets in Spain

On February 29, 2016, the Carrefour Group announced it had signed an agreement with the Eroski Group to acquire 36 compact hypermarkets with a total sales area of 235,000 square meters, as well as 8 shopping malls and 22 service stations adjacent to the stores. The conditions precedent have been met for the acquisition of 31 stores.

The acquisition has enabled Carrefour to expand its store network to 27 new towns and cities, and strengthen its position in the food market. In this way, the Group is furthering its ongoing multi-format and omni-channel development for the benefit of its customers.

c. 2016 dividend reinvestment option

At the Annual Shareholders' Meeting held on June 15, 2017, the shareholders decided to set the 2016 dividend at 0.70 euro per share with a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at 20.15 euros per share, representing 90% of the average of the opening prices quoted on Euronext Paris during the 20 trading days preceding the date of the Annual Shareholders' Meeting, less the net amount of the dividend of 0.70 euro per share and rounded up to the nearest euro cent.

The option period was open from June 21, 2017 to July 4, 2017 and a liability of 523 million euros was recorded in the consolidated statement of financial position at June 30, 2017.

d. Launch of the IPO of the Group's Brazil operations

The Group announced that Atacadão SA, the parent company of the Carrefour Group's operations in Brazil (Grupo Carrefour Brasil) filed a prospectus with the Brazilian Securities Commission (CVM) in June 2017 with the aim of listing the shares of Grupo Carrefour Brasil on the Novo Mercado segment of the São Paulo stock exchange. The IPO took place on July 20, 2017.

e. Absorption of Carmila by Cardety

On March 2, 2017, Carmila and Cardety, two property companies over which the Group has significant influence, announced a draft merger agreement under which Carmila would be absorbed by Cardety, whose shares are listed on Euronext Paris (compartment C).

The merger took place on June 12, 2017. Post completion, Carrefour held 42.45% of the new entity, which has been named Carmila.

As part of its development plan, the merged entity carried out a capital increase in an amount of 628.6 million euros in July 2017.

4.3 Main related-party transactions

During the first half of 2017, there were no major changes in the main related-party transactions.

4.4 Subsequent events

a. IPO of the Group's Brazil operations

The Group announced that Atacadão SA, the parent company of the Carrefour Group's operations in Brazil (Grupo Carrefour Brasil) filed a prospectus with the Brazilian Securities Commission (CVM) in June 2017 with the aim of listing the shares of Grupo Carrefour Brasil on the Novo Mercado segment of the São Paulo stock exchange.

The IPO took place on July 20, 2017 and consisted of a primary offering of 205,882,353 shares issued by Grupo Carrefour Brasil and a secondary offering of 34,461,489 and 56,800,000 Grupo Carrefour Brasil shares sold by Carrefour and Península, respectively.

Carrefour also granted a secondary over-allotment option to the Brazilian banks participating in the offering that led to place an additional 34,369,876 Carrefour-owned shares to cover over allotment.

Based on the IPO price, set at BRL 15 per share, the primary offering amounted to BRL 3.1 billion (0.8 billion euros), thereby valuing, at the launch of the IPO and following a capital increase, Grupo Carrefour Brasil's equity at BRL 29.7 billion (8.1 billion euros).

After the completion of the IPO and the exercise by Península of its call option to purchase 71,003,063 Grupo Carrefour Brasil shares from Carrefour, Carrefour holds a 71.8% interest in Grupo Carrefour Brasil, while Península holds 11.5% and Grupo Carrefour Brasil's free float is 16.7%.

In accordance with IFRS 10 – *Consolidated Financial Statements*, the capital gain earned on Carrefour's sale of its Grupo Carrefour Brasil shares will be recognised in "Shareholders' equity, Group share" in the second half of 2017.

b. Capital increase at Carmila

In July 2017, following the merger of Cardety and Carmila, the Carmila Group increased its share capital by 628.6 million euros in order to finance its 2017-2020 development plan.

Having subscribed to the capital increase in an amount of 50 million euros, Carrefour now owns 35.76% of the shares and voting rights of Carmila.

c. 2016 dividend reinvestment option

At the Annual Shareholders' Meeting held on June 15, 2017, the shareholders decided to set the 2016 dividend at 0.70 euro per share with a dividend reinvestment option.

At the end of the option period on July 4, 2017, shareholders owning 71.32% of Carrefour's shares had elected to reinvest their 2016 dividend.

July 13, 2017 was set as the date for:

- settlement/delivery of the 18,442,657 new shares corresponding to reinvested dividends, representing a total capital increase including premiums of 372 million euros;
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of 151 million euros.

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

4.5 Risk factors

The risk factors at June 30, 2017 are the same as those identified in Section 3.5.1 of the 2016 Registration Document.

Condensed Consolidated Financial Statements for the six-month period ended June 30, 2017

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Consolidated income statement

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.

(in € millions)	Notes	First-half 2017	First-half 2016	% change
Net sales	5.1	38 526	36 289	6,2%
Loyalty program costs		(298)	(271)	9,8%
Net sales net of loyalty program costs		**38 228**	**36 017**	**6,1%**
Other revenue		1 354	1 275	6,2%
Total revenue		**39 582**	**37 292**	**6,1%**
Cost of sales		(30 762)	(28 860)	6,6%
Gross margin from recurring operations		**8 821**	**8 432**	**4,6%**
Sales, general and administrative expenses, depreciation and amortisation	5.2	(8 200)	(7 726)	6,1%
Recurring operating income		**621**	**706**	**(12,1%)**
Net income from equity-accounted companies		13	(21)	(161,3%)
Recurring operating income after net income from equity-accounted companies		**633**	**686**	**(7,6%)**
Non-recurring income and expenses, net	5.3	(150)	(114)	31,8%
Operating income		**484**	**572**	**(15,4%)**
Finance costs and other financial income and expenses, net	10.5	(247)	(248)	(0,4%)
Finance costs, net		*(191)*	*(181)*	*5,7%*
Other financial income and expenses, net		*(56)*	*(68)*	*(16,9%)*
Income before taxes		**236**	**324**	**(27,0%)**
Income tax expense	7	(89)	(101)	(12,3%)
Net income from continuing operations		**148**	**222**	**(33,7%)**
Net income from discontinued operations	11.2	(1)	(28)	
Net income for the period		**147**	**194**	**(24,3%)**
Group share		**78**	**129**	**(39,8%)**
of which net income from continuing operations		79	158	(50,2%)
of which net income from discontinued operations		(1)	(28)	
Attributable to non-controlling interests		**69**	**65**	**6,6%**

Basic earnings per share, in €	First-half 2017	First-half 2016	% change
Earnings/(loss) from continuing operations per share	0.10	0.22	(51.3%)
Earnings from discontinued operations per share	(0.00)	(0.04)	
Basic earnings per share – Group share	0.10	0.18	(41.1%)

Diluted earnings per share, in €	First-half 2017	First-half 2016	% change
Diluted earnings/(loss) from continuing operations per share	0.10	0.22	(51.3%)
Diluted earnings from discontinued operations per share	(0.00)	(0.04)	
Diluted earnings per share – Group share	0.10	0.18	(41.1%)

Details of earnings per share calculations are provided in Note 9.2.

Consolidated statement of comprehensive income

(in € millions)	Notes	First-half 2017	First-half 2016
Net income for the period		**147**	**194**
Effective portion of changes in the fair value of cash flow hedges (1)	9.1	(22)	(8)
Changes in the fair value of available-for-sale financial assets (1)	9.1	(2)	(5)
Exchange differences on translating foreign operations (2)	9.1	(240)	279
Items that may be reclassified subsequently to profit or loss		**(264)**	**267**
Remeasurements of defined benefit plans obligation (1)	8.2/9.1	26	(80)
Items that will not be reclassified to profit or loss		**26**	**(80)**
Other comprehensive income after tax for the period		**(239)**	**187**
Total comprehensive income for the period		**(92)**	**381**
Group share		(106)	235
Attributable to non-controlling interests		14	146

(1) Presented net of the tax effect (Note 9.1).

(2) Exchange differences on translating foreign operations recognised in first-half 2017 mainly reflect the fall in the value of the Brazilian real. In first-half 2016, the positive impact was mainly driven by the rise in the Brazilian real.

