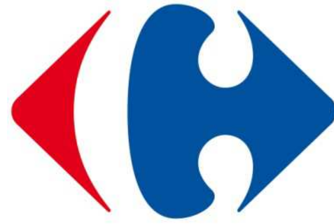
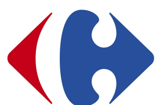


Consolidated Financial Statements

as of December 31, 2016



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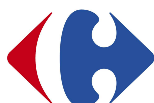


Consolidated income statement

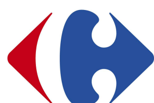
The consolidated financial statements are presented in millions of euros, rounded to the nearest million. As a result, there may be rounding differences between the amounts reported in the various statements.

(in € millions)	Notes	2016	2015	% change
Net sales	5.1	76,645	76,945	(0.4%)
Loyalty program costs		(591)	(552)	6.9%
Net sales net of loyalty program costs		**76,054**	**76,393**	**(0.4%)**
Other revenue	5.1	2,720	2,464	10.4%
Total revenue		**78,774**	**78,857**	**(0.1%)**
Cost of sales	5.2	(60,789)	(60,838)	(0.1%)
Gross margin from recurring operations		**17,985**	**18,019**	**(0.2%)**
Sales, general and administrative expenses, depreciation and amortisation	5.2	(15,634)	(15,574)	0.4%
Recurring operating income		**2,351**	**2,445**	**(3.8%)**
Net income from equity-accounted companies	7	(36)	44	(181.0%)
Recurring operating income after net income from equity-accounted companies		**2,315**	**2,489**	**(7.0%)**
Non-recurring income and expenses, net	5.3	(372)	(257)	44.9%
Operating income		**1,943**	**2,232**	**(13.0%)**
Finance costs and other financial income and expenses, net	12.5	(515)	(515)	(0.1%)
Finance costs, net		*(377)*	*(347)*	*8.4%*
Other financial income and expenses, net		*(138)*	*(168)*	*(17.7%)*
Income before taxes		**1,428**	**1,717**	**(16.8%)**
Income tax expense	8.1	(494)	(597)	(17.3%)
Net income from continuing operations		**934**	**1,120**	**(16.6%)**
Net income from discontinued operations	3.4	(40)	4	
Net income for the year		**894**	**1,123**	**(20.4%)**
Group share		**746**	**980**	**(23.9%)**
of which net income from continuing operations		786	977	(19.5%)
of which net income from discontinued operations		(40)	4	
Attributable to non-controlling interests		**148**	**143**	**3.6%**

Basic earnings per share, in €	2016	2015	% change
Earnings/(loss) from continuing operations per share	1.06	1.35	(21.1%)
Earnings from discontinued operations per share	(0.05)	0.00	
Basic earnings per share – Group share	1.01	1.35	(25.4%)

Diluted earnings per share, in €	2016	2015	% change
Diluted earnings/(loss) from continuing operations per share	1.06	1.35	(21.1%)
Diluted earnings from discontinued operations per share	(0.05)	0.00	
Diluted earnings per share – Group share	1.01	1.35	(25.4%)

Details of earnings per share calculations are provided in Note 11.6.

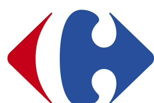


Consolidated statement of comprehensive income

(in € millions)	Notes	2016	2015
Net income for the year		**894**	**1,123**
Effective portion of changes in the fair value of cash flow hedges [(1)]	11.4	10	1
Changes in the fair value of available-for-sale financial assets [(1)]	11.4	(4)	(5)
Exchange differences on translating foreign operations [(2)]	11.4	361	(602)
Items that may be reclassified subsequently to profit or loss		**367**	**(605)**
Remeasurements of defined benefit plans obligation [(1)]	10.1/11.4	(109)	(17)
Items that will not be reclassified to profit or loss		**(109)**	**(17)**
Other comprehensive income after tax		**258**	**(623)**
Total comprehensive income		**1,152**	**501**
Group share		904	451
Attributable to non-controlling interests		248	49

(1) *Presented net of the tax effect (Note 11.4).*

(2) *Exchange differences on translating foreign operations recognised in 2016 mainly reflect the rise of the Brazilian real and Taiwan dollar, offset to a certain extent by the decline of the Argentine peso and Polish zloty. In 2015, declines in the Brazilian real and Argentine peso were partly offset by gains in the Chinese renminbi and the Taiwan dollar.*



Consolidated statement of financial position

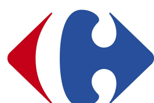
ASSETS

(in € millions)	Notes	31/12/2016	31/12/2015
Goodwill	6.1	8,640	8,495
Other intangible assets	6.1	1,266	1,014
Property and equipment	6.2	13,406	12,071
Investment property	6.4	314	383
Investments in companies accounted for by the equity method	7	1,361	1,433
Other non-current financial assets	12.4	1,510	1,291
Consumer credit granted by the financial services companies – long term	5.5	2,371	2,351
Deferred tax assets	8.2	829	744
Non-current assets		**29,697**	**27,784**
Inventories	5.4	7,039	6,362
Trade receivables	5.4	2,682	2,269
Consumer credit granted by the financial services companies – short-term	5.5	3,902	3,658
Other current financial assets	12.2	239	358
Tax receivables	5.4	1,044	1,168
Other assets	5.4	907	705
Cash and cash equivalents	12.2	3,305	2,724
Assets held for sale (1)		31	66
Current assets		**19,148**	**17,311**
TOTAL ASSETS		**48,845**	**45,095**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in € millions)	Notes	31/12/2016	31/12/2015
Share capital	11.2	1,891	1,846
Consolidated reserves and income for the year		8,536	7,787
Shareholders' equity – Group share		**10,426**	**9,633**
Shareholders' equity attributable to non-controlling interests	11.5	1,582	1,039
Total shareholders' equity		**12,008**	**10,672**
Long-term borrowings	12.2	6,200	6,662
Provisions	9	3,064	3,014
Consumer credit financing – long-term	5.5	1,935	1,921
Deferred tax liabilities	8.2	543	508
Non-current liabilities		**11,742**	**12,106**
Short-term borrowings	12.2	1,875	966
Suppliers and other creditors	5.4	15,396	13,648
Consumer credit financing – short-term	5.5	3,395	3,328
Tax payables	5.4	1,260	1,097
Other payables	5.4	3,153	3,244
Liabilities related to assets held for sale (1)		16	34
Current liabilities		**25,095**	**22,317**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**48,845**	**45,095**

(1) *Assets held for sale and liabilities related to assets held for sale correspond mainly to the Dia stores that were in the process of being sold at the financial year-end.*



Consolidated statement of cash flows

(in € millions)	**2016**	**2015**
INCOME BEFORE TAXES	**1,428**	**1,717**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income tax	(269)	(663)
Depreciation and amortisation expense	1,547	1,574
Capital (gains)/losses on sales of assets	(39)	(13)
Change in provisions and impairment	(126)	(215)
Finance costs, net	377	347
Net income and dividends received from equity-accounted companies	79	8
Impact of discontinued operations	(32)	(22)
Cash flow from operations	**2,964**	**2,733**
Change in working capital requirement (1)	454	276
Impact of discontinued operations	(11)	3
Net cash from operating activities (excluding financial services companies)	**3,407**	**3,012**
Change in consumer credit granted by the financial services companies	(103)	(195)
Net cash from operating activities	**3,305**	**2,818**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment and intangible assets (2)	(2,749)	(2,378)
Acquisitions of non-current financial assets	3	(29)
Acquisitions of subsidiaries and investments in associates (3)	(193)	(56)
Proceeds from the disposal of subsidiaries and investments in associates	6	7
Proceeds from the disposal of property and equipment and intangible assets	152	186
Proceeds from the disposal of non-current financial assets	4	5
Change in amounts receivable from disposals of non-current assets and due to suppliers of non-current assets	(70)	151
Investments net of disposals	**(2,847)**	**(2,115)**
Other cash flows from investing activities	(25)	(28)
Impact of discontinued operations	16	7
Net cash from/(used in) investing activities	**(2,856)**	**(2,136)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues to non-controlling interests (4)	255	14
Acquisitions and disposals of investments without any change of control (5)	(40)	208
Dividends paid by Carrefour (parent company) (6)	(121)	(390)
Dividends paid by consolidated companies to non-controlling interests	(86)	(98)
Change in treasury stock and other equity instruments (7)	30	384
Change in current financial assets	152	40
Issuance of bonds (8)	743	750
Repayments of bonds (8)	(666)	(744)
Net interests paid	(378)	(360)
Other changes in borrowings (8)	111	(625)
Net cash from/(used in) financing activities	**0**	**(821)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**449**	**(139)**
Effect of changes in exchange rates	131	(249)
Net change in cash and cash equivalents	**581**	**(388)**
Cash and cash equivalents at beginning of year	**2,724**	**3,113**
Cash and cash equivalents at end of year	**3,305**	**2,724**

(1) The change in working capital is analysed in Note 5.4.1.

(2) Acquisitions of property and equipment and intangible assets are presented in Notes 6.1 and 6.2.

(3) In 2016, cash used in acquisitions of subsidiaries and investments in associates corresponds primarily to the acquisition of Billa in Romania (Note 3.2.1) and several acquisitions in France, notably in the e-commerce sector.

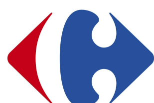
(4) Proceeds from share issues to non-controlling interests mainly correspond to the share capital of Cargo Property Holding subscribed and paid up in 2016 by third-party investors (non-controlling interests). See Note 3.2.1.

(5) In 2015, acquisitions and disposals of investments without any change of control primarily reflected the remaining balance received on the sale of an interest in the Group's Brazilian subsidiary to Brazilian investment firm Peninsula at end-2014, as well as a call option exercised by the same investor in first-half 2015 to increase its stake by 2%.

(6) Dividends paid by Carrefour (parent company) correspond to cash dividends paid to shareholders who chose not to reinvest their dividends (Note 2.1).

(7) The change in treasury stock and other equity instruments corresponds for the most part to the sale of treasury stock on March 23, 2015.

(8) See Note 12.2.



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 reserve [1]	Other consolidated reserves and net income			
Shareholders' equity at December 31, 2014	**1,837**	**(324)**	**(5)**	**7,682**	**9,191**	**1,037**	**10,228**
Net income for the year 2015				980	980	143	1,123
Other comprehensive income after tax		(511)	(2)	(16)	(529)	(93)	(623)
Total comprehensive income 2015	**0**	**(511)**	**(2)**	**964**	**451**	**49**	**501**
Treasury stock (net of tax) [2]				363	363		363
2014 dividend payment [3]	9			(398)	(390)	(98)	(488)
Change in capital and additional paid-in capital				1	1	13	14
Effect of changes in scope of consolidation and other movements		1		16	17	39	55
Shareholders' equity at December 31, 2015	**1,846**	**(835)**	**(7)**	**8,628**	**9,633**	**1,039**	**10,672**
Net income for the year 2016				746	746	148	894
Other comprehensive income after tax		261	3	(106)	158	100	258
Total comprehensive income 2016	**0**	**261**	**3**	**640**	**904**	**248**	**1,152**
Share-based payments				3	3		3
Treasury stock (net of tax)				49	49		49
2015 dividend payment [3]	44			(165)	(121)	(126)	(247)
Change in capital and additional paid-in capital [4]						443	443
Effect of changes in scope of consolidation and other movements		5	1	(47)	(43)	(21)	(64)
Shareholders' equity at December 31, 2016	**1,891**	**(569)**	**(3)**	**9,108**	**10,426**	**1,582**	**12,008**

(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 change in treasury stock corresponds for the most part to the sale of treasury stock on March 23, 2015.

(3) The 2014 dividend, totalling 492 million euros, was paid:
- *in cash for 390 million euros; and*
- *in new shares for 102 million euros (corresponding to the aggregate par value of the new shares for 9 million euros and premiums for 93 million euros).*

The 2015 dividend (Note 2.1), totalling 509 million euros, was paid:
- *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).*

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

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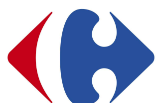


NOTE 1: BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2016 were approved for publication by the Board of Directors on March 8, 2017. They will be submitted to shareholders for final approval at the Annual General Meeting.

Carrefour (the "Company") is domiciled in France. The consolidated financial statements for the year ended December 31, 2016 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) 1606/2002 dated July 19, 2002, the 2016 consolidated financial statements have been prepared in compliance with the international accounting standards adopted for use in the European Union as of December 31, 2016 and applicable at that date, with 2015 comparative information 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

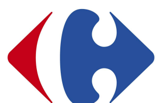
At December 31, 2016, the standards and interpretations adopted for use in the European Union were the same as those published by the IASB and applicable at that date, except for IAS 39 – *Financial Instruments: Recognition and Measurement*, which was only partly adopted. The unadopted provisions of IAS 39 had no impact on the Group's consolidated financial statements.

1.2 Changes of method

The accounting and calculation methods used to prepare the 2016 consolidated financial statements were the same as those used in 2015, except for the changes resulting from the following amendments that were applicable as of January 1, 2016:

- IFRS Annual Improvements 2010-2012 Cycle;
- amendments to IAS 19 – *Defined Benefit Plans: Employee Contributions*;
- amendments to IFRS 11 – *Acquisition of an Interest in a Joint Operation*;
- amendments to IAS 16 and IAS 38 – *Clarification of Acceptable Methods of Depreciation and Amortisation*;
- IFRS Annual Improvements 2012-2014 Cycle;
- amendments to IAS 1 – *Disclosure Initiative*;

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



The Group decided not to early adopt the following standards, amendments and interpretations that were not applicable as of January 1, 2016:

Adopted for use in the European Union:

- IFRS 9 – *Financial Instruments* (applicable in annual 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, replaces 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 annual 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 payments currently recognised in operating expense apportioned between the finance charge and the reduction of the outstanding liability), 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 IAS 12 – *Recognition of Deferred Tax Assets for Unrealised Losses* (applicable according to the IASB in accounting periods beginning on or after January 1, 2017).
- Amendments to IAS 7 – *Disclosure Initiative* (applicable according to the IASB in annual periods beginning on or after January 1, 2017).
- 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 annual periods beginning on or after January 1, 2018).
- IFRIC 22 – *Foreign Currency Transactions and Advance Consideration* (applicable according to the IASB in annual periods beginning on or after January 1, 2018).
- IFRS Annual Improvements 2014-2016 Cycle.

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

1.3 Use of estimates and judgement

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 judgements applied for the preparation of these consolidated financial statements concern:

- useful lives of operating assets (Note 6)
- definition of cash-generating units (Note 6.3)
- recoverable amount of goodwill, other intangible assets and property and equipment (Note 6.3)
- fair value of identifiable assets acquired and liabilities assumed in business combinations (Note 3.1)
- classification of leases (Notes 6.2 and 6.5)
- measurement of provisions for contingencies and other business-related provisions (Note 9)
- determination of the level of control or influence exercised by the Group over investees (Notes 3 and 7)
- assumptions used to calculate pension and other post-employment benefit obligations (Note 10.1)
- recognition of deferred tax assets (Note 8).

1.4 Measurement methods

The consolidated financial statements have been prepared using the historical cost convention, except for:

- Certain financial assets and liabilities measured using the fair value model (Note 12).
- Assets acquired and liabilities assumed in business combinations, measured using the fair value model (Note 3.1).
- Non-current assets held for sale, measured at the lower of carrying amount and fair value less costs to sell (Note 3.1).

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: SIGNIFICANT EVENTS OF THE YEAR

2.1 2015 dividend reinvestment option

At the Annual General Meeting held on May 17, 2016, the shareholders decided to set the 2015 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 21.86 euro 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 General 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 May 23 to June 10, 2016. At the end of this period, shareholders owning 76.34% of Carrefour's shares had elected to reinvest their 2015 dividends.

June 21, 2016 was set as the date for:

- settlement/delivery of the 17,764,360 new shares corresponding to reinvested dividends, representing a total capital increase of 388 million euros (the aggregate par value of the new shares for 44 million euros and premiums for 344 million euros);
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of 121 million euros.

2.2 Securing the Group's long-term financing

On April 19, 2016, the Group carried out a new 750-million euro 8-year 0.75% bond issue due June 2024. The issue's settlement date was April 26, 2016.

The issue consolidated the Group's long-term financing, extended the average maturity of its bond debt (from 4.06 years to 4.25 years at April 19, 2016) and further reduced its borrowing costs.

2.3 Acquisition of Rue du Commerce

On August 24, 2015, Groupe Carrefour announced that it was in exclusive negotiations with Altarea Cogedim for the acquisition of 100% of the shares of Rue du Commerce, a major player in the non-food e-commerce market in France.

The acquisition was completed in January 2016 after employee representatives at Rue du Commerce had been consulted and the necessary anti-trust approvals had been obtained. The accounting impact of the business combination is presented in Note 3.2.1.

It represents another step in the roll-out of Carrefour's omni-channel strategy in France for the benefit of its customers both in stores and on-line.

2.4 Acquisition of Billa Romania

On December 22, 2015, Carrefour announced that an agreement had been signed with the Rewe Group for the acquisition of Billa Romania, which operates a network of 85 supermarkets spread across the whole of Romania, representing a total sales area of 83,000 square metres.

The acquisition was completed on June 30, 2016, following approval from the competition authorities. The accounting impact of the business combination is presented in Note 3.2.1.

Through this acquisition, Carrefour has become the leading supermarket operator in Romania, strengthening its multi-format offer to better serve its customers.

NOTE 3: SCOPE OF CONSOLIDATION

3.1 Accounting policies

Basis of consolidation

The consolidated financial statements include the financial statements of subsidiaries from the date of acquisition (the date when the Group gains control) up to the date when the Group ceases to control the subsidiary, and the Group's equity in associates and joint ventures accounted for by the equity method.

