



## First-quarter 2018 sales: +2.6% at constant exchange rates Carrefour 2022: Solid transformation momentum initiated

- **First-quarter 2018 sales of €20,776m, up +2.6% at constant exchange rates and up 0.4% on a like-for-like basis, penalized by:**
  - **Less favorable markets overall in Europe**, notably due to adverse weather conditions impacting more specifically non-food and hypermarkets;
  - **Continued sharp food deflation in Brazil**;
  - **Persistently strong competitive pressure** in the Group's main markets.
- **Solid execution dynamic of the « Carrefour 2022 » plan in the first quarter:**
  - **Implementation of the operational transformation plan:** Launch of the process to transform the organizations in France, Belgium and Argentina; positive momentum in gains on direct and indirect purchasing; advances in discussions on the removal of 273 ex-DIA stores from the Group's scope;
  - **Roll-out of omnichannel offer:** Rapid extension of home delivery in France; opening of new Drives; launch of the *Carrefour Pay* payment solution; rapid advances in the plan to create a single carrefour.fr website; acquisition of a majority stake in start-up *Quitoque*, a leader of meal-kit home deliveries in France;
  - **First achievements in the food transition for all:** Launch of the first food blockchain in the poultry product line to ensure traceability; extension of the range of products containing no antibiotics to various products in Belgium, Poland and recently in Spain; signature of a partnership with the WWF to accelerate the conversion and the development of organic products in France.

	Sales inc. VAT (€m)	LFL*	Total variation	
			At current exchange rates	At constant exchange rates
<b>Group</b>	<b>20,776</b>	<b>+0.4%</b>	<b>-2.4%</b>	<b>+2.6%</b>
<b>France</b>	<b>9,489</b>	<b>-0.1%</b>	<b>+0.9%</b>	<b>+0.9%</b>
<b>Other countries</b>	<b>11,287</b>	<b>+0.7%</b>	<b>-5.1%</b>	<b>+4.0%</b>
Europe	5,538	-0.8%	+2.9%	+2.8%
Latin America	3,978	+4.5%	-11.9%	+9.1%
Asia	1,771	-3.9%	-10.9%	-4.5%

\*excluding petrol and calendar effects of +0.2% and +1.3% respectively at constant exchange rates

## FIRST-QUARTER 2018 SALES INC. VAT: LIKE-FOR-LIKE GROWTH OF 0.4%

Carrefour's first-quarter 2018 sales stood at €20,776m, up 2.6% at constant exchange rates. Taking into account an unfavorable currency effect of -5.0%, principally due to the depreciation of the Brazilian Real, the total variation of sales at current exchange rates was -2.4%.

On a like-for-like basis, first-quarter 2018 sales were up +0.4%, impacted by less dynamic markets in Europe, continued food deflation in Brazil, strong competitive pressure in the Group's main markets, but also by operational disruptions in France and Belgium.

In **France**, sales were up +0.9% in total (down 0.1% like-for-like) in a less favorable market than in the previous quarter and in a persistently competitive environment. Supermarkets and convenience posted solid sales momentum with like-for-like growth over the quarter. Hypermarket sales were affected by adverse weather conditions and operational disruptions.

**Europe** posted a +2.8% increase in total sales at constant exchange rates (and a 0.8% decrease like-for-like) with contrasting performance in food between countries, reflecting divergent market dynamics.

- In **Spain**, total sales growth was +4.4%, driven by the strong performance of the stores acquired from *Eroski* which were integrated over the course of 2017. Like-for-like sales were down -0.6%, in line with trends in the second half of 2017 despite a less dynamic food market;
- In **Italy**, amid a persistently difficult consumption environment and tougher competitive pressure, total sales were down 0.9% and like-for-like sales decreased by -3.2%. This evolution reflects a challenging comparable base over the past two years, boosted by the roll-out of supermarket *clusterization* and the extension of shopping hours in some stores to 24 hours a day;
- Sales in **Belgium** were down -0.4% in total and -1.6% like-for-like, notably impacted by operational disruptions;
- In **Poland**, total sales were up +5.7% at constant exchange rates (-0.8% like-for-like), while strong momentum continued in **Romania**, with sales growth of +10.6% at constant exchange rates and +7.7% like-for-like, driven by an increase in volumes.

In **Latin America**, total sales rose by +9.1% at constant exchange rates and by +4.5% on a like-for-like basis:

- In **Brazil**, like-for-like sales posted a slight increase of +0.4%. At Carrefour Retail, food sales are more resilient than in previous quarters despite strong deflation; non-food sales continued to post a double-digit increase on high comparables. Atacadão's sales increased by +0.5% like-for-like, also penalized by food deflation. Regarding financial services, total billings with the Group's credit cards were up +37.5% in the quarter and Banco CSF's credit portfolio rose by +23.6%.
- In **Argentina**, like-for-like sales were up +21.2%, reflecting the country's inflation. Volumes continued to gradually increase.