Consolidated statement of financial position

ASSETS

(in € millions)	Notes	June 30, 2017	December 31, 2016
Goodwill	6.1	8,679	8,640
Other intangible assets		1,306	1,266
Property and equipment	6.2	13,236	13,406
Investment property	6.3	332	314
Investments in companies accounted for by the equity method		1,327	1,361
Other non-current financial assets		1,418	1,430
Consumer credit granted by the financial services companies – long term	5.5	2,477	2,371
Deferred tax assets		841	829
Other non-current assets		276	79
Non-current assets		**29,892**	**29,697**
Inventories		6,863	7,039
Trade receivables		2,636	2,682
Consumer credit granted by the financial services companies – short-term	5.5	3,655	3,902
Other current financial assets		252	239
Tax receivables		886	1,044
Other assets		995	907
Cash and cash equivalents	10.2	1,615	3,305
Assets held for sale		20	31
Current assets		**16,922**	**19,148**
TOTAL ASSETS		**46,814**	**48,845**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in € millions)	Notes	June 30, 2017	December 31, 2016
Share capital		1,891	1,891
Consolidated reserves and income for the year		7,862	8,536
Shareholders' equity – Group share		**9,753**	**10,426**
Shareholders' equity attributable to non-controlling interests		1,526	1,582
Total shareholders' equity		**11,279**	**12,008**
Long-term borrowings	10.2	6,586	6,200
Provisions	8.1	2,937	3,064
Consumer credit financing – long-term	5.5	2,574	1,935
Deferred tax liabilities		549	543
Non-current liabilities		**12,646**	**11,742**
Short-term borrowings	10.2	3,001	1,875
Suppliers and other creditors		12,784	15,396
Consumer credit financing – short-term	5.5	2,774	3,395
Tax payables		1,084	1,260
Other payables		3,233	3,153
Liabilities related to assets held for sale		14	16
Current liabilities		**22,890**	**25,095**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**46,814**	**48,845**

Consolidated statement of cash flows

(in € millions)	First-half 2017	First-half 2016
INCOME BEFORE TAXES	**236**	**324**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income tax	(259)	(140)
Depreciation and amortisation expense	811	757
Capital (gains)/losses on sales of assets	(20)	(33)
Change in provisions and impairment	0	(1)
Finance costs, net	191	181
Net income and dividends received from equity-accounted companies	20	26
Impact of discontinued operations	(3)	(25)
Cash flow from operations	**976**	**1 088**
Change in working capital requirement (1)	(2 631)	(2 085)
Impact of discontinued operations	(1)	(11)
Net cash from operating activities (excluding financial services companies)	**(1 655)**	**(1 008)**
Change in consumer credit granted by the financial services companies	114	33
Net cash from operating activities	**(1 541)**	**(975)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment and intangible assets (2)	(991)	(1 057)
Acquisitions of non-current financial assets	26	11
Acquisitions of subsidiaries and investments in associates (3)	(169)	(147)
Proceeds from the disposal of subsidiaries and investments in associates	9	6
Proceeds from the disposal of property and equipment and intangible assets	58	92
Proceeds from the disposal of non-current financial assets	2	1
Change in amounts receivable from disposals of fixed assets and due to suppliers of fixed assets (2)	(262)	(284)
Investments net of disposals	**(1 326)**	**(1 378)**
Other cash flows from investing activities	(71)	(16)
Impact of discontinued operations	1	5
Net cash from/(used in) investing activities	**(1 396)**	**(1 388)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues to non-controlling interests (4)	90	140
Acquisitions and disposals of investments without any change of control	(57)	0
Dividends paid by Carrefour (parent company) (5)	0	(121)
Dividends paid by consolidated companies to non-controlling interests	(84)	(60)
Change in treasury stock and other equity instruments	(2)	(4)
Change in current financial assets	(69)	107
Issuance of bonds (6)	387	750
Repayments of bonds (6)	(250)	0
Net interests paid	(222)	(202)
Other changes in borrowings (7)	1 520	662
Net cash from/(used in) financing activities	**1 313**	**1 272**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**(1 623)**	**(1 091)**
Effect of changes in exchange rates	(66)	54
Net change in cash and cash equivalents	**(1 690)**	**(1 037)**
Cash and cash equivalents at beginning of the period	**3 305**	**2 724**
Cash and cash equivalents at end of the period	**1 615**	**1 688**

(1) *The change in working capital is analysed in Note 5.4.*

(2) *Investments mainly reflect the ongoing programme to modernise and develop the store network, as well as investments carried out by Cargo Property, the real estate subsidiary dedicated to logistics, created in 2016. In first-half 2016, the figure also included investments made on rebranding Dia stores under the Carrefour banner.*

(3) *This item mainly reflects the acquisition of stores in Spain (described in Note 3.2). In first-half 2016, this line item related to the acquisition of Billa in Romania.*

(4) *In first-half 2017 and first-half 2016, proceeds from share issues to non-controlling interests mainly correspond to the share capital of Cargo Property Holding subscribed and paid up during the period by third-party investors (non-controlling interests).*

(5) *The dividend approved by shareholders at the Annual Shareholders' Meeting of June 15, 2017 was paid on July 13, 2017 (Notes 3.3 and 11.5.3). In 2016, the dividend was paid on June 21 (cash dividend of 121 million euros paid to the shareholders who chose not to reinvest their dividends).*

(6) *See Note 10.2.*

(7) *This item mainly reflects commercial paper issues (see Note 10.2).*

Consolidated statement of changes in shareholders' equity

(in € millions)	Shareholders' equity – Group share				Total Shareholders' equity – Group share	Non-controlling interests	Total Shareholders' equity
	Share capital	Translation reserve	Fair value reserves (1)	Other consolidated reserves and net income			
Shareholders' equity at December 31, 2015	**1,846**	**(835)**	**(7)**	**8,628**	**9,633**	**1,039**	**10,672**
Net income for the first-half 2016				129	129	65	194
Other comprehensive income after tax		198	(14)	(79)	106	81	187
Total comprehensive income for the first-half		**198**	**(14)**	**50**	**235**	**146**	**381**
Treasury stock (net of tax)				(1)	(1)	-	(1)
2015 dividend payment (2)	44			(165)	(121)	(60)	(181)
Change in capital and additional paid-in capital (3)					-	439	439
Effect of changes in scope of consolidation and other				(1)	(1)	(15)	(16)
Shareholders' equity at June 30, 2016	**1,891**	**(636)**	**(20)**	**8,510**	**9,745**	**1,549**	**11,294**
Net income for the second-half 2016				617	617	83	700
Other comprehensive income after tax		63	17	(27)	52	19	71
Total comprehensive income for the second-half		**63**	**17**	**589**	**669**	**102**	**771**
Share-based payments				3	3	-	3
Treasury stock (net of tax)				50	50	-	50
2015 dividend payment					-	(66)	(66)
Change in capital and additional paid-in capital					-	4	4
Effect of changes in scope of consolidation and other		5	1	(45)	(40)	(7)	(47)
Shareholders' equity at December 31, 2016	**1,891**	**(569)**	**(3)**	**9,108**	**10,426**	**1,582**	**12,008**
Net income for the first-half 2017				78	78	69	147
Other comprehensive income after tax		(185)	(24)	26	(184)	(55)	(239)
Total comprehensive income for the first-half		**(185)**	**(24)**	**103**	**(106)**	**14**	**(92)**
Share-based payments				7	7	1	8
Treasury stock (net of tax)				(2)	(2)	-	(2)
2016 dividend payment (4)				(523)	(523)	(61)	(584)
Change in capital and additional paid-in capital				14	14	(17)	(3)
Effect of changes in scope of consolidation and other				(64)	(64)	7	(57)
Shareholders' equity at June 30, 2017	**1,891**	**(754)**	**(28)**	**8,644**	**9,753**	**1,526**	**11,279**

(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 2015 dividend, totalling 509 million euros, was paid in first-half 2016:
- *in cash for 121 million euros; and*
- *in new shares for 388 million euros (corresponding to the aggregate par value of the new shares for 44 million euros and premiums for 344 million euros).*

(3) The increase in non-controlling interests in first-half 2016 chiefly corresponds to the portion of Cargo Property Holding's share capital subscribed by third-party investors (including uncalled capital).