(i) Subsidiaries

A subsidiary is an entity over which the Group exercises control, directly or indirectly. An entity is controlled when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group considers all facts and circumstances when assessing whether it controls an investee, such as rights resulting from contractual arrangements or substantial potential voting rights held by the Group.

The profit or loss of subsidiaries acquired during the year is included in the consolidated financial statements from the date when control is acquired. The profit or loss of subsidiaries sold during the year or that the Group ceases to control, is included up to the date when control ceases.

Intra-group transactions and assets and liabilities are eliminated in consolidation. Profits and losses on transactions between a subsidiary and an associate or joint venture accounted for by the equity method are included in the consolidated financial statements to the extent of unrelated investors' interests in the associate or joint venture.

(ii) Associates and joint ventures

Entities in which the Group exercises significant influence (associates), and entities over which the Group exercises joint control and that meet the definition of a joint venture, are accounted for by the equity method, as explained in Note 7 "Investments in equity-accounted companies".

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

(iii) Other investments

Investments in companies where the Group does not exercise control or significant influence over financial and operating policy decisions are qualified as available-for-sale financial assets and reported under "Other non-current financial assets". The accounting treatment of these investments is described in Note 12 "Financial assets and liabilities, finance costs and other financial income and expenses".

Business combinations

Business combinations, defined as transactions where the assets acquired and liabilities assumed constitute a business, are accounted for by the purchase method. Business combinations carried out since January 1, 2010 are measured and recognised as described below, in accordance with IFRS 3 – *Business Combinations* (as revised in 2008).

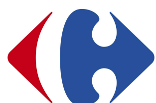
• As of the acquisition date, the identifiable assets acquired and liabilities assumed are recognised and measured at fair value.

• Goodwill corresponds to the excess of (i) the sum of the consideration transferred (i.e., the acquisition price) and the amount of any non-controlling interest in the acquiree, over (ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. It is recorded directly in the statement of financial position of the acquiree, in the latter's functional currency, and is subsequently tested for impairment at the level of the Cash Generating Unit to which the acquiree belongs, by the method described in Note 6.3. Any gain from a bargain purchase (i.e., negative goodwill) is recognised directly in profit or loss.

• For business combinations on a less than 100% basis, the acquisition date components of non-controlling interests in the acquiree (i.e., interests that entitle their holders to a proportionate share of the acquiree's net assets) are measured at either:

  – fair value, such that part of the goodwill recognised at the time of the business combination is allocated to non-controlling interests ("full goodwill" method), or

  – the proportionate share of the acquiree's identifiable net assets, such that only the goodwill attributable to the Group is recognised ("partial goodwill" method).



The method used is determined on a transaction-by-transaction basis.

• The provisional amounts recognised for a business combination may be adjusted during a measurement period that ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable, or at the latest 12 months from the acquisition date. Adjustments during the measurement period to the fair value of the identifiable assets acquired and liabilities assumed or the consideration transferred are offset by a corresponding adjustment to goodwill, provided they result from facts and circumstances that existed as of the acquisition date. Any adjustments identified after the measurement period ends are recognised directly in profit or loss.
• For a business combination achieved in stages (step acquisition), when control is acquired the previously held equity interest is remeasured at fair value through profit or loss. In the case of a reduction in the Group's equity interest resulting in a loss of control, the remaining interest is also remeasured at fair value through profit or loss.
• Transaction costs are recorded directly as an operating expense for the period in which they are incurred.
At the IFRS transition date, the Group elected to maintain the accounting treatment for business combinations applied under previous accounting standards, in line with the option available to first-time adopters under IFRS 1 – *First-time Adoption of International Financial Reporting Standards.*

Changes in ownership interest not resulting in a change of control

Any change in the Group's ownership interest in a subsidiary after the business combination that does not result in control being acquired or lost is qualified as a transaction with owners in their capacity as owners and recorded directly in equity in accordance with IFRS 10 – *Consolidated Financial Statements*. The corresponding cash outflow or inflow is reported in the consolidated statement of cash flows under "Net cash from/(used in) financing activities".

Translation of the financial statements of foreign operations

The consolidated financial statements are presented in euros.

An entity's functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of Group entities is the currency of their home country.

The financial statements of entities whose functional currency is not the euro and is not the currency of a hyperinflationary economy are translated into euros as follows:

- Assets and liabilities are translated at the period-end closing rate.
- Income and expenses are translated at the weighted average exchange rate for the period.
- All resulting exchange differences are recognised in "Other comprehensive income" and are taken into account in the calculation of any gain or loss realised on the subsequent disposal of the foreign operation.
- Items in the statement of cash flows are translated at the average rate for the period unless the rate on the transaction date is materially different.

No Group companies operated in a hyperinflationary economy in either 2016 or 2015.

Translation of foreign currency transactions

Transactions by Group entities in a currency other than their functional currency are initially translated at the exchange rate on the transaction date.

At each period-end, monetary assets and liabilities denominated in foreign currency are translated at the period-end closing rate and the resulting exchange gain or loss is recorded in the income statement.

Intra-group loans to certain foreign operations are treated as part of the net investment in that operation if settlement of the loan is neither planned nor likely to occur. The gain or loss arising from translation of the loan at each successive period-end is recorded directly in "Other comprehensive income" in accordance with IAS 21 – *The Effects of Changes in Foreign Exchange Rates*.

Non-current assets and disposal groups held for sale and discontinued operations

If the carrying amount of a non-current asset (or disposal group) will be recovered principally through a sale transaction rather than through continuing use, it is presented separately in the consolidated statement of financial position under "Assets held for sale" in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. Liabilities related to non-current assets held for sale are also reported on a separate line of the consolidated statement of financial position (under "Liabilities related to assets held for sale"). Following their classification as held for sale, the assets concerned are measured at the lower of their carrying amount and fair value less costs to sell and they cease to be depreciated or amortised.

A discontinued operation is a component of an entity that has been either disposed of or classified as held for sale, and:

- represents a separate major line of business or geographical area of operations, and
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

It is classified as a discontinued operation at the time of sale or earlier if its assets and liabilities meet the criteria for classification as "held for sale". When a component of an entity is classified as a discontinued operation, comparative income statement and cash flow information is restated as if the entity had met the criteria for classification as a discontinued operation on the first day of the comparative period.

In addition, all the assets and liabilities of the discontinued operation are presented on separate lines on each side of the statement of financial position, for the amounts at which they would be reported at the time of sale after eliminating intra-group items.

3.2 Main changes in scope of consolidation

3.2.1 Changes in 2016

Acquisition of Billa Romania

The acquisition of Billa Romania completed on June 30, 2016 led to the recognition of provisional negative goodwill in accordance with IFRS 3 – *Business Combinations*, for a non-material amount. The revenue and profit attributable to Billa Romania recorded in the consolidated statement of comprehensive income for the period was not material.

Acquisition of Rue du Commerce

The acquisition of Rue du Commerce completed in January 2016 led to the recognition of negative goodwill in accordance with IFRS 3, for a non-material amount. The revenue and profit attributable to Rue du Commerce recorded in the consolidated statement of comprehensive income for the period was not material.

Creation of Cargo Property

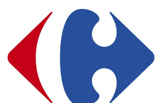
Cargo Property Holding is a new real estate company set up with external investors to own logistics facilities. The company is 32.2%-owned by the Group with the remaining shares held by three co-investors. As well as being its largest shareholder, Carrefour is also the sole lessee of the assets held by Cargo Property Holding and its subsidiaries. In light of the rules governing the appointment and dismissal of Cargo Property's legal manager, as specified in the shareholders' agreement, Carrefour has the ability to direct decisions about the relevant activities. The Group therefore considers that it controls Cargo Property Holding and its subsidiaries and these companies have been fully consolidated in the 2016 financial statements.

Other changes

Other changes in scope of consolidation in 2016 mainly resulted from the following transactions:

- Transaction leading to the loss of control of Carrefour Property Development (renamed Cardety), which was 43.1% owned at December 31, 2016 (and accounted for as an associate by the equity method from April 2016).
- Several acquisitions in France in the e-commerce sector (including Greenweez, the leading online organic food retailer). The impact of these transactions on the 2016 consolidated financial statements was not material.

The planned acquisition from the Eroski Group of 36 compact hypermarkets with a total sales area of 235,000 square metres, 8 shopping malls and 22 service stations adjacent to the stores, announced on February 29, 2016, had not been completed as of December 31, 2016 as the conditions precedent had not been fulfilled at that date.



3.2.2 Changes in 2015

No material acquisitions or divestments were carried out in 2015.

3.3 Scope of consolidation at December 31, 2016

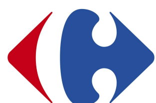
The list of consolidated companies (subsidiaries and associates) is presented in Note 16.

There were no changes in 2016 in the facts and circumstances considered by the Group to assess whether its subsidiaries were controlled.

3.4 Net income/(loss) from discontinued operations

In 2016, the net loss from discontinued operations, in the amount of 40 million euros, mainly concerned the Dia stores sold during the year or held for sale at the year-end, which were classified as discontinued operations in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.

In 2015, net income from discontinued operations amounted to 4 million euros, corresponding mainly to the extinguishment of a risk dating back to prior years, less the loss generated by Dia stores sold during the year or held for sale at the year-end.



NOTE 4: SEGMENT INFORMATION

Accounting policies

IFRS 8 – *Operating Segments* requires the disclosure of information about an entity's operating segments derived from the internal reporting system and used by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance. Groupe Carrefour's operating segments consist of the countries in which it conducts its business through the integrated store network, as each country's results are reviewed monthly by the Group's Chief Executive Officer who is the chief operating decision-maker within the meaning of IFRS 8.

Countries located in the same region are considered to have similar characteristics and have been combined to create four geographical segments, as allowed by IFRS 8. These segments are:

- France
- Rest of Europe: Spain, Italy, Belgium, Poland and Romania
- Latin America: Brazil and Argentina
- Asia: China and Taiwan

The income and expenses of certain support entities are allocated to the various countries proportionately to the services provided to each, with any unallocated income and expenses reported under "Global functions".

Segment assets include goodwill, other intangible assets, property and equipment, investment property and "other segment assets", corresponding to inventories, trade receivables, consumer credit granted by the financial services companies and other assets. Segment liabilities comprise suppliers and other creditors, consumer credit financing and other payables.

Segment capital expenditure corresponds to the acquisitions of property and equipment and intangible assets (other than goodwill) reported in the statement of cash flows.

The disclosures in the tables below have been prepared using the same accounting policies as those applied to prepare the consolidated financial statements.

4.1 Segment results

2016 *(in € millions)*	**Total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
Net sales	76 645	35 877	20 085	14 507	6 176	0
Other revenue	2 720	877	718	750	301	74
Recurring operating income	**2 351**	**1 031**	**712**	**711**	**(58)**	**(45)**
Operating income	**1 943**					
Finance costs and other financial income and expenses, net	(515)					
Income before taxes	**1 428**					
Net income for the year	**894**					
Capital expenditure	2 749	1 287	625	519	174	144
Depreciation and amortisation expense	(1 487)	(616)	(414)	(183)	(199)	(74)

2015 *(in € millions)*	**Total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
Net sales	76 945	36 272	19 724	14 290	6 659	0
Other revenue	2 464	801	600	684	312	66
Recurring operating income	**2 445**	**1 191**	**567**	**705**	**13**	**(31)**
Operating income	**2 232**					
Finance costs and other financial income and expenses, net	(515)					
Income before taxes	**1 717**					
Net income for the year	**1 123**					
Capital expenditure	2 378	957	579	517	204	122
Depreciation and amortisation expense	(1 470)	(602)	(389)	(180)	(213)	(87)

4.2 Segment assets and liabilities

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**					

December 31, 2015 *(in € millions)*	Total	France	Europe	Latin America	Asia	Global functions
ASSETS						
Goodwill	8,495	4,718	3,138	528	110	1
Other intangible assets	1,014	255	340	101	21	298
Property and equipment	12,071	5,173	3,604	2,102	1,160	32
Investment property	383	31	165	48	139	-
Other segment assets	16,514	8,954	3,024	3,066	912	558
Total segment assets	**38,477**	**19,131**	**10,272**	**5,844**	**2,341**	**889**
Unallocated assets	6,618					
Total Assets	**45,095**					
LIABILITIES (excluding equity)						
Segment liabilities	**23,238**	**11,842**	**5,268**	**3,428**	**2,304**	**395**
Unallocated liabilities	11,185					
Total Liabilities	**34,423**					

NOTE 5: OPERATING ITEMS

5.1 Revenue

Accounting policies

Revenue ("Total revenue") comprises net sales and other revenue.

Net sales correspond exclusively to sales via the Group's stores, e-commerce sites and service stations (to end-customers) and cash-and-carry sales (to franchisees).

Other revenue comprises revenue from banking and insurance activities (including bank card fees, and arranging fees for traditional and revolving credit facilities), property development revenue, travel agency fees, shopping mall rents and franchise fees.

Revenue is measured at the fair value of the consideration received or receivable in exchange for goods or services, excluding sales taxes and net of any benefits granted to customers.

Deferred loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sale transaction. They are measured at fair value with some of the proceeds of the initial sale allocated to the award credits accounted for as a liability. The deferred portion of the proceeds is recognised as revenue when the award credits are used by the customer, in accordance with IFRIC 13 – *Customer Loyalty Programmes*.

Revenue is recognised:

- On sales of goods, when the risks and rewards of ownership of the goods are transferred to the customer.
- On sales of services, in the period in which the service is rendered. Financial services revenues (bank card fees and arranging fees for traditional and revolving credit facilities) are recognised over the life of the contract.

5.1.1 Net sales

(in € millions)	2016	2015	% change
Net sales	76,645	76,945	-0.4%

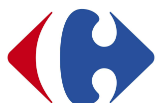
Excluding the currency effect, 2016 net sales amounted to 79,052 million euros versus 76,945 million euros the previous year, an increase of 2.7%.

Changes in exchange rates reduced net sales by 2,407 million euros in 2016, including negative currency effects of 2,076 million euros in the Latin America segment and 246 million euros in the Asia segment.

Net sales by country

(in € millions)	2016	2015
France	**35,877**	**36,272**
Rest of Europe	**20,085**	**19,724**
Spain	8,049	7,923
Italy	4,892	4,940
Belgium	3,994	3,967
Poland	1,649	1,678
Romania	1,501	1,215

(in € millions)	2016	2015
Latin America	**14,507**	**14,290**
Brazil	11,772	10,681
Argentina	2,735	3,609
Asia	**6,176**	**6,659**
China	4,446	5,020
Taiwan	1,729	1,639



5.1.2 Other revenue

(in € millions)	2016	2015	% change
Financing fees and commissions (1)	1,373	1,330	3.2%
Rental revenue	213	210	1.2%
Revenue from sub-leases	260	271	(4.1%)
Property development revenue (2)	113	-	-
Other revenue (3)	761	653	16.6%
Total Autres revenus	**2,720**	**2,464**	**10.4%**

(1) *Including net banking revenue and net insurance revenue generated by the Group's financial services and insurance companies.*

(2) *Corresponding to the sale price of properties developed by the Group for resale. After deducting development costs recorded in "Cost of sales", the property development margin amounts to 38 million euros.*

(3) *The amounts reported on the line "Other revenue" in the above table correspond mainly to franchise fees, business lease fees and ancillary revenue.*

5.2 Recurring operating income

Accounting policies

Recurring operating income is an earnings indicator disclosed in order to help users of the consolidated financial statements to better understand the Group's underlying operating performance. It corresponds to operating income (defined as earnings from continuing operations before interest and tax) before material items that are unusual in terms of their nature and frequency and are reported under "Non-recurring income" or "Non-recurring expenses" (Note 5.3).

5.2.1 Cost of sales

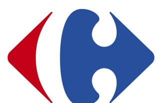
Accounting policies

Cost of sales corresponds to the cost of purchases net of rebates and commercial income, changes in inventory (including impairments), discounting revenue, exchange gains and losses on goods purchases, logistics costs and other costs (primarily the cost of products sold by the financial services companies and the production costs of the property development business).

Rebates and commercial income are measured based on the contractual terms negotiated with suppliers.

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

(in € millions)	2016	2015	% change
Sales, general and administrative expenses	(14,147)	(14,105)	0.3%
Depreciation and amortisation	(1,487)	(1,470)	1.2%
Total SG&A and depreciation and amortisation	**(15,634)**	**(15,574)**	**0.4%**



Sales, general and administrative expenses

Sales, general and administrative expenses break down as follows:

(in € millions)	**2016**	**2015**	**% change**
Employee benefits expense	(8,240)	(8,209)	0.4%
Property rentals	(1,022)	(1,035)	(1.2%)
Advertising expense	(955)	(896)	6.6%
Fees	(895)	(847)	5.6%
Maintenance and repair costs	(796)	(806)	(1.2%)
Energy and electricity	(670)	(673)	(0.5%)
Taxes other than on income	(578)	(598)	(3.3%)
Other SG&A expenses	(992)	(1,041)	(4.8%)
Total SG&A expenses	**(14,147)**	**(14,105)**	**0.3%**

Depreciation and amortisation

Including supply chain depreciation recognised in cost of sales, total depreciation and amortisation expense recognised in the consolidated income statement amounted to 1,535 million euros in 2016 (2015: 1,511 million euros), as follows:

(in € millions)	**2016**	**2015**	**% change**
Property and equipment	(1,313)	(1,282)	2.5%
Intangible assets	(143)	(155)	(7.2%)
Assets under finance leases	(18)	(21)	(17.3%)
Investment property	(12)	(12)	0.9%
Depreciation and amortisation of tangible and intangible assets and investment property	**(1,487)**	**(1,470)**	**1.2%**
Depreciation and amortisation of logistic activity	**(48)**	**(41)**	**17.5%**
Total Depreciation and amortisation	**(1,535)**	**(1,511)**	**1.6%**

5.3 Non-recurring income and expenses

Accounting policies

In accordance with the recommendation of the French accounting authorities (*Autorité des normes comptables* [ANC] recommendation 2013-03 dated November 7, 2013), non-recurring income and expenses are reported on a separate line of the income statement. Non-recurring items are defined as "items that are limited in number, clearly identifiable and non-recurring that have a material impact on consolidated results".