Finally, in **Asia**, sales were down by -4.5% at constant exchange rates and -3.9% like-for-like, in line with trends in previous quarters. Like-for-like sales in **China** decreased by -6.6% in a competitive environment marked by the increasing share of the e-commerce channel, notably during the Chinese New Year celebrations. Positive trends continued in **Taiwan**, where like-for-like sales grew for the thirteenth consecutive quarter, by +3.3%.

# FIRST-QUARTER 2018 ACHIEVEMENTS

## Solid execution dynamic of the “Carrefour 2022” transformation plan

The Group presented on January 23, 2018 the « Carrefour 2022 » transformation plan, built on four pillars and aiming at making Carrefour the leader of the food transition for all. Numerous actions have already been launched in each of these pillars.

### 1. Deploy a simplified and open organization

Carrefour announced several partnerships during the first quarter, including:

- The acquisition of a majority stake in the Quitoque startup, a leader of meal kit home deliveries in France and a French pioneer of Foodtech;
- Partnerships with specialists or sector leaders, notably Showroomprivé in online private sales, La Poste and its Stuart subsidiary for home delivery and Sapien for the transformation of the e-commerce offer;
- A strategic partnership with Tencent in China that has rapidly materialized, including the launch of a first application on *WeChat* in order to enhance the visibility of Carrefour’s online offer.

In addition, to simplify its organization, notably that of headquarters, Carrefour initiated discussions in France, Belgium and Argentina.

### 2. Achieve productivity and competitiveness gains

To gain leeway and improve its efficiency and competitiveness, Carrefour has launched a cost-reduction plan that should reach €2bn by 2020 on an annualized basis. In the first quarter, Carrefour has:

- Initiated positive momentum in gains on purchasing, both direct and indirect;
- Started reducing overhead costs;
- Launched the process to remove 273 ex-Dia stores from the Group’s scope.

The reduction in Capex through greater selectivity and productivity started in the first quarter, with an annual investment target of €2bn (ex. Cargo).

### 3. Create an omnichannel universe of reference

To roll out its omnichannel offer, Carrefour invested this quarter in the expansion of its growth formats and accelerated in e-commerce. The Group has notably:

- Opened 76 convenience stores and 4 Cash & Carry stores;
- Accelerated the number of Drive openings in France and extended D+1 home delivery to 10 new cities, bringing the total to 21 cities.

Moreover, Carrefour opened last Monday in Lyon and Saint-Etienne its first « pedestrian drives », and begins operations today in the Paris region of its second order preparation platform. The creation of a single point of entry for online sales, *carrefour.fr*, is progressing rapidly and it should be launched in the fourth quarter.

This quarter also saw the launch of the *Carrefour Pay* payment solution.

Five hypermarkets in France should switch to lease management contracts starting in September of this year.

### 4. Overhaul the offer to promote food quality

In line with its ambition to offer all consumers an everyday quality food offer that is reliable and reasonably priced, Carrefour developed several projects in the first quarter:

- The Group is applying for the first time in France the *blockchain* technology to a food product line, poultry, and will extend this technology to eight other product lines in 2018.
- Carrefour extended its range of products containing no antibiotics to eggs, salmon, veal and pork in other Group countries including Belgium, Poland and recently Spain.

- Carrefour signed a partnership with the WWF to accelerate the conversion to and the development of organic products in France in order to guarantee price, volume and a 3- to 5-year commitment. Specific in-store labelling indicates which organic products are under conversion.

## Success of a €350mn bond issue

Carrefour announced on March 22, 2018 the placement of non-dilutive cash-settled convertible bonds. This placement corresponds, synthetically, to a fixed-rate bond in euros of a nominal value of around €350mn, with a 6 year maturity due in 2024. The success of this issue illustrates the strength of Carrefour's balance sheet and has allowed to Group to refinance its debt in excellent conditions.

## FINANCIAL OUTLOOK

The Group confirms the outlook presented on February 28:

- The Group's 2018 results will remain closely linked to the evolution of foreign exchange rates, particularly the Brazilian Real. The spot rate on April 10, 2018 stood at 4.21 Reais to the euro vs an average rate in 2017 of 3.61 Reais;
- Given the investment levels of the past years, the Group should continue to see in 2018 an increase in depreciation;
- The Capex target for 2018 is €2bn (ex. Cargo).

## AGENDA

- Annual General Meeting: June 15, 2018
- First-half 2018 results: July 26, 2018
- Third-quarter 2018 sales: October 17, 2018

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## VARIATION OF FIRST-QUARTER 2018 SALES INC. VAT