(4) The 2016 dividend, totaling 523 million euros, corresponds to the total dividend amount approved at the Annual Shareholders' Meeting of June 15, 2017. It was paid on July 13, 2017 (i) in cash for 151 million euros and, (ii) in new shares for 372 million euros (Notes 3.3 and 11.5.3).

Notes to the condensed consolidated financial statements

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NOTE 1: BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six-month period ended June 30, 2017 were reviewed by the Board of Directors on August 30, 2017.

Carrefour (the "Company") is domiciled in France. The condensed consolidated financial statements for the six-month period ended June 30, 2017 comprise the financial statements of the Company and its subsidiaries (together the "Group") and the Group's share of the profits and losses and net assets of associates and joint ventures accounted for by the equity method. The presentation currency of the consolidated financial statements is the euro, which is the Company's functional currency.

1.1 Statement of compliance

In accordance with European Regulation (EC) no. 1606/2002 dated July 19, 2002, the condensed consolidated financial statements for the six-month period ended June 30, 2017 have been prepared in compliance with the international accounting standards adopted for use in the European Union as of June 30, 2017 and applicable at that date, with comparative information for the same period of 2016 and at December 31, 2016 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

At June 30, 2017, 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 – *Financial Instruments: Recognition and Measurement*, 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 condensed consolidated financial statements for the six-month period ended June 30, 2017 are the same as those used for the 2016 consolidated financial statements, except for specific requirements of IAS 34 – *Interim Financial Reporting* (Note 1.3) and the following standards, amendments and interpretations which were applicable as of January 1, 2017, subject to being approved by the European Union:

- Amendments to IAS 7 – *Disclosure Initiative*.
- Amendments to IAS 12 – *Recognition of Deferred Tax Assets for Unrealised Losses*.
- IFRS Annual Improvements 2014-2016 Cycle.

Application of these amendments had no material impact on the Group's condensed consolidated financial statements.

The Group decided not to early adopt the following standards and interpretations that were not applicable as of January 1, 2017:

Adopted for use in the European Union:

- IFRS 9 – *Financial Instruments* (applicable in accounting periods beginning on or after January 1, 2018). This new standard, which describes the principles to be applied for the classification and measurement of financial assets and liabilities, will replace IAS 39 – *Financial Instruments: Recognition and Measurement.* The main changes in IFRS 9 include introduction of a single approach to classifying and measuring financial instruments and a

new credit loss model based on expected losses as opposed to the currently applicable incurred loss model. The Group is currently preparing the first-time adoption of IFRS 9, which will primarily affect the banking and insurance businesses. At this stage of the process, it is not possible to reasonably estimate the effects of IFRS 9 on the classification and measurement of financial instruments or on the amount of provisions for credit losses on financial assets.

- IFRS 15 – *Revenues from Contracts with Customers*, applicable in accounting periods beginning on or after January 1, 2018. This standard, which replaces IAS 18 – *Revenues* and IAS 11 – *Construction Contracts* and the related interpretations, defines the revenue recognition model to be used in IFRS financial statements. The Group is currently examining the effects of applying this new standard, which may have an impact on the amount and timing of revenue recognition by the Group. This impact cannot yet be reasonably estimated.

Not yet adopted for use in the European Union:

- IFRS 16 – *Leases* (applicable according to the IASB in accounting periods beginning on or after January 1, 2019). This standard, which will replace IAS 17 – *Leases* and the related interpretations, sets out the principles for recognising leases and brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. It will therefore affect the presentation of operating leases in the income statement (with lease expenses currently recognised in operating expense replaced by a finance charge and a depreciation expense), the cash flow statement (with repayment of the lease liability and the finance charge reported under net cash from/(used in) financing activities) and the statement of financial position (with a right of use asset recorded in assets and the corresponding lease liability recorded in liabilities). The Group is currently preparing the first-time adoption of this new standard. Its effects on the consolidated financial statements cannot be reasonably estimated at this stage of the process.
- Amendments to IFRS 10 and IAS 28 – *Sales or Contributions of Assets Between an Investor and its Associate/Joint Venture* (application postponed indefinitely by the IASB).
- Clarification of IFRS 15 – *Revenues from Contracts with Customers* (applicable according to the IASB in accounting periods beginning on or after January 1, 2018).
- Amendments to IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* (applicable according to the IASB in accounting periods beginning on or after January 1, 2018).
- Amendments to IFRS 4 – *Applying IFRS 9 Financial Instruments with IFRS 4 – Insurance Contracts* (applicable according to the IASB in accounting periods beginning on or after January 1, 2018).
- Amendments to IAS 40 – *Transfers of Investment Property* (applicable according to the IASB in accounting periods beginning on or after January 1, 2018).
- IFRIC 22 – *Foreign Currency Transactions and Advance Consideration* (applicable according to the IASB in accounting periods beginning on or after January 1, 2018).
- IFRS Annual Improvements 2014-2016 Cycle.
- IFRIC 23 – *Uncertainty over Income Tax Treatments* (applicable according to the IASB in accounting periods beginning on or after January 1, 2019).
- IFRS 17 – *Insurance Contracts* (applicable according to the IASB in accounting periods beginning on or after January 1, 2021).

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

1.3 Specific reporting treatments in the preparation of interim financial statements

1.3.1 Reporting principles

The condensed consolidated financial statements for the six-month period ended June 30, 2017 have been prepared in accordance with IAS 34 – *Interim Financial Reporting*. Condensed interim consolidated financial statements do not contain all of the disclosures that would be required in a complete set of annual financial statements. Consequently, these interim financial statements should be read jointly with the Group's consolidated financial statements for the year ended December 31, 2016, as included in the Registration Document filed with the AMF and available on request from the Company's head office at 33 avenue Emile Zola, 92100 Boulogne-Billancourt, France, or on the Company's website, www.carrefour.com.

1.3.2 Estimation of income tax expense

In accordance with IAS 34, income tax expense for first-half 2017 is calculated based on the estimated weighted average annual income tax rate for full-year 2017 (the effective tax rate), for each entity and tax sub-group (Note 7).

1.3.3 Post-employment benefits and other long-term benefits

The provision for pensions and other post-employment benefits is calculated using actuarial projections based on data from the previous period-end. The discount rate for the main contributing countries (eurozone) is reviewed at June 30 (Note 8). The actuarial projections are updated to take into account any material changes to assumptions or one-off impacts (discount rates, applicable legislation, the population concerned, etc.) during the six-month period.

1.4 Use of estimates and judgment

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. In addition to using estimates, Group management is required to exercise judgement when determining the appropriate accounting treatment of certain transactions and activities and how it should be applied.

The main estimates and judgments applied for the preparation of the condensed consolidated financial statements for the six-month period ended June 30, 2017 are the same as those described in the consolidated financial statements for the year ended December 31, 2016.

1.5 Measurement methods

The consolidated financial statements have been prepared using the historical cost convention, except for assets acquired and liabilities assumed in business combinations and certain financial assets and liabilities, which are measured using the fair value model, and non-current assets held for sale, which are measured at the lower of carrying amount and fair value less costs to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Based on the hierarchy defined in IFRS 13 – *Fair Value Measurement*, fair value may be measured using the following inputs:

- Level 1 inputs: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs: 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: inputs that are intrinsic to the asset or liability and are not based on observable market data for the asset or liability.

NOTE 2: SEASONAL FLUCTUATIONS IN BUSINESS

Like those of other retailers, Carrefour's sales are subject to significant seasonal fluctuations, with the result that comparisons between the consolidated financial statements for the first and second halves of the year are not particularly meaningful. This is particularly the case for recurring operating income and cash flow generation between the two periods.

Second-half sales are traditionally higher than those for the first half, due to increased activity in December. In 2016, the Group's first-half sales amounted to 36,289 million euros, representing 47% of the annual total of 76,645 million euros. Operating expenses on the other hand – such as payroll costs, depreciation and amortisation – are spread more or less evenly over the year. As a result, recurring operating income is generally lower in the first half than in the second.

Cash flows generated by the Group are also strongly impacted by seasonal trends, with working capital requirement rising sharply in the first half as a result of the large volume of supplier payments due at the beginning of the year for the purchases made ahead of the previous year's peak selling period in December.