This classification is applied to certain material items of income and expense that are unusual in terms of their nature and frequency, such as non-recurring 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.

They are presented separately in the income statement to "help users of the financial statements to better understand the Group's underlying operating performance and provide them with useful information to assess the earnings outlook".

(in € millions)	2016	2015
Net gains on sales of assets	39	64
Restructuring costs	(154)	(237)
Other non-recurring income and expenses	(127)	31
Non-recurring income and expenses, net before asset impairments and write-offs	**(242)**	**(142)**
Asset impairments and write-offs	(130)	(115)
Impairments and write-offs of goodwill	*(5)*	*(2)*
Impairments and write-offs of property and equipment and intangible assets	*(125)*	*(113)*
Non-recurring income and expenses, net	**(372)**	**(257)**
of which:		
Non-recurring income	*118*	*212*
Non-recurring expense	*(490)*	*(468)*

Net gains on sales of assets

In 2016, this item consisted of a number of non-material gains on asset sales.

In 2015, gains on sales of assets primarily concerned assets sold to an associate, Carmila.

Restructuring costs

Restructuring costs concern plans to streamline operating structures in several of the Group's host countries. In both 2016 and 2015, restructuring costs primarily reflect the impact of the plan to integrate the Dia France store network acquired in late 2014, and the costs associated with the supply chain upgrade in France.

Impairment losses and asset write-offs

In 2016, impairment losses of 93 million euros (2015: 52 million euros) were recognised against fixed assets other than goodwill to take account of the difficulties experienced by certain stores, particularly in China (see accounting principles explained in Note 6.3). In addition, assets totalling 33 million euros were written off during the year (2015: 61 million euros).

Other non-recurring income and expenses

Other non-recurring income and expenses consist mainly of the impact of a change in accounting treatment of the tax on retail space in France (TaSCom) under IFRIC 21 – *Levies*. The TaSCom Act dated July 13, 1972 was modified by France's Amended Finance Act for 2015 and by the 2017 Finance Act, which 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 to a prospective change in the TaSCom reporting year as from 2016. In practice, it meant that two years' worth of TaSCom were recognised in 2016, corresponding to the amount due at January 1, 2016, calculated on the basis of the 2015 turnover – presented in non-recurring expenses (106 million euros) – and the amount due at January 1, 2017, calculated on the basis of the 2016 turnover – included in recurring operating expenses.

5.4 Working capital

5.4.1 Change in working capital

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

(in € millions)	**2016**	**2015**	**Change**
Change in inventories	(350)	(528)	178
Change in trade receivables	(117)	(69)	(48)
Change in trade payables	1,083	875	208
Change in loyalty program liabilities	(2)	(55)	53
Change in trade working capital requirement	**614**	**224**	**390**
Change in other receivables and payables	(160)	52	(212)
Change in working capital requirement	**454**	**276**	**178**

Working capital, like all other items in the statement of cash flows, is translated at the average rate for the period.

5.4.2 Inventories

Accounting policies

In accordance with IAS 2 – *Inventories*, goods inventories and the inventories of the property development business (properties under construction) are measured at the lower of cost and net realisable value.

The cost of goods inventories corresponds to the latest purchase price plus all related expenses. This method is appropriate given the rapid inventory turnover, and the resulting values are close to those obtained by the first in-first out (FIFO) method. The cost of goods inventories includes all components of the purchase cost of goods sold (with the exception of exchange gains and losses) and takes into account the rebates and commercial income negotiated with suppliers.

Net realisable value corresponds to the estimated selling price in the ordinary course of business, less the estimated additional costs necessary to make the sale.

(in € millions)	**December 31, 2016**	**December 31, 2015**
Inventories at cost	7 278	6 595
Impairment	(239)	(233)
Inventories, net	**7 039**	**6 362**

5.4.3 Trade receivables

Accounting policies

Trade receivables correspond for the most part to rebates and commercial income receivable from suppliers, amounts receivable from franchisees, shopping mall rental receivables and receivables of the property development business.

They represent financial instruments classified as "Loans and receivables" (Note 12).

Trade receivables are initially recognised for the invoice amount. Impairment losses are recognised where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable (Note 12.6.4).

Certain Group subsidiaries operate receivables discounting programmes. In accordance with IAS 39 - *Financial Instruments: Recognition and Measurement,* receivables sold under these programmes are derecognised when substantially all of the related risks and rewards (i.e., mainly default, late payment and dilution risks) are transferred to the buyer.

(in € millions)	December 31, 2016	December 31, 2015
Receivables from clients	1,523	1,353
Impairment	(181)	(180)
Receivables from clients, net	**1,342**	**1,173**
Receivables from suppliers	1,341	1,096
Total Trade receivables	**2,682**	**2,269**

5.4.4 Suppliers and other creditors

Accounting policies

Suppliers and other creditors correspond primarily to trade payables. They also include payables that suppliers have transferred to financial institutions as part of reverse factoring programmes, as there is no substantial difference in the nature or terms of the liabilities before and after factoring.

They are classified in the category of "Financial liabilities measured at amortised cost", as defined in IAS 39 - *Financial Instruments: Recognition and Measurement* (Note 12). Suppliers and other creditors are initially recognised at their nominal amount, which represents a reasonable estimate of fair value in light of their short maturities.

5.4.5 Tax receivables and payables

Tax receivables

(in € millions)	December 31, 2016	December 31, 2015
VAT and turnover tax receivables	811	621
Other tax (other than on income) receivables	56	62
Current income tax receivables (1)	177	485
Total Tax receivables	**1,044**	**1,168**

(1) In December 2016, CICE (tax credit for competitiveness and employment) receivables were sold for a total of 201 million euros. The Group was able to demonstrate that substantially all the risks and rewards of ownership of the tax credits had been transferred to the buyer and the credits were therefore derecognised by analogy with the principle in IAS 39 'Financial Instruments: Recognition and Measurement' concerning the derecognition of financial assets. The cost of this discounting transaction amounted to 3.5 million euros and was recorded in "Other financial income and expenses".

Tax payables

(in € millions)	December 31, 2016	December 31, 2015
VAT and turnover tax payables	379	306
Other tax (other than on income) payables	750	649
Current income tax payables	130	141
Total Tax payables	**1,260**	**1,097**

5.4.6 Other current assets and other payables

Other current assets

(in € millions)	December 31, 2016	December 31, 2015
Employee advances	20	23
Proceeds receivable from disposals of non-current assets	16	23
Prepaid expenses	327	288
Other operating receivables, net	544	372
Total Other current assets	**907**	**705**

Other payables

(in € millions)	December 31, 2016	December 31, 2015
Accrued employee benefits expense	1,760	1,874
Payables to suppliers of non-current assets	752	831
Deferred revenue	122	121
Other payables	519	419
Total Other payables	**3,153**	**3,244**

5.5 Banking and insurance activities

Accounting policies

To support its core retailing business, the Group offers banking and insurance services to customers, mainly in France, Spain and Brazil.

The financial services companies offer their customers "Carrefour" bank cards that can be used in the Group’s stores and elsewhere, consumer loans and savings products such as life insurance and passbook savings accounts.

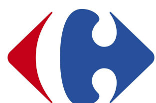
Due to its contribution to the Group's total assets and liabilities and its specific financial structure, this secondary business is presented separately in the consolidated financial statements:

- Consumer credit granted by the financial services companies (payment card receivables, personal loans, etc.) is presented in the statement of financial position under "Consumer credit granted by the financial services companies – long-term" and "Consumer credit granted by the financial services companies – short-term", as appropriate.
- Financing for these loans is presented under "Consumer credit financing – long-term" and "Consumer credit financing – short-term", as appropriate.
- The other assets and liabilities of the banking activities (property and equipment, intangible assets, cash and cash equivalents, accrued taxes and payroll costs, etc.) are presented on the corresponding lines of the statement of financial position.
- Net revenues from banking activities are reported in the income statement under "Other revenue".
- The change in the banking and insurance activities' working capital is reported in the statement of cash flows under "Change in consumer credit granted by the financial services companies".

5.5.1 Consumer credit granted by the financial services companies

At December 31, 2016, consumer credit totalled 6,273 million euros (December 31, 2015: 6,010 million euros), as follows:

(in € millions)	December 31, 2016	December 31, 2015
Payment card receivables	4,432	4,080
Loans	2,347	2,358
Consumer credit (on purchases made in Carrefour stores)	69	68
Other financing	287	349
Impairment	(863)	(846)
Other	2	2
Total Consumer credit granted by the financial services companies	**6,273**	**6,010**
Short-term financing	*3,902*	*3,658*
Long-term financing	*2,371*	*2,351*



5.5.2 Consumer credit financing

The related consumer credit financing amounted to 5,330 million euros at December 31, 2016 (December 31, 2015: 5,249 million euros), as follows:

(in € millions)	December 31, 2016	December 31, 2015
Debt securities (retail certificates of deposit, medium-term notes)	1,251	1,645
Bank borrowings	317	214
Bonds and notes (1)	1,846	1,625
Customer passbook savings deposits	501	580
Securitisations (2)	510	510
Other refinancing debt to financial institutions	886	649
Other	19	26
Total Consumer credit financing	**5,330**	**5,249**
Short-term borrowings	*3,395*	*3,328*
Long-term borrowings	*1,935*	*1,921*

(1) In 2016:
- *issue of Carrefour Banque 5-year bonds due April 20, 2021 at 3-month Euribor +68bps, for 500 million euros;*
- *redemption by Carrefour Banque in April of variable rate bonds representing a nominal amount of 300 million euros.*

In 2015:
- *two new bond issues by Carrefour Banque: 5-year bonds due March 20, 2020 at 3-month Euribor +50bps, for 500 million euros; and 4-year bonds due October 19, 2019 at 3-month Euribor +88bps for 300 million euros;*
- *redemption by Carrefour Banque in September 2015 of fixed-rate bonds representing a nominal amount of 410 million euros.*

(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 December 31, 2016 was 510 million euros (December 31, 2015: 510 million euros).
The securitisation fund is fully consolidated in the Group's accounts.

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

6.1 Intangible assets

Accounting policies

Goodwill

Goodwill is initially recognised on business combinations as explained in Note 3.1.

In accordance with IAS 36 – *Impairment of Assets*, goodwill recognised on business combinations is not amortised but is tested for impairment every year, or more frequently if there is an indication that its carrying amount may not be recovered, by the method described in Note 6.3.

Other intangible assets

Intangible assets consist mainly of software and other intangible assets related to the stores.

Separately acquired intangible assets are initially recognised at cost and intangible assets acquired in business combinations are recognised at fair value (Note 3.1).

Software is amortised by the straight-line method over periods ranging from one to eight years.

Goodwill, which constitutes the main intangible asset, is reported separately from other intangible assets in the statement of financial position.

(in € millions)	December 31, 2016	December 31, 2015
Goodwill, net	8,640	8,495
Other intangible assets	1,266	1,014
Intangible assets, net	**9,906**	**9,510**

6.1.1 Goodwill

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

During 2016, the total carrying amount of goodwill increased by 145 million euros, mainly reflecting translation adjustments to Brazilian goodwill and goodwill recognised on acquisitions in France, notably in the e-commerce sector.

(in € millions)	Net goodwill at December 31, 2015	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	Net goodwill at December 31, 2016
France	4,718	66	(17)		8		4,775
Italy	964			(5)			960
Belgium	957				(1)		956
Spain	862						862
Brazil	465					110	575
Poland	246					(8)	238
Argentina	63					(10)	53
Other countries	220					1	221
Total	**8,495**	**66**	**(17)**	**(5)**	**8**	**93**	**8,640**

During 2015, the total carrying amount of goodwill increased by 267 million euros, primarily due to (i) final adjustments in the second half of 2015 to the fair value of the assets acquired and liabilities assumed in the Dia business combination, leading to a corresponding adjustment of the related goodwill and (ii) the reclassification as goodwill of items presented in "Other intangible assets" in 2014, partly offset by (iii) translation adjustments to goodwill in Brazil and Argentina.

(en millions d'euros)	Net goodwill at December 31, 2014	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	Net goodwill at December 31, 2015
France	4,285	90			343		4,718
Italy	963	1			1		964
Belgium	959			(2)			957
Spain	862						862
Brazil	613					(149)	465
Poland	246					1	246
Argentina	86					(23)	63
Other countries	214					6	220
Total	**8,228**	**91**	**0**	**(2)**	**343**	**(165)**	**8,495**

6.1.2 Other intangible assets

(in € millions)	December 31, 2016	December 31, 2015
Other intangible assets, at cost	2,987	3,214
Amortisation	(1,859)	(2,243)
Impairment	(78)	(136)
Intangible assets in progress	216	179
Other intangible assets, net	**1,266**	**1,014**

Change in other intangible assets

(in € millions)	Cost	Amortisation and impairment	Net
At December 31, 2014	**3,940**	**(2,625)**	**1,315**
Acquisitions	302		302
Disposals	(106)	67	(39)
Translation adjustment	(98)	69	(29)
Amortisation		(161)	(161)
Impairment		(26)	(26)
Changes in scope of consolidation, transfers and other movements	(645)	297	(347)
At December 31, 2015	**3,393**	**(2,379)**	**1,014**
Acquisitions	357		357
Disposals	(704)	659	(45)
Translation adjustment	72	(50)	22
Amortisation		(150)	(150)
Impairment		(10)	(10)
Changes in scope of consolidation, transfers and other movements	85	(8)	76
At December 31, 2016	**3,202**	**(1,937)**	**1,266**

6.2 Property and equipment

Accounting policies

Property and equipment mainly comprise buildings, store fixtures and fittings and land.

Initial recognition

In accordance with IAS 16 – *Property, Plant and Equipment*, land, buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Qualifying assets are defined in IAS 23 – *Borrowing Costs* as assets that necessarily take a substantial period of time to get ready for their intended use or sale, corresponding in the Group's case to investment properties, hypermarkets and supermarkets for which the construction period exceeds one year.

Assets under construction are recognised at cost less any identified impairment losses.

Useful lives

Depreciation of property and equipment begins when the asset is available for use and ends when the asset is sold, scrapped or reclassified as held for sale in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.

Land is not depreciated. Other property and equipment, or each significant part of an item of property or equipment, are depreciated by the straight-line method over the following estimated useful lives:

Buildings	
▪ Building	40 years
▪ Site improvements	10 to 20 years
▪ Car parks	6 to 10 years
Equipment, fixtures and fittings	4 to 8 years
Other	3 to 10 years

In light of the nature of its business, the Group considers that its property and equipment have no residual value.

Depreciation periods are reviewed at each period-end and, where appropriate, adjusted prospectively in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors.*

Leases

New long-term leases – particularly property leases – are analysed in accordance with IAS 17 – *Leases* to determine whether they represent operating leases or finance leases, i.e., leases that transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. For property leases, the analysis is performed separately for the land on the one hand and the building on the other.

Finance leases are accounted for as follows:

- The leased assets are recognised in the statement of financial position at fair value or, if lower, the present value of the minimum lease payments. They are depreciated over their useful life, in the same way as assets owned outright, or, if shorter, over the lease term.
- The liability for the future lease payments is recognised in the statement of financial position under "Long-term borrowings" and "Short-term borrowings" (Note 12.2.1).
- Lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

Leases that do not transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee are classified as operating leases. Operating lease payments are recognised in the income statement (under "recurring operating expenses") on a straight-line basis over the life of the lease (Note 5.2.2).

(in € millions)	**December 31, 2016**	**December 31, 2015**
Land	2,565	2,373
Buildings	10,200	9,232
Equipment, fixtures and fittings	15,458	14,602
Other fixed assets	430	407
Assets under construction	789	759
Finance leases – land	460	463
Finance leases – buildings	1,182	1,196
Finance leases – equipment, fixtures and fittings	84	83
Autres immobilisations en location financement	0	0
Property and equipment at cost	**31,169**	**29,116**
Depreciation	(16,237)	(15,535)
Depreciation of assets under finance leases	(968)	(958)
Impairment	(558)	(552)
Property and equipment, net	**13,406**	**12,071**

Changes in property and equipment

(in € millions)	Cost	Amortisation and impairment	Net
At December 31, 2014	**29,104**	**(16,832)**	**12,272**
Acquisitions [1]	2,043		2,043
Disposals	(1,008)	894	(115)
Amortisation		(1,383)	(1,383)
Impairment		(39)	(39)
Translation adjustment	(874)	310	(565)
Changes in scope of consolidation, transfers and other movements	(149)	5	(144)
At December 31, 2015	**29,116**	**(17,045)**	**12,071**
Acquisitions [1]	2,368		2,368
Disposals	(1,045)	914	(130)
Amortisation		(1,371)	(1,371)
Impairment		(75)	(75)
Translation adjustment	643	(221)	422
Changes in scope of consolidation, transfers and other movements	87	35	123
At December 31, 2016	**31,169**	**(17,763)**	**13,406**

(1) Acquisitions: in both 2016 and 2015, acquisitions of property and equipment primarily reflected the ongoing asset renovation programme and capital expenditure to modernize and expand the store base. In 2016, this figure included expenditure on rebranding Dia stores under the Carrefour banner and initial investments made by Cargo Property, the new subsidiary set up to hold logistics facilities.

6.3 Impairment tests

Accounting policies

In accordance with IAS 36 – *Impairment of Assets*, intangible assets and property and equipment are tested for impairment whenever events or changes in the market environment indicate that the recoverable amount of an individual asset and/or a cash-generating unit (CGU) may be less than its carrying amount. For assets with an indefinite useful life – mainly goodwill in the case of Groupe Carrefour – the test is performed at least once a year.