	Sales inc. VAT (€m)	Variation ex petrol ex calendar		Total variation inc. petrol	
		LFL	Organic	at constant exchange rates	at current exchange rates
<b>France</b>	<b>9,489</b>	<b>-0.1%</b>	<b>-1.2%</b>	<b>+0.9%</b>	<b>+0.9%</b>
Hypermarkets	4,823	-2.3%	-2.9%	-0.5%	-0.5%
Supermarkets	3,098	+1.6%	-0.4%	+1.5%	+1.5%
Proximity/other formats	1,568	+3.0%	+2.6%	+4.2%	+4.2%
<b>Other countries</b>	<b>11,287</b>	<b>+0.7%</b>	<b>+2.1%</b>	<b>+4.0%</b>	<b>-5.1%</b>
<b>Other European countries</b>	<b>5,538</b>	<b>-0.8%</b>	<b>+0.1%</b>	<b>+2.8%</b>	<b>+2.9%</b>
Spain	2,204	-0.6%	+0.4%	+4.4%	+4.4%
Italy	1,316	-3.2%	-3.2%	-0.9%	-0.9%
Belgium	1,022	-1.6%	-1.2%	-0.4%	-0.4%
Poland	511	-0.8%	+1.2%	+5.7%	+9.2%
Romania	486	+7.7%	+10.3%	+10.6%	+7.4%
<b>Latin America</b>	<b>3,978</b>	<b>+4.5%</b>	<b>+7.4%</b>	<b>+9.1%</b>	<b>-11.9%</b>
Brazil	3,261	+0.4%	+4.0%	+6.0%	-11.0%
Argentina	717	+21.2%	+21.2%	+22.2%	-15.8%
<b>Asia</b>	<b>1,771</b>	<b>-3.9%</b>	<b>-4.3%</b>	<b>-4.5%</b>	<b>-10.9%</b>
China	1,248	-6.6%	-7.7%	-8.0%	-13.7%
Taiwan	523	+3.3%	+4.6%	+4.6%	-3.4%
<b>Group total</b>	<b>20,776</b>	<b>+0.4%</b>	<b>+0.8%</b>	<b>+2.6%</b>	<b>-2.4%</b>

## EXPANSION UNDER BANNERS – FIRST-QUARTER 2018

Thousands of sq. m	Dec 31, 2017	Openings/ Store enlargements	Acquisitions	Closures/ Store reductions	Total Q1 2018 change	March 31, 2018
France	5,764	16	2	-20	-2	5,762
Europe (ex France)	5,599	24	-	-46	-22	5,577
Latin America	2,408	24	-	-1	23	2,432
Asia	2,736	17	-	-69	-53	2,684
Others <sup>1</sup>	1,111	7	-	-13	-7	1,104
<b>Group</b>	<b>17,618</b>	<b>87</b>	<b>2</b>	<b>-150</b>	<b>-60</b>	<b>17,558</b>

## STORE NETWORK UNDER BANNERS – FIRST-QUARTER 2018

N° of stores	Dec. 31, 2017	Openings	Acquisitions	Closures/ Diposals	Transfers	Total change Q1 2018	March 31, 2018
<b>Hypermarkets</b>	<b>1,376</b>	<b>7</b>	<b>-</b>	<b>-11</b>	<b>7</b>	<b>3</b>	<b>1,379</b>
France	247	-	-	-	-	-	247
Europe (ex France)	460	1	-	-1	-3	-3	457
Latin America	193	-	-	-	-	-	193
Asia	365	5	-	-7	10	8	373
Others <sup>1</sup>	111	1	-	-3	-	-2	109
<b>Supermarkets</b>	<b>3,243</b>	<b>20</b>	<b>1</b>	<b>-26</b>	<b>-5</b>	<b>-10</b>	<b>3,233</b>
France	1,060	5	1	-6	-	0	1,060
Europe (ex France)	1,756	10	-	-20	+3	-7	1,749
Latin America	147	-	-	-	-	-	147
Asia	58	3	-	-	-8	-5	53
Others <sup>1</sup>	222	2	-	-	-	2	224
<b>Convenience</b>	<b>7,327</b>	<b>76</b>	<b>-</b>	<b>-182</b>	<b>-</b>	<b>-106</b>	<b>7,221</b>
France	4,267	25	-	-77	-	-52	4,215
Europe (ex France)	2,446	49	-	-97	-	-48	2,398
Latin America	521	1	-	-4	-	-3	518
Asia	41	1	-	-4	-	-3	38
Others <sup>1</sup>	52	-	-	-	-	-	52
<b>Cash &amp; carry</b>	<b>354</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-2</b>	<b>2</b>	<b>356</b>
France	144	-	-	-	-	-	144
Europe (ex France)	42	-	-	-	-	-	42
Latin America	153	4	-	-	-	4	157
Asia	2	-	-	-	-2	-2	0
Others <sup>1</sup>	13	-	-	-	-	-	13
<b>Group</b>	<b>12,300</b>	<b>107</b>	<b>1</b>	<b>-219</b>	<b>-</b>	<b>-111</b>	<b>12,189</b>
France	5,718	30	1	-83	-	-52	5,666
Europe (ex France)	4,704	60	-	-118	-	-58	4,646
Amérique latine	1,014	5	-	-4	-	1	1,015
Asie	466	9	-	-11	-	-2	464
Autres <sup>1</sup>	398	3	-	-3	-	-	398

<sup>1</sup> Africa, Middle East and Dominican Republic.

## DEFINITIONS

**Like-for-like sales growth:** Sales generated by stores opened for at least twelve months, excluding temporary store closures, at constant exchange rates.

**Organic growth:** Like-for-like sales plus net openings over the past twelve months, including temporary store closures,  
at constant exchange rates.