NOTE 3: SIGNIFICANT EVENTS OF THE PERIOD

3.1 Securing the Group's long-term financing

In December 2016, the Group exercised its option to extend its 2,500 million-euro credit facility by one year. The extension was effective in January 2017 and the facility will now mature in January 2022.

On May 2, 2017, the Group obtained a new 1,400 million-euro five-year bank facility (maturing in May 2022) from a pool of eight banks with two one-year extension options. This new facility will replace the facility of the same amount expiring in April 2019.

These operations contribute to the ongoing strategy to secure the Group's long-term financing sources by maintaining the average maturity of its facilities (which has risen from 4.1 years as of December 31, 2016 to 4.7 years as of June 30, 2017).

On June 7, 2017 (settlement on June 14, 2017), the Group issued USD 500 million worth of six-year cash-settled convertible bonds (maturing in June 2023) to institutional investors. The bonds were issued at 98.25% of their nominal value, and do not bear interest as they are zero-coupon bonds. The resulting initial conversion price is 27.7536 euros, including a conversion premium of 20% over the Carrefour reference share price. They may be converted into cash only and will not give rise to the issuance of new shares or carry rights to existing shares.

In parallel with the bond issue, the Group purchased cash-settled call options on its own shares in order to hedge its economic exposure relating to cash payments due on bonds in the event that investors exercise their conversion rights.

The above operations, for which a EUR/USD cross currency swap was arranged in euros, provide the Group with the equivalent of standard euro-denominated bond financing (see a description of the related accounting treatment in Note 10.2).

The issue consolidated the Group's long-term financing, extended the average maturity of its bond debt (from 3.6 years to 3.9 years at June 7, 2017) and further reduced its borrowing costs.

3.2 Acquisition of hypermarkets in Spain

On February 29, 2016, the Carrefour Group announced it had signed an agreement with the Eroski Group to acquire 36 compact hypermarkets with a total sales area of 235,000 square meters, as well as eight shopping malls and 22 service stations adjacent to the stores.

The conditions precedent have been met for the acquisition of 31 stores. The accounting impact of the transaction is presented in Note 11.1.1.

The acquisition has enabled Carrefour to expand its store network to 27 new towns and cities, and strengthen its position in the food market. In this way, the Group is furthering its ongoing multi-format and omni-channel development for the benefit of its customers.

3.3 2016 dividend reinvestment option

At the Annual Shareholders' Meeting held on June 15, 2017, the shareholders decided to set the 2016 dividend at 0.70 euro per share with a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at 20.15 euros per share, representing 90% of the average of the opening prices quoted on Euronext Paris during the 20 trading days preceding the date of the Annual Shareholders' Meeting, less the net amount of the dividend of 0.70 euro per share and rounded up to the nearest euro cent.

The option period was open from June 21, 2017 to July 4, 2017 and a liability of 523 million euros was recorded in the consolidated statement of financial position at June 30, 2017 (Note 11.5.3).

3.4 Launch of the IPO of the Group's Brazil operations

The Group announced that Atacadão SA, the parent company of the Carrefour Group's operations in Brazil (Grupo Carrefour Brasil) filed a prospectus with the Brazilian Securities Commission (CVM) in June 2017 with the aim of listing the shares of Grupo Carrefour Brasil on the Novo Mercado segment of the São Paulo stock exchange.

The IPO took place on July 20, 2017. Details of the transaction are provided in Note 11.5.1.

3.5 Absorption of Carmila by Cardety

On March 2, 2017, Carmila and Cardety, two property companies over which the Group has significant influence, announced a draft merger agreement under which Carmila would be absorbed by Cardety, whose shares are listed on Euronext Paris (compartment C).

The merger took place on June 12, 2017. Post completion, Carrefour held 42.45% of the new entity, which has been named Carmila.

As part of its development plan, the merged entity carried out a capital increase in an amount of 628.6 million euros in July 2017 (Note 11.5.2).

NOTE 4: SEGMENT INFORMATION

4.1 Segment results

First-half 2017 *(in € millions)*	**Total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
Net sales	38,526	17,307	10,010	8,075	3,135	0
Other revenue	1,354	425	326	420	154	30
Recurring operating income before depreciation and amortisation	**1,431**	**539**	**375**	**407**	**104**	**6**
Recurring operating income	**621**	**199**	**149**	**293**	**12**	**(33)**
Capital expenditure	991	384	224	259	50	73
Depreciation and amortisation expense (1)	(810)	(340)	(226)	(114)	(91)	(39)

First-half 2016 *(in € millions)*	**Total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
Net sales	36,289	17,179	9,428	6,453	3,229	0
Other revenue	1,275	456	305	339	150	26
Recurring operating income before depreciation and amortisation	**1,448**	**625**	**359**	**359**	**93**	**13**
Recurring operating income	**706**	**312**	**155**	**273**	**(7)**	**(26)**
Capital expenditure	1,057	548	183	197	62	68
Depreciation and amortisation expense (1)	(742)	(313)	(204)	(86)	(100)	(39)

(1) Including the depreciation and amortisation relating to logistics equipment included in the cost of sales.

4.2 Segment assets and liabilities

June 30, 2017 *(in € millions)*	**Total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
ASSETS						
Goodwill	8,679	4,779	3,221	570	108	1
Other intangible assets	1,306	299	409	147	24	427
Property and equipment	13,236	5,723	3,835	2,680	987	12
Investment property	332	3	160	40	129	-
Other segment assets	17,787	9,608	3,311	3,689	851	328
Total segment assets	**41,341**	**20,411**	**10,935**	**7,127**	**2,099**	**769**
Unallocated assets	5,473					
Total Assets	**46,814**					
LIABILITIES (excluding equity)						
Segment liabilities	**22,449**	**11,168**	**4,816**	**3,633**	**1,978**	**854**
Unallocated liabilities	13,087					
Total Liabilities	**35,536**					

December 31, 2016 *(in € millions)*	**Total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
ASSETS						
Goodwill	8,640	4,775	3,124	627	112	1
Other intangible assets	1,266	298	395	158	25	390
Property and equipment	13,406	5,716	3,782	2,815	1,079	14
Investment property	314	3	128	46	137	-
Other segment assets	17,945	9,342	3,324	3,851	1,086	342
Total segment assets	**41,571**	**20,134**	**10,754**	**7,497**	**2,438**	**748**
Unallocated assets	7,274					
Total Assets	**48,845**					
LIABILITIES (excluding equity)						
Segment liabilities	**25,139**	**11,927**	**5,767**	**4,597**	**2,429**	**420**
Unallocated liabilities	11,698					
Total Liabilities	**36,837**					

NOTE 5: OPERATING ITEMS

5.1 Net sales

(in € millions)	First-half 2017	First-half 2016	% change
Net sales	38,526	36,289	6.2%

At constant exchange rates, first-half 2017 net sales amounted to 37,454 million euros, up 3.2%.

Changes in exchange rates increased net sales by 1,072 million euros in first-half 2017, with positive currency effects of 1,017 million euros in Latin America and 44 million euros in the Asia segment.