Individual assets or groups of assets are tested for impairment by comparing their carrying amount to their recoverable amount, defined as the higher of their fair value less costs of disposal and their value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount is less than the carrying amount, an impairment loss is recognised for the difference. Impairment losses on property and equipment and intangible assets (other than goodwill) may be reversed in future periods provided that the asset's increased carrying amount attributable to the reversal does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

Impairment of assets other than goodwill

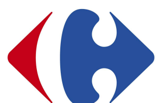
Impairment tests on property and equipment are performed at the level of the individual stores (CGUs), for all formats.

In accordance with IAS 36, intangible assets (other than goodwill) and property and equipment are tested for impairment whenever there is an indication that their recoverable amount may be less than their carrying amount. All stores that report a recurring operating loss before depreciation and amortisation in two consecutive years (after the start-up period) are tested.

Recoverable amount is defined as the higher of value in use and fair value less costs of disposal.

Value in use is considered to be equal to the store's discounted future cash flows over a period of up to five years plus a terminal value. Fair value is estimated based on the prices of recent transactions, industry practice, independent valuations or the estimated price at which the store could be sold to a competitor.

The discount rate applied is the same as for impairment tests on goodwill.



Goodwill impairment

IAS 36 requires impairment tests to be performed annually at the level of each CGU or group of CGUs to which the goodwill is allocated.

According to the standard, goodwill is allocated to the CGU or group of CGUs that is expected to benefit from the synergies of the business combination. Each CGU or group of CGUs to which the goodwill is allocated should represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and should not be larger than an operating segment as defined in IFRS 8 – *Operating Segments* before aggregation.

For the purpose of analysing the recoverable amount of goodwill, each individual country is considered to represent a separate CGU. The choice of this level is based on a combination of organisational and strategic criteria:

- Operations within each country (hypermarkets, supermarkets, etc.) use shared resources (country-level centralized purchasing organisation, marketing systems, headquarters functions, etc.) that represent an essential source of synergies between the various operations.
- Decisions to dispose of business portfolios are generally made at country level and it is rare for just a single store to be sold.

Value in use corresponds to the sum of discounted future cash flows for a period generally not exceeding five years, plus a terminal value calculated by projecting data for the final year to perpetuity at a perpetual growth rate. A specific discount rate by country is used for the calculation. Future cash flows are estimated based on the three-year business plan drawn up by country-level Executive Management and approved by Group-level Executive Management.

The discount rate for each country corresponds to the weighted average cost of equity and debt, determined using the median gearing rate for the sector. Each country's cost of equity is determined based on local parameters (risk-free interest rate and market premium). The cost of debt is determined by applying the same logic.

Additional tests are performed at the interim period-end when there is an indication of impairment. The main impairment indicators used by the Group are as follows:

- internal impairment indicator: a material deterioration in the ratio of recurring operating income before depreciation, amortisation and provision expense to net revenues excluding petrol between the budget and the most recent forecast;
- external impairment indicator: a material increase in the discount rate and/or a severe downgrade in the IMF's GDP growth forecast.

Impairment losses recognised on goodwill are irreversible, including those recorded at an interim period-end.

6.3.1 Impairment of goodwill and sensitivity analysis

The impairment tests performed on goodwill and other intangible assets in 2016 and 2015 in accordance with IAS 36 did not lead to the recognition of any impairment losses on these assets.

The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) applied for impairment testing purposes in 2016 and 2015 are presented below by CGU:

	2016		2015	
Country	**After-tax discount rate**	**Perpetual growth rate**	**After-tax discount rate**	**Perpetual growth rate**
France	6.3%	1.8%	6.3%	1.6%
Spain	6.8%	1.9%	7.2%	2.1%
Italy	6.6%	1.7%	6.6%	1.6%
Belgium	6.3%	1.8%	6.5%	1.8%
Poland	8.5%	2.8%	8.2%	2.5%
Romania	8.5%	2.5%	8.5%	2.5%
Brazil	13.0%	4.8%	13.2%	5.0%
Argentina	16.6%	7.3%	19.5%	8.8%
China	8.9%	2.6%	9.5%	2.4%
Taiwan	7.4%	1.9%	7.7%	1.8%

6.3.1.1 Countries for which the recoverable amount of goodwill was close to the carrying amount

The tests carried out at December 31, 2016 did not reveal any impairments of goodwill.

For the Italy and Poland CGUs, the recoverable amount of goodwill was found to be close to – but still greater than – the carrying amount.
Sensitivity analyses were performed to determine the changes in the main assumptions that would lead to an impairment loss being recognised. The amounts below represent the difference between the recoverable amount and the carrying amount of the net assets allocated to the group of CGUs concerned. The "-" sign indicates that the scenario would have led to the recognition of an impairment loss for the amount shown.

Italy

Sensitivity to changes in WACC and perpetual growth rate

Perpetual growth (%)	WACC (%) -1.0%	-0.50%	**0.00%**	0.50%	1.0%
-0.50%	554	333	154	5	(121)
-0.25%	691	443	243	80	(57)
0.00%	845	564	**342**	161	12
0.25%	1,019	701	452	251	87
0.50%	1,220	855	574	350	168

Sensitivity to changes in net sales and EBITDA margin growth rates

EBITDA margin growth (%)*	Net sales growth (%)* -1.00%	-0.50%	**0.00%**	0.50%	1.00%
-0.50%	(103)	(72)	(42)	(11)	21
-0.25%	81	115	150	186	222
0.00%	265	303	**342**	382	423
0.25%	431	491	534	578	623
0.50%	613	678	726	775	824

* Adjustment variable for each of the years covered by the business plan

Poland

Sensitivity to changes in WACC and perpetual growth rate

Perpetual growth (%)	WACC (%) -1.0%	-0.50%	**0.00%**	0.50%	1.0%
-0.50%	100	30	(28)	(77)	(120)
-0.25%	146	69	5	(49)	(95)
0.00%	197	111	**40**	(19)	(69)
0.25%	253	157	79	14	(41)
0.50%	316	208	121	50	(10)

Sensitivity to changes in net sales and EBITDA margin growth rates

EBITDA margin growth (%)*	Net sales growth (%)* -1.00%	-0.50%	**0.00%**	0.50%	1.00%
-0.50%	(116)	(107)	(98)	(89)	(80)
-0.25%	(50)	(40)	(29)	(19)	(8)
0.00%	17	28	**40**	52	65
0.25%	83	96	109	123	137
0.50%	149	164	179	194	209

* Adjustment variable for each of the years covered by the business plan

6.3.1.2 Other countries

For the other countries where the Group conducts business, the analysis of sensitivity to a simultaneous change in the key inputs based on reasonably possible assumptions (such as those presented above for Italy and Poland) did not reveal any probable scenario according to which the recoverable amount of any of the groups of CGUs would be less than its carrying amount.

6.4 Investment property

Accounting policies

IAS 40 – *Investment Property* defines investment property as property (land or a building or both) held to earn rentals or for capital appreciation or both. Based on this definition, investment property held by the Group consists of shopping malls (retail and service units located behind the stores' check-out area) that are exclusively or jointly owned or subject to a finance lease and represent a surface area of at least 2,500 square metres. These assets generate cash flows that are largely independent of the cash flows generated by the Group's other retail assets.

Investment property is recognised at cost and is depreciated over the same period as owner-occupied property (Note 6.2).

Rental revenue generated by investment property is reported in the income statement under "Other revenue" on a straight-line basis over the lease term. The rewards granted by the Group under its leases are an integral part of the net rental revenue and are recognised over the lease term (Note 6.2).

The fair value of investment property is measured twice a year:

- by applying a multiple that is a function of (i) each shopping mall's profitability and (ii) a country-specific capitalisation rate, to the gross annualized rental revenue generated by each property, or
- by obtaining independent valuations prepared using two methods: the discounted cash flows method and the yield method. Valuers generally also compare the results of applying these methods to market values per square metre and to recent transaction values.

In view of the limited external data available, particularly concerning capitalisation rates, the complexity of the property valuation process and the fact that valuations are based on passing rents for the Group's own properties, the fair value of investment property is determined on the basis of level 3 inputs.

(in € millions)	December 31, 2016	December 31, 2015
Investment property at cost	475	529
Depreciation and impairment	(161)	(146)
Total Investment property, net	**314**	**383**

Changes in investment property

(in € millions)	
At December 31, 2014	**296**
Depreciation	(19)
Translation adjustment	(14)
Acquisitions	41
Disposals	(14)
Transfers and other movements	93
At December 31, 2015	**383**
Depreciation	(17)
Translation adjustment	(4)
Acquisitions	33
Disposals	(3)
Transfers and other movements	(77)
At December 31, 2016	**314**

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totalled 67.2 million euros in 2016 (2015: 64.9 million euros). Operating costs directly attributable to the properties amounted to 13.9 million euros (2015: 10.4 million euros).
The estimated fair value of investment property at December 31, 2016 was 681 million euros (December 31, 2015: 696 million euros).

6.5 Leased property

All property leases have been reviewed to determine whether they are operating leases or finance leases to be accounted for by the method described in Note 6.2.

6.5.1 Finance leases

The following table shows future minimum lease payments due for the non-cancellable term of finance leases at December 31, 2016 and 2015:

Lease commitments at December 31, 2016 *(in € millions)*	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	570	47	177	346
Discounted present value	351	44	139	168

Lease commitments at December 31, 2015 *(in € millions)*	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	645	52	198	395
Discounted present value	399	49	156	194

Rental expense and rental revenue from sub-leases recorded in the income statement are as follows:

Lease payments and revenue from sub-leases *(in € millions)*	**2016**	**2015**
Minimum lease payments made during the year	(53)	(54)
Contingent lease payments made during the year	(4)	(9)
Revenue from sub-leases received during the year	18	16

The future minimum sublease payments expected to be received under non-cancellable subleases amounted to 14 million euros at December 31, 2016 (December 31, 2015: 15 million euros).

6.5.2 Operating leases

The following table shows future minimum lease payments due for the non-cancellable term of operating leases at December 31, 2016 and 2015:

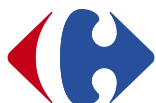
Lease commitments at December 31, 2016 *(in € millions)*	**Total**	**Within one year**	**In one to five years**	**Beyond five years**
Minimum future lease payments	3,625	1,070	1,754	801
Discounted present value	2,853	993	1,363	497

Lease commitments at December 31, 2015 *(in € millions)*	**Total**	**Within one year**	**In one to five years**	**Beyond five years**
Minimum future lease payments	3,503	1,055	1,597	851
Discounted present value	2,747	978	1,243	527

Rental expense and rental revenue from sub-leases recorded in the income statement are as follows:

Lease payments and revenue from sub-leases *(in € millions)*	**2016**	**2015**
Minimum lease payments made during the year	(1,113)	(1,047)
Contingent lease payments made during the year	(23)	(26)
Revenue from sub-leases received during the year	265	308

The future minimum sublease payments expected to be received under non-cancellable subleases amounted to 138 million euros at December 31, 2016 (December 31, 2015: 141 million euros).



NOTE 7 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

Accounting policies

The consolidated statement of financial position includes the Group's share of the change in the net assets of companies accounted for by the equity method (associates and joint ventures), as adjusted to comply with Group accounting policies, from the date when significant influence or joint control is acquired until the date when it is lost.

Companies accounted for by the equity method are an integral part of the Group's operations and the Group's share of their net profit or loss is therefore reported as a separate component of recurring operating income ("Recurring operating income after net income from equity-accounted companies").

7.1 Changes in investments in equity-accounted companies

Changes in investments in equity-accounted companies can be analysed as follows:

(in € millions)	
At December 31, 2014	**1,471**
Translation adjustment	(23)
Share of net income	44
Dividends	(52)
Other movements	(7)
At December 31, 2015	**1,433**
Translation adjustment	(15)
Share of net income	(36)
Dividends	(79)
Capital increase	58
Other movements	0
At December 31, 2016	**1,361**

7.2 Information about associates

The following table shows key financial indicators for associates:

(in € millions)	% interest	Total assets	Shareholders ' equity	Non-current assets	Net sales / Revenues	Net income / (loss)
Carmila (France)	42%	4,720	2,211	4,427	276	28
CarrefourSA (Turkey)	46%	816	86	536	1,344	(154)
Cardety (France)	43%	100	87	98	6	1
Provencia SA (France)	50%	412	229	195	799	27
Mestdagh (Belgium)	25%	287	73	96	620	8
Ulysse (Tunisia)	25%	182	75	154	355	13
Costasol (Spain)	34%	87	37	63	117	(2)
Other companies (1)		788	296	532	1,498	25

(1) Corresponding to a total of 177 companies, none of which is individually material.

All of the summary financial data presented in the table above have been taken from the financial statements of associates, restated where necessary to reflect adjustments made to harmonise accounting methods on application of equity accounting. These data have not been adjusted for any changes in fair value recognised at the time of the acquisition or for any loss of control and elimination of the Group's share of profit or loss arising on asset disposals or acquisitions carried out between the Group and the associate.

Carmila was set up in 2014 by the Group and its co-investment partners. Its corporate purpose is to enhance the value of the shopping centres adjacent to Carrefour hypermarkets in France, Spain and Italy. Carmila is accounted for by the equity method because the governance system established with the co-investors allows Carrefour to exercise significant influence over its financial and operating policy decisions.

Its governance is organised by a shareholders' agreement between Carrefour, which owns 42% of the capital, and other institutional investors, which own the other 58%. The agreement allocates seats on Carmila's Board of Directors to the investment partners and lists the decisions requiring the Board's prior approval (by a simple or qualified majority vote depending on the importance of the issue concerned). The Board currently has twelve members, including one independent director, six directors chosen by the institutional investors and five by Carrefour, which is not able to impose decisions on its partners that require the Board's prior approval or have decisions imposed on it concerning important issues requiring a qualified majority vote.

The following table presents key financial indicators for Carmila at December 31, 2016 and 2015.

Activity	***Real estate***	
Country	***France***	
Ownership %	***42.42%***	***42.22%***
(in € millions)	**Exercice 2016**	**Exercice 2015**
Revenue (rental income)	276	260
Operating income before depreciation and amortisation	215	211
Net income from continuing operations	28	50
Total non current assets	4,427	4,174
Total current assets	294	286
of which Cash and cash equivalent	*71*	*128*
Total non current liabilities	2,150	1,957
Total current liabilities	355	197
Amount of the investment in equity-accounted company	895	942
Carrefour - Cash dividends received from Carmila	62	27

7.3 Transactions with associates (related parties)

The following table presents the main related-party transactions carried out in 2016 with companies over which the Group exercises significant influence:

(in € millions)	**Carmila** (France)	**CarrefourSA** (Turkey)	**Cardety** (France)	**Provencia** (France)	**Mestdagh** (Belgium)	**Ulysse** (Tunisia)
Net sales (sales of goods)	-	0	-	575	52	5
Franchise fees	-	4	-	9	8	3
Property development revenue (1)	195	-	-	-	-	-
Sales of services	12	-	1	-	10	-
Fees and other operating expenses	(7)	-	-	-	-	-
Proceeds from the disposal of non-current assets (1) (2)	42	-	1	-	-	-
Receivables at December 31	9	1	0	39	6	2
Payables at December 31	(3)	(6)	-	-	-	-

(1) Amounts are presented before elimination of the Group's share in the associate of revenues and proceeds arising on transactions carried out between the Group and the associate.

(2) The non current assets orrespond to property and equipment, investment property and financial assets.

Transactions with associates (related parties) are carried out on an arm's length basis.

NOTE 8: INCOME TAX

Accounting policies

Income tax expense comprises current taxes and deferred taxes. It includes the *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE) local business tax in France assessed on the value-added generated by the business, which is reported under income tax expense because the Group considers that it meets the definition of a tax on income contained in IAS 12 – *Income Tax*.

Deferred taxes are calculated on all temporary differences between the carrying amount of assets and liabilities in the consolidated statement of financial position and their tax basis (except in the specific cases referred to in IAS 12), and carried-forward tax losses. They are measured at the tax rates that are expected to apply to the period when the asset will be realised or the liability will be settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position under "Non-current assets" and "Non-current liabilities".

The recoverability of deferred tax assets is assessed separately for each tax entity, based on estimates of future taxable profits contained in the business plan for the country concerned (prepared as described in Note 6.3) and the amount of deferred tax liabilities at the period-end. A valuation allowance is recorded to write down deferred tax assets whose recovery is not considered probable.

8.1 Income tax expense for the period

(in € millions)	**2016**	**2015**
Current income tax expense (including provisions)	(590)	(544)
Deferred income taxes	95	(54)
Total Income tax expenses	**(494)**	**(597)**

Tax proof

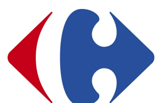
Theoretical income tax for 2016 and 2015 has been calculated by multiplying consolidated income before tax by the standard French corporate income tax rate (including in 2015 the 10.7% *contribution exceptionnelle* surtax applicable until December 30, 2016). For 2016, theoretical income tax expense amounted to 492 million euros compared with actual net income tax expense of 494 million euros.

(in € millions)	**2016**	**2015**
Income before taxes	1,428	1,717
Standard French corporate income tax rate	*34.4%*	*38.0%*
Theoretical income tax expense	**(492)**	**(652)**
Adjustments to arrive at effective income tax rate:		
- Differences between the standard French corporate income tax rate and overseas nominal taxation rates	19	74
- Effect of changes in applicable tax rates	31	(7)
- Tax expense and tax credits not based on the taxable income (1)	(28)	(7)
- Tax effect of other permanent differences	(40)	(29)
- Deferred tax assets recognised on temporary differences and tax loss carryforwards of previous years (2)	150	105
- Deferred tax assets not recognized on temporary differences and tax loss carryforwards arising in the year (3)	(81)	(61)
- Valuation allowances on deferred tax assets recognized in prior years (3)	(69)	0
- Tax effect of net income from equity-accounted companies	(12)	17
- Other differences	29	(36)
Total Income tax expense	**(494)**	**(597)**
Effective tax rate	*34.6%*	*34.8%*

(1) *The reported amount of taxes with no tax base takes into account the CVAE local business tax in France, amounting to 69 million euros in 2016 (2015: 69 million euros), withholding taxes and changes in provisions for tax risks (Note 9.2.1).*

(2) *In 2016, deferred tax assets recognised on prior years' tax losses primarily concerned Brazil (2015: Brazil and Spain).*

(3) *Valuation allowances recorded on deferred tax assets mainly concerned China and Argentina.*



8.2 Deferred tax assets and liabilities

The Group had a net deferred tax asset of 285 million euros at December 31, 2016, an increase of 49 million euros compared with the previous year-end.

(in € millions)	December 31, 2016	December 31, 2015	Change
Deferred tax assets	829	744	84
Deferred tax liabilities	(543)	(508)	(35)
Net deferred tax assets	**285**	**236**	**49**

The following table shows the main sources of deferred taxes:

(in € millions)	December 31, 2015	Change			December 31, 2016
		Income statement	Income tax on other comprehensive income (OCI)	Changes in consolidation scope, translation adjustment, other	
Tax loss carryforwards	1 017	43	-	41	1 101
Property and equipment	262	(39)	-	(5)	218
Non-deductible provisions	854	27	17	65	962
Goodwill amortisation allowed for tax purposes	171	30	-	0	201
Other intangible assets	4	(1)	-	0	3
Inventories	174	8	-	(1)	181
Financial instruments	29	19	1	(1)	48
Other temporary differences	329	(75)	(1)	(2)	250
Deferred tax assets before netting	**2 840**	**11**	**17**	**97**	**2 964**
Effect of netting deferred tax assets and liabilities	(636)	4	-	41	(590)
Deferred tax assets after netting	**2 204**	**15**	**17**	**138**	**2 374**
Valuation allowances on deferred tax assets	(1 459)	21	(0)	(106)	(1 545)
Net deferred tax assets	**744**	**36**	**17**	**31**	**829**
Property and equipment	(245)	(14)	-	(33)	(292)
Provisions recorded solely for tax purposes	(320)	(60)	-	4	(376)
Goodwill amortisation allowed for tax purposes	(158)	-	-	(39)	(197)
Other intangible assets	(20)	18	-	2	(0)
Inventories	(37)	16	-	-	(21)
Financial instruments	(46)	39	(4)	(4)	(16)
Other temporary differences	(318)	65	-	19	(232)
Deferred tax liabilities before netting	**(1 144)**	**64**	**(4)**	**(51)**	**(1 134)**
Effect of netting deferred tax assets and liabilities	636	(4)	-	(41)	590
Deferred tax liabilities after netting	**(508)**	**59**	**(4)**	**(92)**	**(543)**
NET DEFERRED TAXES	**236**	**95**	**13**	**(60)**	**285**

8.3 Unrecognised deferred tax assets

Unrecognised deferred tax assets amounted to 1,545 million euros at December 31, 2016 (December 31, 2015: 1,459 million euros), including 768 million euros related to tax loss carryforwards (December 31, 2015: 831 million euros) and 777 million euros on temporary differences (December 31, 2015: 628 million euros).

NOTE 9: PROVISIONS AND CONTINGENT LIABILITIES

Accounting policies

In accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, a provision is recorded when, at the period-end, the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount of the provision is estimated based on the nature of the obligation and the most probable assumptions. Provisions are discounted when the effect of the time value of money is material.

Contingent liabilities, which are not recognised in the statement of financial position, are defined as:

- possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- present obligations that arise from past events but are not recognised because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or (ii) the amount of the obligation cannot be measured with sufficient reliability.

9.1 Changes in provisions

(in € millions)	December 31, 2015	Translation adjustment	Increases	Discounting adjustment	Reversals of surplus provisions	Utilisations	Other	December 31, 2016
Post-employment benefit obligations (1)	1,258	2	111	124	(165)	(53)	2	1,279
Claims and litigation	1,222	153	370	-	(262)	(142)	(28)	1,312
Tax reassessments	*737*	*96*	*172*	-	*(110)*	*(14)*	*3*	*885*
Disputes with current and former employees	*261*	*34*	*120*	-	*(80)*	*(91)*	*(1)*	*243*
Legal disputes	*224*	*22*	*78*	-	*(72)*	*(37)*	*(30)*	*184*
Restructuring	169	(0)	35	-	(42)	(71)	8	98
Other (2)	364	1	86	-	(24)	(62)	10	375
Total Provisions	**3,014**	**155**	**602**	**124**	**(493)**	**(329)**	**(9)**	**3,064**

(1) See Note 10.
(2) Other provisions primarily concern technical risks associated mainly with the insurance business and onerous contracts.

Group companies are involved in a certain number of claims and legal proceedings in the normal course of business. They are also subject to tax audits that may result in reassessments. The main claims and legal proceedings are described below. In each case, the risk is assessed by Group management and their advisors.

At December 31, 2016, the claims and legal proceedings in which the Group was involved were covered by provisions totalling 1,312 million euros (December 31, 2015: 1,222 million euros). No details are provided because the Group considers that disclosure of the amount set aside in each case could be seriously detrimental to its interests.

9.2 Disputes and legal proceedings

In the normal course of its operations in around a dozen different countries, the Group is involved in tax, employee-related and commercial disputes and legal proceedings.

9.2.1 Tax reassessments

Certain Group companies have been or are currently the subject of tax audits conducted by their local tax authorities.

In Brazil, tax audits are in progress covering, in particular, the tax on the distribution of goods and services (ICMS), related tax credits (determination of the amounts claimable and documentation of the claims), and federal contributions to the social integration programme and to the financing of the

social security system (Pis-Cofins). The Group has challenged most of the reassessments, particularly the constitutionality of certain legislative provisions on which they are based. The estimated risk in each case is reviewed regularly with Carrefour Brazil's advisors and an appropriate provision is recorded.

In France, Carrefour claimed a refund of part of the corporate income tax paid when the perpetual subordinated loan obtained by Promodès in 1991 was repaid in 2006. In July 2014, the Montreuil Tax Court ruled that Carrefour was not entitled to the refund. Then in July 2016, the Versailles Court of Appeal for tax matters overturned the Montreuil Court's ruling and found in favour of Carrefour. The tax authorities have appealed the Versailles Court's ruling before France's highest court for tax matters, the Conseil d'Etat. Carrefour has also been notified of reassessments concerning the proportion of input VAT recovered in the period 2009-2013, based on the ratio between revenues subject to and exempt from VAT. The Group has challenged the merits of these reassessments before the courts, based on the applicable tax legislation.

The tax authorities in several countries have disallowed part of the headquarters expenses deducted by Group companies. The Group has contested these reassessments.

9.2.2 Employee-related disputes

As a major employer, the Group is regularly involved in disputes with current or former employees.

From time to time, disputes may also arise with a large group of current or former employees. In Brazil, many former employees have initiated legal proceedings against the Group, claiming overtime pay that they allege is due to them.

9.2.3 Legal and commercial disputes

The Group is subject to regular audits by the authorities responsible for overseeing compliance with the laws applicable to the retail industry and by the competition authorities. Disputes may also arise with suppliers as a result of differing interpretations of legal or contractual provisions.

9.3 Contingent liabilities

To the best of the Group's knowledge, there are no contingent liabilities that may be considered likely to have a material impact on the Group's results, financial position, assets and liabilities or business.

NOTE 10: NUMBER OF EMPLOYEES, EMPLOYEE COMPENSATION AND BENEFITS

Accounting policies

Group employees receive short-term benefits (such as paid vacation, paid sick leave and statutory profit-sharing bonuses), long-term benefits (such as long-service awards and seniority bonuses) and post-employment benefits (such as length-of-service awards and supplementary pension benefits). Post-employment benefits may be paid under defined contribution or defined benefit plans.

All of these benefits are accounted for in accordance with IAS 19 – *Employee Benefits*. Short-term benefits (i.e., benefits expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services) are classified as current liabilities (under "Other payables") and recorded as an expense for the year in which the employees render the related services (Note 5.2.2). Post-employment benefits and other long-term benefits are measured and recognised as described in Note 10.1.

Two types of share-based payment plans have been set up for management and selected employees – stock option plans and performance share plans. These plans fall within the scope of IFRS 2 – *Share-based Payment* and are accounted for as described in Note 10.2.

10.1 Pension and other post-employment benefits

Accounting policies

Post-employment benefits are employee benefits that are payable after the completion of employment. The Group's post-employment benefit plans include both defined contribution plans and defined benefit plans.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity that is responsible for the plan's administrative and financial management as well as for the payment of benefits, such that the Group has no obligation to pay further contributions if the plan assets are insufficient. Examples include government-sponsored pension schemes, defined contribution supplementary pension plans and defined contribution pension funds.

The contributions are recorded as an expense for the period in which they become due.

Defined benefit and long-term benefit plans

A liability is recognised for defined benefit obligations that are determined by reference to the plan participants' years of service with the Group.

The defined benefit obligation is calculated annually using the projected unit credit method, taking into account actuarial assumptions concerning future salary levels, retirement age, mortality, staff turnover and the discount rate.

The discount rate corresponds to the interest rate observed at the period-end for investment grade corporate bonds with a maturity close to that of the defined benefit obligation. The calculations are performed by a qualified actuary.

The net liability recorded for defined benefit plans corresponds to the present value of the defined benefit obligation less the fair value of plan assets (if any). The cost recognised in the income statement comprises:

- Current service cost, past service cost and the gain or loss on plan amendments or settlements (if any), recorded in operating expense.
- Interest expense on the defined benefit liability, net of interest income on the plan assets, recorded in net financial expense.

Remeasurements of the net defined benefit liability (comprising actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling) are recognised immediately in "Other comprehensive income".

10.1.1 Description of the main defined benefit plans

The main defined benefit plans concern supplementary pension benefits paid annually in some countries to retired employees of the Group, and length-of-service awards provided for in collective bargaining agreements that are paid to employees upon retirement. The plans, which are presented below, mainly concern France, Belgium and Italy.

French plans

Group employees in France are entitled to a length-of-service award when they retire, determined in accordance with the law and the applicable collective bargaining agreement. The award is measured as a multiple of the individual's monthly salary for the last 12 months before retirement, determined by reference to his or her years of service.

In 2009, the Group set up a supplementary pension plan, amended in 2015. The main characteristics of the plan are as follows:

- Eligibility: plan participants must have completed at least three years' service at the time of retirement and their annual compensation must be greater than 18 times the annual ceiling for Social Security contributions.
- Benefits: 2.75% of the reference compensation per year of service, subject to the applicable performance conditions being met for each year. No benefits are paid if a minimum number of years has not been validated in connection with the performance conditions;
- Years of service taken into account for the calculation of plan benefits: years of service with Groupe Carrefour under consecutive or non-consecutive employment contracts. The plan's terms do not provide for any increase in benefits for participants who have completed more than a certain number of years' service.
- The reference compensation is calculated as the average of the last three salaries (basic salary + annual variable compensation) received over the last three calendar years preceding retirement or 60 times the annual ceiling for Social Security contributions, whichever is lower.
- Annual benefit cap: 25% of the reference compensation and the difference between 45% of the reference compensation and the total basic and supplementary pension benefits received by the plan participant.
- Reversionary pension: upon the participant's death, payable to the surviving spouse in an amount equal to 50% of the original benefit.

Belgian plans

The Group's main commitments in Belgium concern "prepensions" and the "solidarity fund".

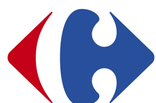
The prepension scheme provides for the payment of unemployment benefits during the period from the retirement age proposed in the collective bargaining agreement to the statutory retirement age. Carrefour is committed to topping up the benefits paid by the Belgian State, so that the individuals concerned receive 95% of their final net salary. The retirement age under Belgian law, amended in 2015, is 67 (unless otherwise provided). Under the collective bargaining agreement applicable to Carrefour, employees are eligible for prepension benefits from the age of 62 (unless otherwise provided).

The solidarity fund is a corporate supplementary pension plan that offers participants the choice between a lump sum payment on retirement or a monthly pension for the rest of their lives. The plan was closed in 1994 and replaced by a defined contribution plan. Consequently, the projected benefit obligation only concerns pension rights that vested before 1994.

Furthermore, an additional provision has been recorded for defined contribution plans with a minimum legal guarantedd yield, in view of the current economic conditions.

Italian plans

The Group's commitments in Italy primarily concern the *Trattemento di Fine Rapporto* (TFR) deferred salary scheme. The TFR scheme underwent a radical reform in 2007, with employers now required to pay contributions to an independent pension fund in full discharge of their liability. The Group's obligation therefore only concerns deferred salary rights that vested before 2007.



10.1.2 Net expense for the period

The expense recorded in the income statement is detailed as follows:

2015 *(in € millions)*	France	Belgium	Italy	Other countries	**Group total**
Service cost (1)	(195)	7	(0)	0	(187)
Interest cost (discount effect)	19	7	2	1	29
Return on plan assets	(1)	(2)	-	(0)	(3)
Other items	1	-	-	-	1
Expense (income) for 2015	**(176)**	**12**	**2**	**1**	**(160)**

2016 *(in € millions)*	France	Belgium	Italy	Other countries	**Group total**
Service cost (1)	(112)	13	0	1	(98)
Interest cost (discount effect)	17	10	2	1	30
Return on plan assets	(1)	(4)	-	(0)	(5)
Other items	3	0	-	(0)	3
Expense (income) for 2016	**(93)**	**19**	**3**	**1**	**(71)**

(1) The following table presents details of service cost:

2015 *(in € millions)*	France	Belgium	Italy	Other countries	**Group total**
Current service cost	62	8	0	0	70
Past service cost (plan amendments and curtailments)	(252)	(0)	-	-	(252)
Settlements and other	(5)	0	(0)	-	(5)
Total Service cost 2015	**(195)**	**7**	**(0)**	**0**	**(187)**

2016 *(in € millions)*	France	Belgium	Italy	Other countries	**Group total**
Current service cost	59	13	0	1	72
Past service cost (plan amendments and curtailments)	(154)	-	0	-	(154)
Settlements and other	(16)	-	-	-	(16)
Total Service cost 2016	**(112)**	**13**	**0**	**1**	**(98)**

Net amount for 2016, which includes the effect of plan amendments introduced during the year, breaks down as 95 million euros recorded in employee benefits expense and (24) million euros recorded in financial expense.

10.1.3 Breakdown of the provision

(in € millions)	France	Belgium	Italy	Other countries	**Group total**
Defined Benefit Obligation	915	334	136	34	1,419
Fair value of plan assets	(70)	(84)	-	(6)	(161)
Provision at December 31, 2015	**845**	**250**	**136**	**27**	**1,258**
Defined Benefit Obligation	911	480	136	39	1,565
Fair value of plan assets	(53)	(227)	-	(7)	(286)
Provision at December 31, 2016	**858**	**253**	**136**	**32**	**1,279**

10.1.4 Change in the provision

(in € millions)	France	Belgium	Italy	Other countries	**Group total**
Provision at December 31, 2014	**987**	**261**	**153**	**23**	**1,425**
Movements recorded in the income statement	(176)	12	2	1	(160)
Benefits paid directly by the employer	(3)	(14)	(14)	(0)	(32)
Effect of changes in scope of consolidation	(4)	-	0	(0)	(4)
Change in actuarial gains and losses (1)	41	(9)	(6)	2	28
Other	(1)	-	(0)	1	0
Provision at December 31, 2015	**845**	**250**	**136**	**27**	**1,258**
Movements recorded in the income statement	(93)	19	3	1	(71)
Benefits paid directly by the employer	(4)	(13)	(6)	(0)	(24)
Effect of changes in scope of consolidation	(5)	-	0	0	(5)
Change in actuarial gains and losses (1)	113	4	4	3	124
Other	3	(6)	(1)	0	(4)
Provision at December 31, 2016	**858**	**253**	**136**	**32**	**1,279**

(1) The change in actuarial gains and losses can be analysed as follows:

2015 *(in € millions)*	France	Belgium	Italy	Other countries	**Group total**
Actuarial (gain)/loss due to experience	33	(0)	(0)	1	34
Actuarial (gain)/loss due to demographic assumption changes	25	-	0	1	26
Actuarial (gain)/loss due to financial assumption changes	(16)	(4)	(6)	0	(25)
Return on Plan Assets (Greater) / Less than Discount Rate	(1)	(5)	-	(0)	(6)
Changes in actuarial gains and losses 2015	**41**	**(9)**	**(6)**	**2**	**28**

2016 *(in € millions)*	France	Belgium	Italy	Other countries	**Group total**
Actuarial (gain)/loss due to experience	9	0	(3)	1	7
Actuarial (gain)/loss due to demographic assumption changes	26	-	(0)	2	28
Actuarial (gain)/loss due to financial assumption changes	79	147	8	0	235
Return on Plan Assets (Greater) / Less than Discount Rate	(1)	(144)	-	0	(145)
Changes in actuarial gains and losses 2016	**113**	**4**	**4**	**3**	**124**

10.1.5 Plan assets

(in € millions)	France	Belgium	Italy	Other countries	**Group total**
Fair value at December 31, 2014	**93**	**89**	**-**	**6**	**188**
Effect of changes in scope of consolidation	(0)	-	-	-	(0)
Return on plan assets	1	2	-	0	3
Benefits paid out of plan assets	(25)	(11)	-	(1)	(37)
Actuarial gain/(loss)	1	5	-	-	6
Other	0	-	-	1	1
Fair value at December 31, 2015	**70**	**84**	**-**	**6**	**161**
Effect of changes in scope of consolidation	-	-	-	-	-
Return on plan assets	1	4	-	0	5
Benefits paid out of plan assets	(20)	(12)	-	(0)	(33)
Actuarial gain/(loss)	1	144	-	(0)	145
Other	-	7	-	1	8
Fair value at December 31, 2016	**53**	**227**	**-**	**7**	**286**

Plan assets break down as follows by asset class:

	December 31, 2016				**December 31, 2015**			
	Bonds	Equities	Monetary investments	Real estate and other	Bonds	Equities	Monetary investments	Real estate and other
France	55%	7%	35%	3%	62%	8%	29%	1%
Belgium	39%	10%	51%	0%	69%	21%	4%	6%

All bonds and equities held in plan asset portfolios are listed securities.