Net sales by country

(in € millions)	First-half 2017	First-half 2016
France	**17,307**	**17,179**
Rest of Europe	**10,010**	**9,428**
Spain	3,967	3,709
Italy	2,429	2,383
Belgium	1,942	1,946
Poland	839	771
Romania	832	618

(in € millions)	First-half 2017	First-half 2016
Latin America	**8,075**	**6,453**
Brazil	6,671	5,151
Argentina	1,404	1,302
Asia	**3,135**	**3,229**
China	2,174	2,371
Taiwan	961	858

5.2 Sales, general and administrative expenses, and depreciation and amortisation

(in € millions)	First-half 2017	First-half 2016	% change
Sales, general and administrative expenses	(7,419)	(7,006)	5.9%
Depreciation and amortisation	(781)	(720)	8.4%
Total SG&A and depreciation and amortisation	**(8,200)**	**(7,726)**	**6.1%**

Sales, general and administrative expenses

Sales, general and administrative expenses break down as follows:

(in € millions)	First-half 2017	First-half 2016	% change
Employee benefits expense	(4,330)	(4,014)	7.9%
Property rentals	(540)	(506)	6.9%
Advertising expense	(471)	(434)	8.4%
Fees	(438)	(426)	2.8%
Maintenance and repair costs	(421)	(387)	8.8%
Energy and electricity	(316)	(324)	(2.3%)
Taxes other than income tax (1)	(380)	(425)	(10.5%)
Other SG&A expenses	(522)	(489)	6.7%
Total SG&A expenses	**(7,419)**	**(7,006)**	**5.9%**

(1) *Includes the tax on retail space in France (TaSCom), for which the accounting treatment under IFRIC 21 – Levies was modified during the second half of 2016 in response to the amendments to the TaSCom Act dated July 13, 1972, which was modified by France's Amended Finance Act for 2015 and by the 2017 Finance Act. These amendments notably introduced an additional obligating event for the payment of the TaSCom, according to which an operator that ceases to operate a taxable establishment during the year is liable for tax in respect of that year calculated on a* pro rata *basis. This change in the law led the Group to recognise the tax in first-half 2017 based on pro rated sales for the period (previously, the TaSCom tax was recognised in full in the first half, i.e., 106 million euros in first-half 2016).*

Depreciation and amortisation

Taking into account the depreciation and amortisation relating to logistics equipment included in the cost of sales, a total of 810 million euros was recognised in the consolidated income statement at June 30, 2017, compared with 742 million euros at June 30, 2016.

5.3 Non-recurring income and expenses

To make it easier to analyse recurring operating performance, certain material items that are unusual in terms of their nature and frequency are reported under "Non-recurring income" or "Non-recurring expenses", as follows:

(in € millions)	**First-half 2017**	**First-half 2016**
Net gains on sales of assets	13	30
Restructuring costs	(102)	(89)
Other non-recurring income and expenses	(30)	(33)
Non-recurring income and expenses, net before asset impairments and write-offs	**(119)**	**(93)**
Asset impairments and write-offs	(31)	(21)
Non-recurring income and expenses, net	**(150)**	**(114)**
of which:		
Non-recurring income	*21*	*45*
Non-recurring expense	*(171)*	*(158)*

Restructuring costs concern plans to streamline operating structures in several of the Group's host countries. The expense recognised for first-half 2017 primarily includes the costs relating to the overhaul of supply chains in France as well as the plan to integrate the hypermarkets acquired in Spain.

5.4 Change in working capital

The change in working capital reported in the consolidated statement of cash flows under "Cash flows from operating activities" breaks down as follows:

(in € millions)	**First-half 2017**	**First-half 2016**	**Change**
Change in inventories	(19)	8	(27)
Change in trade receivables	(37)	(40)	3
Change in trade payables	(2,183)	(1,485)	(698)
Change in loyalty program liabilities	(38)	(25)	(13)
Change in trade working capital requirement	**(2,277)**	**(1,541)**	**(735)**
Change in other receivables and payables	(354)	(544)	190
Change in working capital requirement	**(2,631)**	**(2,085)**	**(546)**

5.5 Banking and insurance activities

5.5.1 Consumer credit granted by the financial services companies

At June 30, 2017, consumer credit totalled 6,131 million euros (December 31, 2016: 6,273 million euros), as follows:

(in € millions)	**June 30, 2017**	**December 31, 2016**
Payment card receivables	4 189	4 432
Loans	2 473	2 347
Consumer credit (on purchases made in Carrefour stores)	54	69
Other	269	289
Impairment	(854)	(863)
Total Consumer credit granted by the financial services companies	**6 131**	**6 273**
Short-term financing	*3 655*	*3 902*
Long-term financing	*2 477*	*2 371*

5.5.2 Consumer credit financing

The related consumer credit financing amounted to 5,347 million euros at June 30, 2017 (December 31, 2016: 5,330 million euros), as follows:

(in € millions)	**June 30, 2017**	**December 31, 2016**
Bonds and notes	1,912	1,846
Debt securities (retail certificates of deposit, medium-term notes)	1,084	1,251
Bank borrowings (1)	588	317
Customer passbook savings deposits	543	501
Securitisations (2)	410	510
Other refinancing debt to financial institutions	811	905
Total Consumer credit financing	**5,347**	**5,330**
Short-term borrowings	*2,774*	*3,395*
Long-term borrowings	*2,574*	*1,935*

(1) A zero-coupon, four-year loan obtained by Carrefour Banque from the European Central Bank for 400 million euros (maturing in March 2021).

(2) Master Credit Cards Pass reloadable securitisation programme with compartments launched by Carrefour Banque in November 2013. Asset pool: 560 million euros. Proceeds from the securitisation: 400 million euros. The fund amount at June 30, 2017 was 410 million euros (510 million euros at December 31, 2016). The securitisation fund is fully consolidated in the Group's accounts.

NOTE 6: INTANGIBLE ASSETS, PROPERTY AND EQUIPMENT, INVESTMENT PROPERTY

6.1 Goodwill

The recoverable amount of goodwill is generally monitored at the level of the operating segments (group of cash-generating units) represented by the countries in which the Group conducts its business through its integrated store networks.

The carrying amount of goodwill can be broken down as follows:

(in € millions)	June 30, 2017	December 31, 2016
France	4,779	4,775
Italy	960	960
Belgium	956	956
Spain	948	862
Brazil	523	575
Poland	249	239
Romania	108	108
Other countries	156	166
Total Goodwill	**8,679**	**8,640**

The increase in goodwill in first-half 2017 is mainly due to the provisional goodwill recognised on the acquisition of hypermarkets in Spain (see Notes 3.2 and 11.1.1), which was partially offset by translation adjustments to goodwill in Brazil.

Impairment tests at June 30, 2017

Non-amortised intangible assets are tested for impairment at least once a year, at the year-end, in accordance with IAS 36. At each interim closing, the Group determines whether there are any indications of impairment and if this is the case, performs additional impairment tests, as prescribed by IAS 36.

At June 30, 2017, the tests performed by the Group did not lead to the recognition of any impairment losses.

6.2 Property and equipment

(in € millions)	June 30, 2017	December 31, 2016
Land	2,585	2,565
Buildings	10,252	10,200
Equipment, fixtures and fittings	15,582	15,458
Other fixed assets	440	430
Assets under construction	749	789
Finance leases – land	452	460
Finance leases – buildings	1,167	1,182
Finance leases – equipment, fixtures and fittings	84	84
Property and equipment at cost	**31,311**	**31,169**
Depreciation	(16,544)	(16,237)
Depreciation of assets under finance leases	(975)	(968)
Impairment	(556)	(558)
Total Property and equipment, net	**13,236**	**13,406**

6.3 Investment property

Investment property consists mainly of shopping malls located adjacent to the Group's stores. The properties' carrying amount at June 30, 2017 was 332 million euros and their estimated fair value at that date (determined by capitalising future rentals or based on independent valuations) was 745 million euros. At December 31, 2016, these values were 314 million euros and 681 million euros respectively.

NOTE 7: INCOME TAX

The income tax expense for first-half 2017 amounted to 89 million euros, representing an effective tax rate of 37.5%, compared with the 101 million euros expense recorded in first-half 2016, which corresponded to an effective tax rate of 31.3%. First-half income tax expense is estimated by multiplying pre-tax income for the period by the estimated effective tax rate for full-year 2017. The tax impact of specific transactions is reflected in income tax expense for the period.

NOTE 8: PROVISIONS AND EMPLOYEE BENEFITS

8.1 Changes in provisions

(in € millions)	December 31, 2016	Translation adjustment	Increases	Discounting adjustment	Reversals of surplus provisions	Utilisations	Other	June 30, 2017
Post-employment benefit obligations	1,279	(1)	42	(37)	(0)	(14)	0	1,269
Claims and litigation	1,312	(79)	136	-	(71)	(67)	(4)	1,227
Tax reassessments	*885*	*(55)*	*61*	*-*	*(26)*	*(7)*	*4*	*863*
Disputes with current and former employees	*243*	*(14)*	*50*	*-*	*(26)*	*(43)*	*(8)*	*200*
Legal disputes	*184*	*(9)*	*25*	*-*	*(19)*	*(17)*	*0*	*164*
Restructuring	98	(1)	19	-	(4)	(29)	(0)	83
Other (1)	375	(0)	37	-	(15)	(40)	0	357
Total Provisions	**3,064**	**(81)**	**233**	**(37)**	**(90)**	**(150)**	**(4)**	**2,937**

(1) Other provisions primarily concern technical risks associated mainly with the insurance business and onerous contracts.