10.1.6 Actuarial assumptions and sensitivity analysis

The assumptions used to measure defined benefit obligations for length-of-service awards are as follows:

	2016	**2015**
Retirement age	62-67	60-67
Rate of future salary increases	1.8% to 2.7%	1.8% to 2.7%
Inflation rate	1.9%	1.9%
Discount rate	1.2%	1.9%

At December 31, 2016, a discount rate of 1.2% was used for France, Belgium and Italy (December 31, 2015: 1.9%). The discount rate is based on an index of AA-rated corporate bonds with maturities similar to the estimated duration of the defined benefit obligation.

In 2016, the average duration of the defined benefit obligation under French, Belgian and Italian plans was 11.7 years, 9.6 years and 9.4 years respectively (2015: 10.3 years, 10.2 years and 10.6 years respectively).

Sensitivity tests show that:

- a 25-bps increase in the discount rate would have an impact of around (40) million euros on the defined benefit obligation under the French, Belgian and Italian plans;
- a 25-bps increase in the inflation rate would have an impact of around +18 million euros on the defined benefit obligation under the French, Belgian and Italian plans.

10.2 Share-based payments

Accounting policies

Two types of share-based payment plans have been set up for executive management and selected employees – stock option plans and performance share plans.

As the plans are equity-settled, the benefit represented by the share-based payment is recorded in employee benefits expense with a corresponding increase in shareholders' equity in accordance with IFRS 2 – *Share-based Payment*. The cost recorded in employee benefits expense corresponds to the fair value of the equity instruments on the grant date (i.e., the date on which grantees are informed of the plan's characteristics and terms). Fair value is determined using the Black & Scholes option pricing model for stock options and the share price on the grant date for performance shares. Performance conditions that are not based on market conditions are not taken into account to estimate the fair value of stock options and performance shares at the measurement date. However, they are taken into account in estimates of the number of shares that are expected to vest, as updated at each period-end based on the expected achievement rate for the non-market performance conditions.

The cost calculated as described above is recognised on a straight-line basis over the vesting period.

The cost of share-based payment plans for 2016 recorded under "Employee benefits expense" in recurring operating income was 3.2 million euros, with a corresponding increase in equity (2015: no cost recognised).

Details of the stock option and performance share plans set up for executive management and selected employees are presented below.

10.2.1 Stock option plans

No stock options have been granted since 2011.

Two types of plans were set up prior to 2011:

- Presence plans, for which the only condition was that grantees had to remain employed by the Group between the grant date and the starting date of the exercise period for each tranche of options (50% of options vested after two years, 25% after three years and 25% after four years).
- Performance plans, for which the above presence condition applied as well as two conditions based on the Group's financial performance, with 50% of the options vesting when each of these conditions were met:
  - performance conditions for the 2009 Performance plan concerned (i) sales growth for the period 2008 to 2010 and (ii) the level of 2010 free cash flow;
  - performance conditions for the 2010 Performance plan concerned growth in (i) sales and (ii) recurring operating income over the period 2009 to 2011.

All of the options were exercisable for existing Carrefour shares.

Details of stock option plans that were in progress at December 31, 2016 or expired during the year are presented below.

	2009 Performance Plan	2009 Presence Plan	2010 Performance Plan	2010 Presence Plan II
Grant date (1)	June 17, 2009	June 17, 2009	July 16, 2010	July 16, 2010
Number of options granted (2)	1,252,994	6,974,861	1,439,017	1,941,610
Life of the options	7 years	7 years	7 years	7 years
Number of grantees	57	2,571	56	507
Exercise period (3)	June 17, 2011 to June 16, 2016	June 17, 2011 to June 16, 2016	July 17, 2012 to July 16, 2017	July 17, 2012 to July 16, 2017
Number of options outstanding (4)	0	0	471,416	1,351,784
Exercise price in € (2)	29.55	29.55	29.91	29.91

(1) Date of the meeting of the Management Board (before July 28, 2008) or Board of Directors (after that date) when the stock option grants were decided.

(2) Adjusted number of options and adjusted exercise price following the distribution of Dia shares in connection with the Maxidiscount demerger on July 5, 2011.

(3) The options vested only if the grantee was still employed by the Group at the start of the exercise period, in the following tranches:
- *50% after two years*
- *25% after three years*
- *25% after four years*

Concerning the exercise date, specific rules apply in the event of the grantee's death.

(4) All of the options outstanding at December 31, 2016 were exercisable at that date.

Movements in stock options in 2016 were as follows:

Options outstanding at January 1, 2016	**7,287,307**
- of which, exercisable options	*7,287,307*
Options granted in 2016 (1)	-
Options exercised in 2016	-
Options cancelled or that expired in 2016 (2)	(5,464,107)
Options outstanding at December 31, 2016	**1,823,200**
- of which, exercisable options	*1,823,200*

(1) The Compensation Committee decided not to grant any stock options in 2016.

(2) The 2009 plans expired in June 2016. The 5,464,107 options that had not been exercised as of that date were cancelled.

10.2.2 Performance share plans

On July 27, 2016, based on the Compensation Committee's recommendation, the Board of Directors decided to use the authorization given in the 14th resolution of the Annual General Meeting held on May 17, 2016 to grant performance shares (existing shares or shares to be issued) to about 950 Group employees, that correspond to a maximum of 1,950,000 shares (representing 0.26% of the share capital). The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

The vesting period is three years from the date of the Board meeting at which the rights were granted. The number of shares that vest will depend on the achievement of three performance conditions:

- two conditions linked to financial performance (EBITDA growth for 35% and organic sales growth for 35%), and
- a CSR-related condition (for 30%).

The three executive officers will be required to retain 50% of their vested shares in registered form throughout their term of office.

Details of the performance share plans in progress at December 31, 2016 are presented below:

	2016 Performance Plan
General Meeting date	May 17, 2016
Grant date [(1)]	September 15, 2016
Vesting date [(2)]	July 28, 2019
Total number of shares allotted at the grant date	1,944,850
Number of grantees at the grant date	950
Fair value of each share (in €) [(3)]	20.18

(1) Notification date (i.e. date on which grantees were notified of the plans' characteristics and terms)

(2) The shares will vest only if the grantee remains with the Group until the end of the vesting period and several performance conditions are met.

(3) The Carrefour share price on the grant date (reference price) adjusted for estimated dividends not received during the vesting period.

Movements in performance share grants in 2016 were as follows:

Shares allotted at January 1, 2016	**0**
- of which, vested shares	*0*
Shares granted in 2016	1,944,850
Shares delivered to the grantees in 2016	-
Shares cancelled in 2016	(2,700)
Shares allotted at December 31, 2016	**1,942,150**
- of which, vested shares	*0*

10.3 Management compensation (related parties)

The following table shows the compensation paid by the Group to serving members of the Management team and the Board of Directors during 2016 and 2015.

(in € millions)	**2016**	**2015**
Compensation for the year	4.2	3.9
Prior year bonus	5.2	6.3
Benefits in kind (accommodation and company car)	0.0	0.0
Total compensation paid during the year	**9.4**	**10.3**
Employer payroll taxes	3.3	3.5
Termination benefits	-	-

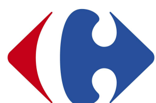
Other management benefit plans are as follows:

- Defined benefit pension plan described in Note 10.1. The plan liability and cost attributable to members of the management team cannot be disclosed separately as the total liability and cost are allocated among members of management and other plan participants using allocation keys.
- Stock options and performance shares: the serving members of the management team at December 31, 2016 held 2,738 stock options (December 31, 2015: 6,160 stock options) and 287,500 performance shares (see description of vesting conditions in Note 10.2.2). The recognised cost of share-based payment plans for members of the management team was not material in either 2016 or 2015.

Directors' attendance fees paid to members of the Board of Directors amounted to 1.1 million euros in 2016 (2015: 0.8 million euros).

10.4 Number of employees

	2016	2015
Senior Directors	512	486
Directors	2,183	2,127
Managers	41,022	40,426
Employees	328,613	332,490
Average number of Group employees	**372,330**	**375,529**
Number of Group employees at the year-end	**384,151**	**380,920**



NOTE 11: EQUITY AND EARNINGS PER SHARE

11.1 Capital management

The parent company, Carrefour, must have sufficient equity capital to comply with the provisions of France's Commercial Code.

The Group owns interests in a certain number of financial services companies (banks, insurance companies). These subsidiaries must have sufficient equity capital to comply with capital adequacy ratios and the minimum capital rules set by their local banking and insurance supervisors.

Capital management objectives (equity and debt capital) are to:

- Ensure that the Group can continue operating as a going concern, in particular by maintaining high levels of liquid resources.
- Optimise shareholder returns.
- Keep gearing at an appropriate level, in order to minimise the cost of capital and maintain the Group's credit rating at a level that allows it to access a wide range of financing sources and instruments.

In order to maintain or adjust its gearing, the Group may take on new borrowings or retire existing borrowings, adjust the dividend paid to shareholders, return capital to shareholders, issue new shares, buy back shares or sell assets in order to use the proceeds to pay down debt.

11.2 Share capital and treasury stock

11.2.1 Share capital

At December 31, 2016, the share capital was made up of 756,235,154 ordinary shares with a par value of 2.5 euros each, all fully paid.

(in thousands of shares)	**2016**	**2015**
Outstanding at January 1	**738,471**	**734,914**
Issued for cash	-	-
Issued upon exercise of stock options	-	-
Issued in payment of dividends	17,764	3,557
Cancelled shares	-	-
Outstanding at December 31	**756,235**	**738,471**

The increase during the year corresponded to new shares issued to shareholders who chose to reinvest their 2015 dividend (Notes 2.1 and 11.3).

11.2.2 Treasury stock

Accounting policies

Treasury stock is recorded as a deduction from shareholders' equity, at cost. Gains and losses from sales of treasury stock (and the related tax effect) are recorded directly in shareholders' equity without affecting net income for the year.

At December 31, 2016, a total of 9,473,039 shares were held in treasury (December 31, 2015: 10,990,800 shares).

(in thousands of shares)	December 31, 2016	December 31, 2015	Variation
Shares held directly	9,473	7,928	1,545
Shares held indirectly via an equity swap	-	3,063	(3,063)
Treasury stock	**9,473**	**10,991**	**(1,518)**

Shares held directly

The Carrefour shares held directly by the Company are intended notably for the Group's stock option and performance share plans, or for the liquidity agreement set up in July 2016 with Rothschild & Cie Banque (which replaces the 2014 agreement with Oddo Corporate Finance).

All rights attached to these shares are suspended for as long as they are held in treasury.

Shares held indirectly via an equity swap

In 2009, the Group reorganised the portfolio of treasury shares and instruments held to meet its obligations under stock option and performance share plans. On June 15, 2009, a total of 18,638,439 shares were sold out of treasury at a price of 28.725 euros per share, generating total proceeds of 535 million euros, and 18,638,439 shares were bought back at the same price per share of 28.725 euros for forward delivery at various dates through July 2017. The transaction had no impact on the consolidated income statement.

Following the distribution of Dia shares on July 5, 2011, Carrefour delivered an additional 2,196,200 shares in exchange for a reduction in the buyback price per share to 25.184 euros.

At December 31, 2015, Carrefour was committed to buying back 3,063,097 shares under the equity swap for a total of 77 million euros (recorded as a financial liability). The shares were bought back on June 15, 2016 (Note 12.2.3).

11.3 Dividends

The 2015 ordinary dividend of 0.70 euro per share was paid on June 21, 2016 as follows:

- settlement/delivery of the 17,764,360 new shares corresponding to reinvested dividends, representing a total capital increase of 388 million euros including premiums;
- 121 million euros paid in cash to shareholders who had chosen not to reinvest their dividends.

11.4 Other comprehensive income

(in € millions)

Group share	2016			2015		
	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Effective portion of changes in the fair value of cash flow hedges	12	(4)	8	(0)	0	(0)
Changes in the fair value of available-for-sale financial assets	(7)	3	(5)	(3)	1	(2)
Exchange differences on translating foreign operations	261	0	261	(511)	0	(511)
Items that may be reclassified subsequently to profit or loss	**266**	**(2)**	**264**	**(515)**	**1**	**(513)**
Remeasurements of defined benefit plans obligation	(122)	15	(106)	(27)	11	(16)
Items that will not be reclassified to profit or loss	**(122)**	**15**	**(106)**	**(27)**	**11**	**(16)**
Total Other comprehensive income - Group share	**144**	**14**	**158**	**(542)**	**13**	**(529)**

Non-controlling interests	2016			2015		
	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)	1	(4)	1	(2)
Exchange differences on translating foreign operations	100	0	100	(91)	0	(91)
Items that may be reclassified subsequently to profit or loss	**104**	**(1)**	**103**	**(92)**	**0**	**(92)**
Remeasurements of defined benefit plans obligation	(3)	0	(2)	(2)	0	(1)
Items that will not be reclassified to profit or loss	**(3)**	**0**	**(2)**	**(2)**	**0**	**(1)**
Total Other comprehensive income - Non-controlling interests	**102**	**(1)**	**100**	**(94)**	**1**	**(93)**

11.5 Non-controlling interests

Non-controlling interests mainly concern:

- the sub-group made up of Carrefour Banque SA and its subsidiaries (part of the France operating segment), which is 60% owned by the Group;
- the sub-group made up of Atacadaõ and its subsidiaries (part of the Brazil operating segment), which is 88% owned by the Group.

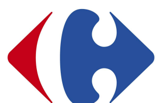
The following tables present the key information from the sub-groups' consolidated financial statements:

Carrefour Banque SA sub-group

(in € millions)

Income statement	2016	2015
Revenue (Net Banking Product)	389	413
Net result	29	37
of which:		
- attributable to the Group Carrefour	*18*	*22*
- attributable to non-controlling interests	*12*	*15*

Statement of financial position	December 31, 2016	December 31, 2015
Non current assets	2,016	2,090
Current assets	2,790	2,889
Non current liabilities (excluding shareholders' equity)	1,975	1,947
Current liabilities	2,307	2,523
Dividends paid to non-controlling interests	9	13



*Atacadaõ sub-group**

(in € millions)

Income statement	2016	2015
Revenue (Net Banking Product)	12,472	11,314
Net result	353	258
of which:		
- attributable to the Group Carrefour	*267*	*174*
- attributable to non-controlling interests	*86*	*84*

Statement of financial position	December 31, 2016	December 31, 2015
Non current assets	4,135	3,027
Current assets	4,288	3,212
Non current liabilities (excluding shareholders' equity)	2,047	1,742
Current liabilities	3,908	2,818
Dividends paid to non-controlling interests	16	16

* Including all the activities operated by Carrefour in Brazil.

There are no individually material non-controlling interests in other subsidiaries.

11.6 Earnings per share (Group share)

Accounting policies

In accordance with IAS 33 – *Earnings Per Share*, basic earnings per share is calculated by dividing net income, Group share by the weighted average number of shares outstanding during the period. Treasury stock, including shares held indirectly through the equity swap described in Note 11.2.2, are not considered to be outstanding and are therefore deducted from the number of shares used for earnings per share calculations. Contingently issuable shares are treated as outstanding and included in the calculation only from the date when all necessary conditions are satisfied.

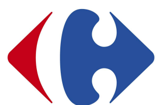
Diluted earnings per share is calculated by adjusting net income, Group share and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares correspond exclusively to the stock options and performance shares presented in Note 10.2.1. Their dilutive effect is calculated by the treasury stock method provided for in IAS 33 which consists in applying the proceeds that would be generated from the exercise of stock options to the purchase of shares at market price (defined as the average share price for the period). In accordance with this method, stock options are considered to be potentially dilutive if they are in the money (based on the sum of the exercise price and the fair value of the services rendered by the grantee, in accordance with IFRS 2 – *Share-based Payment*).

Basic earnings per share	2016	2015
Net income from continuing operations	786	977
Net income from discontinued operations	(40)	4
Net income for the year	746	980
Weighted average number of shares outstanding [(1)]	739,217,531	724,480,483
Basic earnings from continuing operations per share (in €)	**1.06**	**1.35**
Basic earnings from discontinued operations per share (in €)	**(0.05)**	**0.00**
Basic earnings per share (in €)	**1.01**	**1.35**

(1) In accordance with IAS 33, the weighted average number of shares used to calculate 2015 earnings per share was adjusted to take into account the effect of the 2015 dividends paid in shares on July 21, 2016 (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	**2016**	**2015**
Net income from continuing operations	786	977
Net income from discontinued operations	(40)	4
Net income for the year	746	980
Weighted average number of shares outstanding, before dilution	739,217,531	724,480,483
Potential dilutive shares	145,127	-
Stock grants	*145,127*	-
Stock options	-	-
Diluted weighted average number of shares outstanding	739,362,658	724,480,483
Diluted earnings from continuing operations per share (in €)	**1.06**	**1.35**
Diluted earnings from discontinued operations per share (in €)	**(0.05)**	**0.00**
Diluted earnings per share (in €)	**1.01**	**1.35**

No stock options were taken into account for the calculation of diluted earnings per share as they were out of the money in 2016 (i.e., their exercise price was greater than the average share price for the year). Therefore, dilutive potential ordinary shares correspond exclusively to the performance shares presented in Note 10.2.



NOTE 12: FINANCIAL ASSETS AND LIABILITIES, FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

Accounting policies

Non-derivative financial assets

In accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*, the main financial assets are classified in one of the following four categories:

- financial assets at fair value through profit or loss
- loans and receivables
- held-to-maturity investments
- available-for-sale financial assets.

Their classification determines their accounting treatment. They are classified by the Group upon initial recognition, based on the type of asset and the purpose for which it was acquired. Purchases and sales of financial assets are recognised on the trade date, defined as the date on which the Group is committed to buying or selling the asset.

(i) Financial assets at fair value through profit or loss

These are financial assets held for trading, i.e., assets acquired principally for the purpose of selling them at a profit in the short term, or financial assets designated at the outset as at fair value through profit or loss.

They are measured at fair value with changes in fair value recognised in the income statement, under financial income or expense.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that do not meet the criteria for classification as either held for trading or available for sale.

They are initially recognised at fair value and are subsequently measured at amortised cost by the effective interest method. For short-term receivables with no specified interest rate, fair value is considered to be equal to the original invoice amount.

These assets are tested for impairment when there is an indication that their recoverable amount may be less than their carrying amount. If this is found to be the case, an impairment loss is recorded.

This category includes trade receivables, other loans and receivables (reported under "Other financial assets") and consumer credit granted by the financial services companies.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets other than loans and receivables with fixed or determinable payments and a fixed maturity that the Group has the positive intention and ability to hold to maturity. They are initially recognised at fair value and are subsequently measured at amortised cost by the effective interest method.

The Group did not hold any assets classified as held-to-maturity at December 31, 2016 or December 31, 2015.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that do not meet the criteria for classification in any of the other three categories. They consist mainly of shares in non-consolidated companies. Available-for-sale financial assets are measured at fair value, with changes in fair value recognised in "Other comprehensive income", under "Changes in the fair value of available-for-sale financial assets". When the assets are sold, the gains and losses accumulated in shareholders' equity are reclassified to the income statement.

However, in the event of a prolonged or significant fall in value of an equity instrument or a decline in estimated cash flows from a debt instrument, an impairment loss is recognised in the income statement. If, in a subsequent period, the impairment decreases, the previously recognised impairment loss is released as follows:

- for equity instruments (shares and other): through "Other comprehensive income";
- for debt instruments (bonds, notes and other): where an increase is observed in estimated future cash flows, through profit or loss for an amount not exceeding the previously recognised impairment loss.

The fair value of listed securities corresponds to their market price. For unlisted securities, fair value is determined by reference to recent transactions or by using valuation techniques based on reliable and observable market data. When it is impossible to obtain a reasonable estimate of an asset's fair value, it is measured at historical cost.

Non-derivative financial assets held by the Group

The main non-derivative financial assets held by the Group are as follows:

- non-current financial assets, mainly comprising investments in non-consolidated companies and long-term loans;
- trade receivables (Note 5.4.3);
- consumer credit granted by the financial services companies (Note 5.5.1);
- other current financial assets, mainly available-for-sale financial assets, measured at fair value, and short-term loans and deposits.

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognised at fair value plus transaction costs and premiums directly attributable to their issue. They are subsequently measured at amortised cost.

Non-derivative financial liabilities held by the Group

The main non-derivative financial liabilities held by the Group are as follows:

- borrowings: "Long-term borrowings" and "Short-term borrowings" include bonds and notes issued by the Group, finance lease liabilities, other bank loans and overdrafts, and financial liabilities related to securitised receivables for which the credit risk is retained by the Group;
- suppliers and other creditors (Note 5.4.4);
- consumer credit financing (Note 5.5.2);
- other payables: other payables classified in current liabilities correspond to all other operating payables (mainly accrued employee benefits expense and amounts due to suppliers of non-current assets) and miscellaneous liabilities.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of business, mainly currency and interest rate risks. Exceptionally, the risk of changes in the prices of certain commodities – mainly diesel – may also be hedged.

Derivatives are initially recognised at fair value. They are subsequently measured at fair value with the resulting unrealised gains and losses recorded as explained below.

(i) Derivatives designated as hedging instruments

Hedge accounting is applied if, and only if, the following conditions are met:

- at the inception of the hedge, there is formal designation and documentation of the hedging relationship;
- the effectiveness of the hedge is demonstrated at inception.

The derivatives used by the Group may be qualified as either cash flow hedges or fair value hedges. The Group does not currently hedge its net investment in foreign operations.

Cash flow hedges

For instruments qualified as cash flow hedges, the portion of the change in fair value determined to be an effective hedge is recognised directly in "Other comprehensive income" and accumulated in shareholders' equity until the hedged transaction affects profit. The ineffective portion of the change in fair value is recognised in the income statement, under "Financial income and expense".

The main cash flow hedges consist of interest rate options and swaps that convert variable rate debt to fixed rate debt, and forward purchases of foreign currencies that hedge future goods purchases in foreign currency.

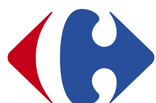
Fair value hedges

Changes in fair value of instruments qualified as fair value hedges are recognised in the income statement, with the effective portion offsetting changes in the fair value of the hedged item.

Examples of fair value hedges include swaps set up to convert fixed rate bonds and notes to variable rate. The hedged portion of the underlying financial liability is remeasured at fair value. Changes in fair value are recognised in the income statement and are offset by the effective portion of symmetrical changes in the fair value of the interest rate swaps.

(ii) Other derivative instruments

Other derivative instruments are measured at fair value, with changes in fair value recognised in profit or loss. Derivative instruments used by the Group include interest rate and currency swaps and vanilla interest rate options.



Fair value calculation method

The fair values of currency and interest rate instruments are determined using market-recognised pricing models or prices quoted by external financial institutions.

Values estimated using pricing models are based on discounted future cash flows for futures and forward contracts or, for options, the Black & Scholes option pricing model. The models are calibrated using market data such as yield curves and exchange rates obtained from recognised financial data services.

The fair value of long-term borrowings is estimated based on the quoted market price for bonds and notes or the value of future cash flows discounted based on market conditions for similar instruments (in terms of currency, maturity, interest rate and other characteristics).

Fair value measurements of derivative financial instruments incorporate counterparty risk in the case of instruments with a positive fair value, and own credit risk for instruments with a negative fair value. Credit risk is measured using the mathematical models commonly used by market analysts. At December 31, 2016 and 2015, the effect of incorporating these two types of risk was not material.

12.1 Financial instruments by category

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 amortized cost	Debt hedged by fair value hedges	Derivative instruments	
Investments in non-consolidated companies	98		98					98
Other long-term investments	1,412		427	985				1,412
Other non-current financial assets	**1,510**		**525**	**985**				**1,510**
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	**14,589**	**3,305**	**593**	**10,642**			**49**	**14,589**
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

At December 31, 2015 (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 amortized cost	Debt hedged by fair value hedges	Derivative instruments	
Investments in non-consolidated companies	78		78					78
Other long-term investments	1,213		443	770				1,213
Other non-current financial assets	**1,291**		**521**	**770**				**1,291**
Consumer credit granted by the financial services companies	6,010			6,010				6,010
Trade receivables	2,269			2,269				2,269
Other current financial assets	358			207			151	358
Other assets [(1)]	418			418				418
Cash and cash equivalents	2,724	2,724						2,724
ASSETS	**13,071**	**2,724**	**521**	**9,674**			**151**	**13,071**
Total long- and short-term borrowings	7,629				7,064	516	49	8,135
Total consumer credit financing	5,249				5,223		26	5,249
Suppliers and other creditors	13,648				13,648			13,648
Other payables [(2)]	3,123				3,123			3,123
LIABILITIES	**29,649**				**29,058**	**516**	**75**	**30,156**

(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 1.4)

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)**

December 31, 2015 *(in € millions)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			78	**78**
Other long-term investments	443			**443**
Other current financial assets - Derivative instruments recorded in current financial assets		151		**151**
Cash and cash equivalents	2,724			**2,724**
Consumer credit financing - Derivative instruments recorded in liabilities		(26)		**(26)**
Borrowings - Derivative instruments recorded in liabilities		(39)	(10)	**(49)**

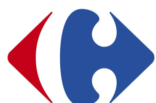
No assets or liabilities measured at fair value were reclassified between the various levels between December 31, 2015 and 2016.

12.2 Net debt

12.2.1 Net debt calculation

Net debt at December 31, 2016 amounted to 4,531 million euros, a decrease of 15 million euros from December 31, 2015. This amount breaks down as follows:

(in € millions)		December 31, 2016	December 31, 2015
Bonds and notes		6,962	6,884
Other borrowings		690	345
Commercial paper		-	-
Finance lease liabilities		322	351
Total borrowings before derivative instruments recorded in liabilities		**7,974**	**7,580**
Derivative instruments recorded in liabilities		101	49
TOTAL BORROWINGS	[1]	**8,075**	**7,629**
Of which, long-term borrowings		*6,200*	*6,662*
Of which, short-term borrowings		*1,875*	*966*
Other current financial assets		239	358
Cash and cash equivalents		3,305	2,724
TOTAL CURRENT FINANCIAL ASSETS	[2]	**3,544**	**3,083**
NET DEBT	[1] - [2]	**4,531**	**4,546**



12.2.2 Bonds and notes

(in € millions)		Face Value				Book value of the debt
		December 31, 2015	Issues	Repayments	December 31, 2016	December 31, 2016
Public placements	Maturity					
Euro Bond Fixed rate, EUR, 10 years, 4.375%	2016	167		(167)	-	
EMTNs, EUR, 4 years, 4.375%	2016	500		(500)	-	
EMTNs, EUR, 8 years, 4.678%	2017	250			250	254
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	991
EMTNs, EUR, 8 years, 1.75%	2022	1,000			1,000	956
EMTNs, EUR, 8 years, 0.750%	2024	-	750		750	743
EMTNs, EUR, 10 years, 1.25%	2025	750			750	745
Total Bonds and notes		**6,946**	**750**	**(667)**	**7,029**	**6,962**

12.2.3 Other borrowings

(in € millions)	December 31, 2016	December 31, 2015
Equity swap liability	-	77
Latin America borrowings	376	107
Other borrowings	173	52
Accrued interest (1)	96	99
Other financial liabilities	46	10
Total Other borrowings	**690**	**345**

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

12.2.4 Cash and cash equivalents

Accounting policies

Cash includes cash on hand and demand deposits.

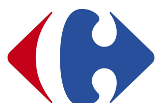
Cash equivalents are highly liquid investments with an original maturity of less than three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(in € millions)	December 31, 2016	December 31, 2015
Cash	1,558	1,286
Cash equivalents	1,747	1,439
Total Cash and cash equivalents	**3,305**	**2,724**

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.

12.2.5 Other current financial assets

(in € millions)	December 31, 2016	December 31, 2015
Available-for-sale financial assets	68	0
Derivative instruments	49	151
Deposits with maturities of more than three months	110	186
Other	12	22
Total Other current financial assets	**239**	**358**



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

12.3.1 Analysis by interest rate

(in € millions)	December 31, 2016		December 31, 2015	
	before hedging	after hedging	before hedging	after hedging
Fixed rate borrowings	7,545	7,295	7,277	6,777
Variable rate borrowings	424	678	287	803
Total borrowings (before derivative instruments recorded in liabilities)	**7,969**	**7,974**	**7,564**	**7,580**

12.3.2 Analysis by currency

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

(in € millions)	December 31, 2016	December 31, 2015
Euro	7,385	7,314
Brazilian real	199	80
Argentine peso	178	28
Taiwan dollar	74	74
Chinese yuan	67	14
Polish zloty	64	65
Romanian leu	5	5
Total borrowings (before derivative instruments recorded in liabilities)	**7,974**	**7,580**

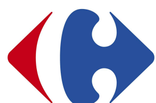
Euro-denominated borrowings represented 93% of total borrowings (excluding derivative instruments recorded in liabilities) at December 31, 2016 (December 31, 2015: 96%).

12.3.3 Analysis by maturity

(in € millions)	December 31, 2016	December 31, 2015
Due within one year	1,774	921
Due in 1 to 2 years	333	1,306
Due in 2 to 5 years	3,221	2,447
Due beyond 5 years	2,646	2,905
Total borrowings (before derivative instruments recorded in liabilities)	**7,974**	**7,580**

12.4 Other non-current financial assets

(in € millions)	December 31, 2016	December 31, 2015
Investments in non-consolidated companies	98	78
Long-term loans	9	1
Deposits	771	618
Other	632	594
Total Other non-current financial assets	**1,510**	**1,291**



12.5 Finance costs and other financial income and expenses

This item breaks down as follows:

(in € millions)	2016	2015
Interest income from loans and cash equivalents	**27**	**32**
Interest income from bank deposits	29	30
Interest income from loans	(1)	2
Finance costs	**(404)**	**(380)**
Interest expense on financial liabilities measured at amortised cost, adjusted for income and expenses from interest rate instruments	(378)	(352)
Interest expense on finance lease liabilities	(26)	(27)
Ineffective portion of fair value hedges of borrowings	-	-
Finance costs, net	**(377)**	**(347)**
Other financial income and expenses, net	**(138)**	**(168)**
Actualisation cost on defined employee benefit debt	(30)	(29)
Interest income on pension plan assets	5	4
Financial transaction tax	(36)	(46)
Late interest due in connection with tax reassessments and employee-related litigation	(23)	(55)
Dividends received on available-for-sale financial assets	2	1
Proceeds from the sale of available-for-sale financial assets measured at fair value through equity	35	7
Cost of sold available-for-sale financial assets measured at fair value through equity	(32)	(2)
Exchange gains and losses	(1)	7
Cost of bond buybacks	(7)	(7)
Variation valuation Cash flow hedge	(15)	(3)
Other	(37)	(44)
Finance costs and other financial income and expenses, net	**(515)**	**(515)**
Financial expenses	*(583)*	*(567)*
Financial income	*68*	*51*

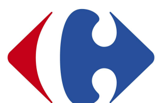
12.6 Risk management

The main risks associated with the financial instruments used by the Group are liquidity, interest rate, currency, credit and equity risks. The Group's policy for managing these risks is described below.

Due to the differing natures of the various businesses, financial risks arising from the bancassurance business (including Carrefour Banque in particular) are managed separately from those related to the retail business.

An organisation has been set up around a cash-pooling system to track financial risks. The Corporate Treasury and Financing Department based in Brussels manages the treasury and financing needs of all retail subsidiaries, on the instructions of Group Executive Management. A reporting system ensures that Group Executive Management can oversee the department’s implementation of the approved management strategies.

The risks associated with the consumer credit business are managed and tracked directly by the entities concerned. Corporate Treasury and Financing oversees the proper implementation of the rules governing the consumer credit business, jointly with the other investors in the business where applicable. A reporting system exists between local teams and Corporate Treasury and Financing.



12.6.1 Liquidity risk

12.6.1.1 Retail business

Liquidity risk is the risk that Carrefour will be unable to settle its financial liabilities when they fall due.

The Group manages its liquidity risk by ensuring, to the extent possible, that it has sufficient liquid assets at all times to settle its liabilities when they fall due, whatever the conditions in the market.

A Liquidity Committee meets at monthly intervals to check that the Group's financing needs are covered by its available resources.

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

- Promoting conservative financing strategies in order to ensure that the Group's credit rating allows it to 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 December 31, 2016, 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 include any rating trigger, although they do allow for the pricing grid to 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. 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 averages four years and one month.

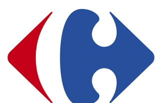
12.6.1.2 Banking and insurance business

Carrefour Banque's liquidity risk is monitored within the framework of an Executive Management-approved liquidity strategy that is part of the Group's overall strategy.

Carrefour Banque's refinancing situation is assessed based on internal standards, early warning indicators and regulatory ratios.

Liquidity risk management objectives are to:

- Ensure that refinancing needs are met, based on monthly assessments of projected cash surpluses or shortfalls over a three-year period performed by comparing static forecasts of committed financing facilities with dynamic lending forecasts.
- Achieve compliance with the new Basel III liquidity coverage ratios, through a process that is designed to deliver a sustainable improvement in asset quality by investing in a dedicated



fund eligible for inclusion in the ratio calculation and extending the maturity of liabilities in order to improve the net stable funding ratio.

- Diversify refinancing sources to include bank lines of credit, bond issues, securitisation programmes, money market issues and customer deposits. During 2016, Carrefour Banque carried out a new bond issue to support the financing and development of its businesses (Note 5.5.2) with a master trust structure that allows it to dynamically manage asset-backed securities series issued by the securitisation fund. Within this structure, the 110 million-euro series was renewed for a two-year period, as from June 2016.

  In November 2014, Carrefour Banque secured its refinancing sources by rolling over its 750 million-euro five-year syndicated line of credit and negotiating two one-year extension options. The second of these has been exercised in 2016, extending the facility's maturity to November 2021.

The following tables analyse the cash flows generated by the Group's financial and other liabilities by period.