8.2 Post-employment benefits

The Group's post-employment benefit obligation (defined benefit plans) is calculated on the basis of actuarial assumptions such as future salary levels, retirement age, mortality, staff turnover and the discount rate.

At June 30, 2017, a discount rate of 1.45% was used for France, Belgium and Italy, compared with 1.2% at December 31, 2016. These rates are based on indices of AA-rated corporate bonds with maturities similar to the estimated duration of the defined benefit obligation.

(in € millions)	France	Belgium	Italy	Other countries	Group total
Provision at December 31, 2016	**858**	**253**	**136**	**32**	**1,279**
Service cost	*30*	*8*	*0*	*0*	*37*
Interest cost (discount effect)	*5*	*3*	*1*	*0*	*9*
Return on plan assets	*(0)*	*(1)*	*-*	*(0)*	*(2)*
Other items	*(1)*	*-*	*-*	*-*	*(1)*
Movements recorded in the income statement	34	9	1	0	45
Benefits paid directly by the employer	(3)	(6)	(4)	-	(12)
Change in actuarial gains and losses	(24)	(10)	(3)	0	(37)
Other	(0)	(4)	0	(2)	(5)
Provision at June 30, 2017	**866**	**242**	**130**	**31**	**1,269**

In first-half 2017, the net expense of 45 million euros corresponds to 37 million euros recognised in employee benefits expense and 7 million euros recorded in financial expense.

Sensitivity tests show that:

- a 25-bps increase in the discount rate would reduce the defined benefit obligation under the French, Belgian and Italian plans by around 39 million euros.
- a 25-bps increase in the inflation rate would increase the defined benefit obligation under the French, Belgian and Italian plans by around 18 million euros.

8.3 Share-based payments

Share-based payments correspond to the performance share plan set up by the Group in the second half of 2016 (for a maximum of 1,950,000 Carrefour SA shares, whose vesting is subject to the grantees' continued employment with the Group and fulfilment of several performance conditions) and the stock option plan set up in Brazil in first-half 2017 (for a maximum of 9,283,783 Atacadaõ SA shares, whose vesting is subject to the grantees' continued employment with the Group).

The cost of share-based payment plans for first-half 2017 recorded under "Employee benefits expense" (excluding payroll taxes) in recurring operating income was 8 million euros, with a corresponding increase in equity (first-half 2016: no cost recognised).

NOTE 9: EQUITY AND EARNINGS PER SHARE

9.1 Other comprehensive income

(in € millions)

Group share	First-half 2017			First-half 2016		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	(36)	12	(24)	(10)	3	(7)
Changes in the fair value of available-for-sale financial assets	(1)	1	(1)	(6)	(1)	(7)
Exchange differences on translating foreign operations	(185)	0	(185)	198	0	198
Items that may be reclassified subsequently to profit or loss	**(222)**	**13**	**(209)**	**182**	**2**	**185**
Remeasurements of defined benefit plans obligation	36	(11)	26	(115)	36	(79)
Items that will not be reclassified to profit or loss	**36**	**(11)**	**26**	**(115)**	**36**	**(79)**
Total Other comprehensive income - Group share	**(186)**	**2**	**(184)**	**68**	**38**	**106**

Non-controlling interests	First-half 2017			First-half 2016		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	3	(1)	2	(2)	1	(1)
Changes in the fair value of available-for-sale financial assets	(2)	1	(2)	3	(1)	2
Exchange differences on translating foreign operations	(56)	0	(56)	81	0	81
Items that may be reclassified subsequently to profit or loss	**(55)**	**(0)**	**(55)**	**83**	**(1)**	**82**
Remeasurements of defined benefit plans obligation	0	(0)	0	(1)	0	(1)
Items that will not be reclassified to profit or loss	**0**	**(0)**	**0**	**(1)**	**0**	**(1)**
Total Other comprehensive income - Non-controlling interests	**(55)**	**(0)**	**(55)**	**81**	**(0)**	**81**

9.2 Earnings per share (Group share)

Basic earnings per share	**First-half 2017**	**First-half 2016**
Net income from continuing operations	79	158
Net income from discontinued operations	(1)	(28)
Net income for the period	78	129
Weighted average number of shares outstanding (1)	748,320,742	731,685,149
Basic earnings from continuing operations per share (in €)	**0.10**	**0.22**
Basic earnings from discontinued operations per share (in €)	**(0.00)**	**(0.04)**
Basic earnings per share (in €)	**0.10**	**0.18**

(1) In accordance with IAS 33, the weighted average number of shares used to calculate 2016 earnings per share was adjusted to take into account the effect of the 2016 dividends paid in shares on July 13, 2017 (retrospective adjustment of the effect of the 10% discount on shares issued in payment of dividends, determined by the treasury stock method).

Diluted earnings per share	**First-half 2017**	**First-half 2016**
Net income from continuing operations	79	158
Net income from discontinued operations	(1)	(28)
Net income for the period	78	129
Weighted average number of shares outstanding, before dilution	748,320,742	731,685,149
Potential dilutive shares	409,210	-
Stock grants	*409,210*	-
Stock options	-	-
Diluted weighted average number of shares outstanding	748,729,953	731,685,149
Diluted earnings from continuing operations per share (in €)	**0.10**	**0.22**
Diluted earnings from discontinued operations per share (in €)	**(0.00)**	**(0.04)**
Diluted earnings per share (in €)	**0.10**	**0.18**

No stock options were taken into account for the calculation of diluted earnings per share as they were out of the money in first-half 2017 (i.e., their exercise price was greater than the average share price for the period). Therefore, dilutive potential ordinary shares correspond exclusively to the performance shares granted in July 2016.

NOTE 10: FINANCIAL ASSETS AND LIABILITIES, FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

10.1 Financial instruments by category

At June 30, 2017 *(in € millions)*	**Carrying amount**	**Breakdown by category**						**Fair value**
		Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans and receivables	Financial liabilities at amortised cost	Debt hedged by fair value hedges	Derivative instruments	
Investments in non-consolidated companies	100		100					100
Other long-term investments	1,318		417	900				1,318
Other non-current financial assets	**1,418**		**518**	**900**				**1,418**
Consumer credit granted by the financial services companies	6,131			6,126			6	6,131
Trade receivables	2,636			2,636				2,636
Other current financial assets	252		67	77			108	252
Other assets (1)	577			577				577
Cash and cash equivalents	1,615	1,615						1,615
ASSETS	**12,629**	**1,615**	**585**	**10,315**			**114**	**12,629**
Total long- and short-term borrowings	9,588				9,497		91	10,024
Total consumer credit financing	5,347				5,335		12	5,347
Suppliers and other creditors	12,784				12,784			12,784
Other payables (2)	3,096				3,096			3,096
LIABILITIES	**30,815**				**30,712**	**-**	**103**	**31,251**

At December 31, 2016 *(in € millions)*	**Carrying amount**	**Breakdown by category**						**Fair value**
		Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans and receivables	Financial liabilities at amortised cost	Debt hedged by fair value hedges	Derivative instruments	
Investments in non-consolidated companies	98		98					98
Other long-term investments	1,333		427	905				1,333
Other non-current financial assets	**1,430**		**525**	**905**				**1,430**
Consumer credit granted by the financial services companies	6,273			6,273				6,273
Trade receivables	2,682			2,682				2,682
Other current financial assets	239		68	122			49	239
Other assets (1)	580			580				580
Cash and cash equivalents	3,305	3,305						3,305
ASSETS	**14,509**	**3,305**	**593**	**10,562**			**49**	**14,509**
Total long- and short-term borrowings	8,075				7,719	254	101	8,590
Total consumer credit financing	5,330				5,313		17	5,330
Suppliers and other creditors	15,396				15,396			15,396
Other payables (2)	3,031				3,031			3,031
LIABILITIES	**31,831**				**31,458**	**254**	**119**	**32,346**

(1) Excluding prepaid expenses
(2) Excluding deferred revenue

Assets and liabilities measured at fair value based on the hierarchy provided for in IFRS 13 – *Fair Value Measurement* (Note 1.5)

June 30, 2017 *(in € millions)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in non-consolidated companies			100	**100**
Other long-term investments	417			**417**
Other current financial assets - Available-for-sale	67			**67**
Other current financial assets - Derivative instruments recorded in current financial assets		114		**114**
Cash and cash equivalents	1,615			**1,615**
Consumer credit financing - Derivative instruments recorded in liabilities		(12)		**(12)**
Borrowings - Derivative instruments recorded in liabilities		(88)	(2)	**(91)**

December 31, 2016 *(in € millions)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in non-consolidated companies			98	**98**
Other long-term investments	427			**427**
Other current financial assets - Available-for-sale	68			**68**
Other current financial assets - Derivative instruments recorded in current financial assets		49		**49**
Cash and cash equivalents	3,305			**3,305**
Consumer credit financing - Derivative instruments recorded in liabilities		(17)		**(17)**
Borrowings - Derivative instruments recorded in liabilities		(95)	(6)	**(101)**

No assets or liabilities measured at fair value were reclassified between the various levels between December 31, 2016 and June 30, 2017.

10.2 Net debt

10.2.1 Net debt calculation

Net debt at June 30, 2017 amounted to 7,720 million euros, breaking down as follows:

(in € millions)		June 30, 2017	December 31, 2016
Bonds and notes		7,099	6,962
Other borrowings		781	690
Commercial paper		1,311	-
Finance lease liabilities		306	322
Total borrowings before derivative instruments recorded in liabilities		**9,497**	**7,974**
Derivative instruments recorded in liabilities		91	101
TOTAL BORROWINGS	[1]	**9,588**	**8,075**
Of which, long-term borrowings		*6,586*	*6,200*
Of which, short-term borrowings		*3,001*	*1,875*
Other current financial assets		252	239
Cash and cash equivalents		1,615	3,305
TOTAL CURRENT FINANCIAL ASSETS	[2]	**1,868**	**3,544**
NET DEBT	[1] - [2]	**7,720**	**4,531**

The increase in net debt between December 31, 2016 and June 30, 2017 is due to seasonal effects, with the year-end figure being structurally lower due to the significant volume of business recorded during December.

10.2.2 Bonds and notes

(in € millions)		Face Value					Book value of the debt
		December 31, 2016	Issues	Repayments	Translation adjustment	June 30, 2017	June 30, 2017
Emissions Publiques	Maturity						
EMTNs, EUR, 8 years, 4.678%	2017	250		(250)		-	-
EMTN, EUR, 5 years, 1.875%	2017	1,000				1,000	999
Euro Bond Fixed rate, EUR, 7 years, 5.25%	2018	279				279	279
EMTNs, EUR, 6 years, 1.75%	2019	1,000				1,000	998
EMTNs, EUR, 10 years, 4.00%	2020	1,000				1,000	998
EMTNs, EUR, 11 years, 3.875%	2021	1,000				1,000	992
EMTNs, EUR, 8 years, 1.75%	2022	1,000				1,000	960
Non-dilutive cash settled convertible bonds 500 million USD, 6 years, 0%	2023	-	446		(8)	438	384
EMTNs, EUR, 8 years, 0.750%	2024	750				750	743
EMTNs, EUR, 10 years, 1.25%	2025	750				750	745
Total Bonds and notes		**7,029**	**446**	**(250)**	**(8)**	**7,217**	**7,099**

On June 7, 2017, Carrefour issued USD 500 million worth of six-year cash-settled convertible bonds. The bonds, which do not bear interest, may be converted into cash only and will not give rise to the issuance of new shares or carry rights to existing shares.

In accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*, conversion options on the bonds qualify as embedded derivatives and are therefore accounted for separately from inception. Subsequent changes in the fair value of these options are recognised in income and set off against changes in the fair value of the call options purchased on Carrefour shares in parallel with the bond issue.

The bonds are recognised at amortised cost, excluding the conversion feature.

A EUR/USD cross-currency swap for USD 500 million was arranged at the inception of these operations for the same maturity. The swap has been accounted for as a cash flow hedge.

10.2.3 Other borrowings

(in € millions)	June 30, 2017	December 31, 2016
Latin America borrowings	411	376
Other bank borrowings	239	173
Accrued interest [1]	65	96
Other financial liabilities	66	46
Total Other borrowings	**781**	**690**

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

10.2.4 Cash and cash equivalents

(in € millions)	June 30, 2017	December 31, 2016
Cash	1,201	1,558
Cash equivalents	414	1,747
Total Cash and cash equivalents	**1,615**	**3,305**

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

10.3.1 Analysis by interest rate

	June 30, 2017		December 31, 2016	
(in € millions)	before hedging	after hedging	before hedging	after hedging
Fixed rate borrowings	7,765	7,765	7,545	7,295
Variable rate borrowings	1,733	1,733	424	678
Total borrowings (before derivative instruments recorded in liabilities)	**9,497**	**9,497**	**7,969**	**7,974**

10.3.2 Analysis by currency

(in € millions)	June 30, 2017	December 31, 2016
Euro	8,810	7,385
Brazilian real	299	199
Chinese yuan	128	67
Argentine peso	120	178
Taiwan dollar	71	74
Polish zloty	65	64
Romanian leu	5	5
Total borrowings (before derivative instruments recorded in liabilities)	**9,497**	**7,974**

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

Euro-denominated borrowings represented 93% of total borrowings (excluding derivative instruments recorded in liabilities) at June 30, 2017 and December 31, 2016.

10.3.3 Analysis by maturity

(in € millions)	June 30, 2017	December 31, 2016
Due within one year	2,911	1,774
Due in 1 to 2 years	1,466	333
Due in 2 to 5 years	2,098	3,221
Due beyond 5 years	3,022	2,646
Total borrowings (before derivative instruments recorded in liabilities)	**9,497**	**7,974**

10.4 Changes in liabilities arising from financing activities

(in € millions)	Other current financial	Borrowings	Total Liabilities arising from financing activities
At December 31, 2016	**(239)**	**8,075**	**7,836**
Changes from financing cash flows	(69)	1,436	1,367
Change in current financial assets	(69)		(69)
Issuance of bonds		387	387
Repayments of bonds		(250)	(250)
Net interests paid		(222)	(222)
Other changes in borrowings		1,520	1,520
Non-cash changes	56	77	133
Effect of changes in foreign exchange rates	14	(139)	(125)
Effect of changes in scope of consolidation		6	6
Changes in fair values	17	9	26
Finance costs, net		191	191
Other changes	25	10	35
At June 30, 2017	**(252)**	**9,588**	**9,336**

10.5 Finance costs and other financial income and expenses

This item corresponds mainly to finance costs. Other financial income and expenses consist for the most part of discounting adjustments and late interest payable on certain liabilities.

(in € millions)	First-half 2017	First-half 2016
Interest income from loans and cash equivalents	**12**	**16**
Finance costs	**(204)**	**(197)**
Interest expense on financial liabilities measured at amortised cost, adjusted for income and expenses from interest rate instruments	(192)	(185)
Interest expense on financial lease liabilities	(12)	(12)
Finance costs, net	**(191)**	**(181)**
Other financial income and expenses, net	**(56)**	**(68)**
Of which, financial transaction tax	*(21)*	*(18)*
Of which, interest on liabilities other than borrowings	*(17)*	*(7)*
Of which, fair value change of interest rate derivatives	*(2)*	*(14)*
Of which, interest cost (net) on pension and other post-employment benefit	*(7)*	*(12)*
Finance costs and other financial income and expenses, net	**(247)**	**(248)**
Financial expenses	*(267)*	*(299)*
Financial income	*20*	*50*

NOTE 11: OTHER INFORMATION

11.1 Scope of consolidation

11.1.1 Main changes in the scope of consolidation in first-half 2017

In first-half 2017, the main changes in the scope of consolidation were as follows:

Acquisition of hypermarkets in Spain

In accordance with IFRS 3 – *Business Combinations*, the acquisition of hypermarkets in Spain completed during the period led to the recognition of 86 million euros in provisional goodwill. The revenue and profit attributable to the acquired operations recorded in the consolidated statement of comprehensive income for the period was not material.

Absorption of Carmila by Cardety

Carmila was absorbed by Cardety on June 12, 2017. Shares in the new entity, named Carmila, are listed in compartment C of Euronext Paris.

Following the transaction, Carrefour held 42.45% of the new entity's share capital. In parallel with the merger, the entity's corporate governance rules were adapted, resulting in the restructuring of its administration and management bodies, and amendments to its articles of association and the Board of Directors' internal rules.

In light of the amended corporate governance rules, the Group considers that it has significant influence over the new entity, Carmila, which is accounted for using the equity method. The Group's position is primarily based on the fact that the Carrefour Group is not represented by a majority on the Board of Directors, which comprises 14 members, of which eight are independent and five are appointed by Carrefour. Therefore, the Group cannot alone impose decisions requiring the Board's prior consent, which partly concern the relevant activities.

Prior to the merger, both Cardety and Carmila were accounted for using the equity method. The operation therefore did not have a material impact on the consolidated financial statements for the six-month period ended June 30, 2017.

With the exception of these transactions, there were no other material changes in the scope of consolidation in first-half 2017.

11.1.2 Main changes in the scope of consolidation in first-half 2016

In first-half 2016, the main changes in the scope of consolidation were as follows:

- the acquisition of Rue du Commerce and Billa Romania, which were wholly owned at June 30, 2016;
- the creation of Cargo Property and its subsidiaries, logistics-focused real estate companies controlled by the Group (32.2% stake at June 30, 2016);
- the loss of control of Carrefour Property Development (renamed Cardety), which was 43.1% owned at June 30, 2016 (and accounted for as an associate by the equity method from April 2016).

11.2 Net income/(loss) from discontinued operations

A net loss from discontinued operations, Group share of 28 million euros was recorded in first-half 2016. This corresponds mainly to the restatement of income from Dia stores sold or held for sale as discontinued operations in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations.*

11.3 Related parties

Group transactions with related parties mainly concern:

- compensation and other benefits granted to members of the Management team and the Board of Directors;
- transactions with companies over which the Group exercises significant influence.

Related-party transactions are carried out on an arm's length basis.

During first-half 2017, there were no major changes in the nature of related-party transactions carried out by the Group.

11.4 Off-balance sheet commitments

Commitments given and received by the Group that are not recognised 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 and received by the Group that are not recognised in the statement of financial position break down as follows at June 30, 2017:

Commitments given *(in € millions)*	June 30, 2017	By maturity			December 31, 2016
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**12,389**	**9,896**	**1,471**	**1,022**	**11,322**
Financial services companies	*11,217*	*9,814*	*1,402*	*1*	*10,191*
Other companies	*1,172*	*82*	*70*	*1,020*	*1,131*
Related to operations/real estate/expansion,	**3,013**	**1,552**	**1,369**	**92**	**3,433**
Related to sales of securities	**126**	**16**	**33**	**76**	**301**
Related to leases	**3,721**	**1,164**	**1,718**	**839**	**3,625**
TOTAL	**19,249**	**12,628**	**4,592**	**2,028**	**18,680**

Commitments received *(in € millions)*	June 30, 2017	By maturity			December 31, 2016
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**6,389**	**1,128**	**5,206**	**55**	**6,743**
Financial services companies	*1,795*	*481*	*1,296*	*18*	*1,833*
Other companies	*4,594*	*647*	*3,910*	*37*	*4,910*
Related to operations/real estate/expansion,	**1,320**	**386**	**679**	**255**	**1,328**
Related to sales of securities	**296**	**199**	**53**	**45**	**309**
Related to leases	**682**	**272**	**325**	**85**	**770**
TOTAL	**8,687**	**1,986**	**6,263**	**439**	**9,149**

11.5 Subsequent events

11.5.1 IPO of the Group's Brazil operations

The Group announced that Atacadão SA, the parent company of the Carrefour Group's operations in Brazil (Grupo Carrefour Brasil) filed a prospectus with the Brazilian Securities Commission (CVM) in June 2017 with the aim of listing the shares of Grupo Carrefour Brasil on the Novo Mercado segment of the São Paulo stock exchange.

The IPO took place on July 20, 2017 and consisted of a primary offering of 205,882,353 shares issued by Grupo Carrefour Brasil and a secondary offering of 34,461,489 and 56,800,000 Grupo Carrefour Brasil shares sold by Carrefour and Península, respectively.

Carrefour also granted a secondary over-allotment option to the Brazilian banks participating in the offering that led to place an additional 34,369,876 Carrefour-owned shares to cover over allotment.

Based on the IPO price, set at BRL 15 per share, the primary offering amounted to BRL 3.1 billion (0.8 billion euros), thereby valuing, at the launch of the IPO and following a capital increase, Grupo Carrefour Brasil's equity at BRL 29.7 billion (8.1 billion euros).

After the completion of the IPO and the exercise by Península of its call option to purchase 71,003,063 Grupo Carrefour Brasil shares from Carrefour, Carrefour holds a 71.8% interest in Grupo Carrefour Brasil, while Península holds 11.5% and Grupo Carrefour Brasil's free float is 16.7%.

In accordance with IFRS 10 – *Consolidated Financial Statements*, the capital gain earned on Carrefour's sale of its Grupo Carrefour Brasil shares will be recognised in "Shareholders' equity, Group share" in the second half of 2017.

11.5.2 Capital increase at Carmila

In July 2017, following the merger of Cardety and Carmila (Notes 3.5 and 11.1.1), the Carmila Group increased its share capital by 628.6 million euros in order to finance its 2017-2020 development plan.

Having subscribed to the capital increase in an amount of 50 million euros, Carrefour now owns 35.76% of the shares and voting rights of Carmila.

11.5.3 2016 dividend reinvestment option

At the Annual Shareholders' Meeting held on June 15, 2017, the shareholders decided to set the 2016 dividend at 0.70 euro per share with a dividend reinvestment option.

At the end of the option period on July 4, 2017, shareholders owning 71.32% of Carrefour's shares had elected to reinvest their 2016 dividend.

July 13, 2017 was set as the date for:

- settlement/delivery of the 18,442,657 new shares corresponding to reinvested dividends, representing a total capital increase including premiums of 372 million euros;

payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of 151 million euros.

DELOITTE & ASSOCIES

Commissaire aux Comptes
Membre de la Compagnie de Versailles
185, avenue Charles de Gaulle
92200 Neuilly-sur-Seine
France

KPMG S.A.

Commissaire aux Comptes
Membre de la Compagnie de Versailles
2, avenue Gambetta
92066 Paris La Défense Cedex
France

MAZARS

Commissaire aux Comptes
Membre de la Compagnie de Versailles
61, rue Henri Regnault
92400 Courbevoie
France

Carrefour

French Société Anonyme

33, avenue Emile Zola
92100 Boulogne-Billancourt

Statutory auditors' review report on the half-yearly financial information

For the period from January 1 to June 30, 2017

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' meetings and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Carrefour, for the period from January 1, 2017 to June 30, 2017, and
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

French original signed at Neuilly-sur-Seine, Paris-La-Défense and Courbevoie, on August 30, 2017, by

The Statutory Auditors

DELOITTE & ASSOCIES

ANTOINE DE RIEDMATTEN

STEPHANE RIMBEUF

KPMG S.A.

PATRICK-HUBERT PETIT

CAROLINE BRUNO-DIAZ

MAZARS

DAVID CHAUDAT

EMILIE LOREAL

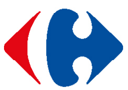
Statement by the persons responsible

We hereby certify that, to the best of our knowledge, the 2017 half-year condensed consolidated financial statements have been prepared in accordance with applicable accounting standards and fairly present the assets and liabilities, financial condition and results of operations of the Company and of its consolidated subsidiaries, and that the attached half-year financial report fairly presents the material events which occurred during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

August 30, 2017

Mr. Alexandre Bompard
Chairman and Chief Executive Officer

Mr. Pierre-Jean Sivignon
Chief Financial Officer



www.carrefour.com

@CarrefourGroup

Société anonyme with capital of €1,936,694,527.50
Head office : 33, avenue Émile-Zola – 92100 Boulogne-Billancourt
652 014 051 RCS Nanterre