December 31, 2016 *(in € millions)*	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Borrowings hedged by fair value hedges	254	251	251		
Borrowings hedged by cash flow hedges	-	-			
Fixed rate borrowings	7,397	8,090	1,627	3,892	2,572
Unhedged borrowings	-	-			
Finance lease liabilities	322	570	47	177	346
Derivative instruments	101	98	83	9	6
Total Borrowings	**8,075**	**9,009**	**2,008**	**4,077**	**2,924**
Suppliers and other creditors	15,396	15,396	15,396		
Consumer credit financing	5,330	5,330	3,395	1,935	
Other payables [(1)]	3,031	3,031	3,031		
Total Financial liabilities	**31,831**	**32,766**	**23,830**	**6,012**	**2,924**

(1) Excluding deferred revenue

December 31, 2015 *(in € millions)*	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Borrowings hedged by fair value hedges	516	501	251	250	
Borrowings hedged by cash flow hedges	-	-			
Fixed rate borrowings	6,636	7,532	771	3,890	2,871
Unhedged borrowings	77	78	78		
Finance lease liabilities	351	645	52	198	395
Derivative instruments	49	48	22	17	10
Total Borrowings	**7,629**	**8,803**	**1,173**	**4,355**	**3,275**
Suppliers and other creditors	13,648	13,648	13,648		
Consumer credit financing	5,249	5,249	3,328	1,921	
Other payables [(1)]	3,123	3,123	3,123		
Total Financial liabilities	**29,649**	**30,824**	**21,272**	**6,277**	**3,275**

(1) Excluding deferred revenue

12.6.2 Interest rate risk

Interest rate risk is the risk of a change in interest rates leading to an increase in the Group's net borrowing costs.

It is managed at headquarters level by Corporate Treasury and Financing, which reports monthly to an Interest Rate Risk Committee responsible for recommending hedging strategies and methods to be used to limit interest rate exposures and optimise borrowing costs.

Long-term borrowings are generally at fixed rates of interest and do not therefore give rise to any exposure to rising interest rates. Various financial instruments are nonetheless used to hedge borrowings against the risk of changes in interest rates. These are mainly basic swaps and options. Hedge accounting is applied in all cases where the required criteria are met.

Variable rate long-term borrowings are hedged using financial instruments that cap rises in interest rates over all or part of the life of the debt.

The following table shows the sensitivity of total borrowings to changes in interest rates over one year:

(in € millions) (- = loss; + = gain)	50-bps decline		50-bps increase	
	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Investments	-	(3.9)	-	3.9
Variable rate borrowings	-	-	-	-
Borrowings hedged by fair value hedges	-	(0.4)	-	0.4
Swaps qualified as fair value hedges	-	0.4	-	(0.4)
Swap qualified as cash flow hedges	-	-	-	-
Options qualified as cash flow hedges	-	(7.4)	-	11.8
Instruments classified as held for trading	-	1.4	-	(0.3)
Total effect	**-**	**(9.9)**	**-**	**15.4**

12.6.3 Currency risk

Currency transaction risk is the risk of an unfavourable change in exchange rates having an adverse effect on cash flows from commercial transactions denominated in foreign currency.

The Group conducts its international operations through subsidiaries that operate almost exclusively in their home country, such that purchases and sales are denominated in local currency. As a result, the Group's exposure to currency risk on commercial transactions is naturally limited and mainly concerns imported products. Currency risks on import transactions (i.e., goods purchases billed in foreign currencies) covered by firm commitments are hedged by forward purchases of the payment currency. Currency hedges are generally for periods of less than 12 months.

The following table shows the effect of an increase/decrease in exchange rates on currency instruments:

(in € millions) (- = loss; + = gain)	10% decline		10% increase	
	Impact on shareholders' equity (OCI)	Impact on income statement	Impact on shareholders' equity (OCI)	Impact on income statement
Position EUR / BRL	-	107.9	-	(89.1)
Position EUR / USD	-	(62.3)	-	62.3
Position USD / BRL	-	7.5	-	(9.1)
Position EUR / PLN	-	7.4	-	(7.4)
Position EUR / RON	-	6.5	-	(6.5)
Position EUR / HKD	-	2.6	-	(2.6)
Position RON / USD	-	(2.0)	-	2.0

Currency translation risk is the risk of an unfavourable change in exchange rates reducing the value of the net assets of a subsidiary whose functional currency is not the euro, after conversion into euros for inclusion in the Group's consolidated statement of financial position.

The consolidated statement of financial position and income statement are exposed to a currency translation risk: consolidated financial ratios are affected by changes in exchange rates used to translate the income and net assets of foreign subsidiaries operating outside the eurozone.

The translation risk on foreign operations outside the eurozone mainly concerns the Brazilian real, Argentine peso and Chinese renminbi. For example, changes in the average exchange rates used in 2016 compared with those for 2015 reduced consolidated net sales by 2,407 million euros or 3.1% and recurring operating income by 16 million euros or 0.7%.

Lastly, when financing is arranged locally, it is generally denominated in local currency.

12.6.4 Credit risk

The Group's estimated exposure to credit risk is presented below:

(in € millions)	**December 31, 2016**	**December 31, 2015**
Investments in non-consolidated companies	98	78
Other long-term investments	1,412	1,213
Total Other non-current financial assets	**1,510**	**1,291**
Consumer credit granted by the financial services compani	6,273	6,010
Trade receivables	2,682	2,269
Other current financial assets	239	358
Other assets [(1)]	580	418
Cash and cash equivalents	3,305	2,724
Maximum exposure to credit risk	**14,589**	**13,071**

(1) Excluding prepaid expenses

12.6.4.1 Retail business

1) Trade receivables

Trade receivables correspond mainly to amounts receivable from franchisees (for delivered goods and franchise fees), suppliers (mainly rebates) and tenants of shopping mall units (rent). Impairment losses are recognised where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable.

At December 31, 2016, trade receivables net of impairment (excluding receivables from suppliers) amounted to 1,342 million euros (Note 5.4.3). At that date, past due receivables amounted to a net 122 million euros, of which 23 million euros were over 90 days past due (1.7% of total trade receivables net of impairment excluding receivables from suppliers). No additional impairment has been recognised for these receivables as the Group considers that the risk of non-recovery is very limited.

2) Investments (cash equivalents and other current financial assets)

The Group's short-term cash management strategy focuses on acquiring liquid investments that are easily convertible into cash and are subject to an insignificant risk of changes in value.

Investments are made for the most part by Corporate Treasury and Financing, in diversified instruments such as term deposits with leading banks and mutual funds classified by the AMF as "money market" and "short-term money market" funds without any withdrawal restrictions. Investments made at the country level are approved by Corporate Treasury and Financing.

Counterparty risk monitoring procedures are implemented to track counterparties' direct investment strategies and the underlying assets held by mutual funds in which the Group invests. The Group's objective is to never hold more than 5% of a fund's units and to never invest more than 250 million euros in any single fund.

12.6.4.2 Banking and insurance business

1) Credit risk management

To protect against default by borrowers, the Group's financial services companies have set up systems to check the quality and repayment capacity of their customers. These include:

- Decision-making aids such as credit scoring applications, income/debt simulation tools and credit history checking procedures.
- Interrogation of positive and negative credit history databases, where they exist.
- Active management of collection processes.
- Credit risk monitoring and control systems.

Within each credit company, a Credit Risk Department is responsible for all of these processes, and the Board of Directors receives copies of all Credit Risk Management Committee reports.

At Group level, a Credit Risk – Europe unit has been set up to oversee and implement credit risk management policies in France, Spain, Belgium and Italy.

2) Provisions for non-performing consumer loans

Consumer loans are classified as non-performing when the Group believes that there is a risk that all or part of the amount due will not be recovered (for example, because of overdue payment or litigation procedure).

Provision models are developed in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement* and local banking regulations in each country, according to a two-step process:

- classification of outstanding loans in uniform risk categories based on the probability of default; then
- modelling of the loss given default based on historical data.

Analysis of due and past due consumer loans

(in € millions)	**December 31, 2016**	**Amounts not yet due at the period-end**	**Amounts due and past-due at the period-end**			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	**6,273**	6,030	69	55	15	104

(in € millions)	**December 31, 2015**	**Amounts not yet due at the period-end**	**Amounts due and past-due at the period-end**			
			0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	**6,010**	5,829	27	39	25	90

Analysis of consumer loans by maturity

(in € millions)	December 31, 2016	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	2,592	1,081	1,426	85
Belgium	166	5	149	11
Spain	1,812	1,260	258	294
Italy	201	93	46	63
Argentina	176	172	4	0
Brazil	1,326	1,290	36	-
TOTAL	**6,273**	**3,902**	**1,918**	**453**

(in € millions)	December 31, 2015	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	2,825	1,242	1,465	118
Belgium	175	7	159	8
Spain	1,640	1,180	227	234
Italy	201	93	75	32
Argentina	166	159	8	-
Brazil	1,003	978	24	-
TOTAL	**6,010**	**3,658**	**1,958**	**393**

12.6.5 Equity risk

Equity risk corresponds to the potential impact of changes in the Carrefour share price on its share-based payment commitments and on treasury stock. Group policy is to avoid taking positions on its own shares or those of other companies, except in response to particular circumstances or needs.

From time to time, the Group buys back its shares on the market or purchases call options on its shares, mainly in connection with its performance share or stock option plans. The frequency and size of these purchases depend on the share price.

At December 31, 2016, shares and options held directly or indirectly by the Group covered its total commitments under outstanding performance share and stock option plans.

Marketable securities portfolios and other financial investments held by the Group consist for the most part of money market instruments that do not expose the Group to any material equity risk.

NOTE 13: OFF-BALANCE SHEET COMMITMENTS

Accounting policies

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 *(in € millions)*	**December 31, 2016**	**By maturity**			**December 31, 2015**
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**11,322**	**9,310**	**1,027**	**985**	**9,706**
Financial services companies	*10,191*	*9,237*	*953*	*1*	*8,961*
Other companies	*1,131*	*73*	*75*	*984*	*745*
Related to operations/real estate/expansion, etc.	**3,433**	**1,778**	**1,567**	**87**	**2,430**
Related to sales of securities	**301**	**194**	**32**	**75**	**261**
Related to leases	**3,625**	**1,070**	**1,754**	**801**	**3,503**
TOTAL	**18,680**	**12,352**	**4,380**	**1,948**	**15,900**

Commitments received *(in € millions)*	**December 31, 2016**	**By maturity**			**December 31, 2015**
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**6,743**	**1,112**	**5,573**	**57**	**6,633**
Financial services companies	*1,833*	*242*	*1,572*	*18*	*1,860*
Other companies	*4,910*	*870*	*4,001*	*40*	*4,774*
Related to operations/real estate/expansion, etc.	**1,328**	**329**	**677**	**322**	**1,040**
Related to sales of securities	**309**	**199**	**52**	**58**	**279**
Related to leases	**770**	**272**	**350**	**148**	**636**
TOTAL	**9,149**	**1,912**	**6,652**	**585**	**8,588**

Off-balance sheet commitments related to cash transactions include:

- credit commitments given to customers by the financial services companies in the course of their operating activities, and credit commitments received from banks.
- mortgages and other guarantees given or received, mainly in connection with the Group's real estate activities.
- committed lines of credit available to the Group but not drawn down at the period-end.

Off-balance sheet commitments related to operations include:

- commitments to purchase land given in connection with the Group's expansion programmes.
- miscellaneous commitments arising from commercial contracts.
- performance bonds issued in connection with the Group's expansion programmes.
- rent guarantees and guarantees from shopping mall operators.
- guarantees for the payment of receivables.
- other commitments given or received.

Off-balance sheet commitments related to securities consist of firm commitments to purchase and sell securities received from third parties:

- for the most part in France, in connection with the Group's franchising activities;
- including immediately exercisable put and call options and sellers' warranties given to third parties. No value is attributed to sellers' warranties received by the Group.

Off-balance sheet commitments related to leases:

At December 31, 2016, 707 hypermarket properties and 500 supermarket properties were owned outright out of a total integrated store base of 1,210 hypermarkets and 1,457 supermarkets.

Rent on store properties not owned by the Group totalled 1,022 million euros in 2016 (Note 5.2.2).

Of total future minimum rentals due under operating and finance leases, 27% are due within one year, 46% in one to five years and 27% beyond five years.

Future minimum rentals under operating leases – determined based on the Group's maximum commitment in terms of both duration and amount for each of the property leases in progress at the period-end – amounted to 3,625 million euros at December 31, 2016, or 2,853 million euros after discounting (Note 6.5).

The Group also owns various shopping malls built mainly on the same sites as its hypermarkets and supermarkets and leased to third parties, as well as a number of store premises leased to franchisees. Rental revenues from these retail units in 2016 amounted to 213 million euros. Future minimum rentals receivable from these retail units – determined based on the tenants' maximum commitment in terms of both duration and amount for each of the leases in progress at the period-end – amounted to 770 million euros at December 31, 2016, or 595 million euros after discounting.

NOTE 14: SUBSEQUENT EVENTS

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.

The operation has contributed to the ongoing strategy to secure the Group's long-term financing sources by maintaining the average maturity of its facilities (from 4.4 as of December 31, 2015 to 4.1 years as of December 31, 2016).

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 will be absorbed by Cardety, whose shares are listed on Euronext Paris (compartment C). Post completion of the merger, Carrefour would own 42.4% of the new merged entity, which is to be named Carmila, while the other shareholders of Carmila and Cardety would own 55.3% and 2.3% respectively.

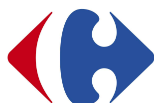
The merger proposal will be submitted to the relevant employee representative bodies for information and consultation purposes. Following completion of this information and consultation process, and subject to the signing of the definitive agreements and to certain regulatory approvals, the merger will be submitted for the approval of Carmila and Cardety's respective shareholders at General Meetings to be held in 2017.

As part of its development plan, the merged entity may, subject to market conditions, carry out a capital increase in an amount of 500-600 million euros, which would involve issuing shares on the market in 2017.

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

NOTE 15: FEES PAID TO THE AUDITORS

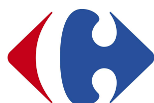
(in € millions)	2016				2015			
	Deloitte	KPMG	Mazars	**Total**	Deloitte	KPMG	Mazars	**Total**
Certification of the accounts	2.3	7.9	2.1	**12.3**	2.2	7.8	2.1	**12.1**
Other services	2.1	1.3	0.3	**3.6**	2.0	0.7	0.2	**3.0**
TOTAL	**4.4**	**9.2**	**2.4**	**15.9**	**4.2**	**8.5**	**2.3**	**15.1**



NOTE 16: LIST OF CONSOLIDATED COMPANIES

16.1 Fully consolidated companies at December 31, 2016

FRANCE	Percent interest used in consolidation
AJACCIO DISTRIBUTION	100
ALHE DISTRIBUTION	100
ALSATOP	100
AMIDIS ET CIE	100
ANTIDIS	100
AP2L DISTRIBUTION	100
AVENUE	52
BELLEVUE DISTRIBUTION	100
BLO DISTRIBUTION	100
BOEDIM	100
BREM 63 SCI	100
C.S.D	74
C.S.F	100
CADS	99.5
CALLOUETS	51
CAMPUS ERTECO	100
CARAUTOROUTES	100
CARDADEL	100
CARFUEL	100
CARGO PROPERTY BAIN DE BRETAGNE	32.2
CARGO PROPERTY BRIE COMTE ROBERT	32.2
CARGO PROPERTY CHOLET	32.2
CARGO PROPERTY COMBS LA VILLE	32.2
CARGO PROPERTY EPAUX BEZU	32.2
CARGO PROPERTY GERANT	100
CARGO PROPERTY HOLDING	32.2
CARGO PROPERTY LAUDUN	32.2
CARGO PROPERTY LUNEVILLE	32.2
CARGO PROPERTY PLAISANCE DU TOUCH	32.2
CARGO PROPERTY SAVIGNY SUR CLAIRIS	32.2
CARGO PROPERTY VENDIN	32.2
CARIMA	100
CARMA	50
CARMA COURTAGE	50
CARMA VIE	50
CARREFOUR ADMINISTRATIF FRANCE	100
CARREFOUR BANQUE	60
CARREFOUR DRIVE	100
CARREFOUR FRANCE	100
CARREFOUR FRANCE PARTICIPATION	100
CARREFOUR HYPERMARCHES	100
CARREFOUR IMPORT	100
CARREFOUR LIBERTY	100
CARREFOUR MANAGEMENT	100
CARREFOUR MARCHANDISES INTERNATIONALES	100
CARREFOUR MONACO	100
CARREFOUR NOLIM	100
CARREFOUR OMNICANAL	100
CARREFOUR PARTENARIAT INTERNATIONAL	100
CARREFOUR PROPERTY FRANCE	100
CARREFOUR PROPERTY GESTION	100
CARREFOUR PROPERTY INTERNATIONAL	100
CARREFOUR PROXIMITE FRANCE	100
CARREFOUR SA	100
CARREFOUR SERVICES CLIENTS	100
CARREFOUR STATION SERVICE	100
CARREFOUR SUPPLY CHAIN	100
CARREFOUR VOYAGES	100
CARVILLENEUVE	100
CENTRE DE FORMATION ET COMPETENCES	100
CHALLENGER	100
CIGOTOP	100
CLAIREFONTAINE	100
CODIEP	100
COMPAGNIE D'ACTIVITE ET DE COMMERCE INTERNATIONAL -CACI-	100
CONCEPT 2003	100
CORSAIRE	50
COVIAM 8	100
COVIAM 9	100
COVICAR 2	100
COVICAR IC 3	100
COVICAR IC 4	96.6
COVICAR IC 6	100
COVICARGO 4	100
COVICARGO 5	100
CPF ASSET MANAGEMENT	100
CRF REGIE PUBLICITAIRE	100
CRFP13	100
CRFP14	100
CRFP15	100
CRFP19	100
CRFP20	100
CRFP21	100
CRFP22	100
CRFP23	100
CRFP8	100
CROQUETTELAND	70
CSD TRANSPORTS	74
CSI	100
DAUPHINOISE DE PARTICIPATIONS	100
DE LA COQUERIE	51
DE LA FONTAINE	51
DE SIAM	51
DIGITAL MEDIA SHOPPER	100
DISTRIVAL	100
DOREL	100
ECALHAN	51
ED FRANCHISE	100
EPG	66
ERTECO	100
FALDIS	99.9
FCT MASTER CREDIT CARD 2013	60
FERRARI	100
FINANCIERE RSV	100
FINIFAC	100
FONCIERE LES 4 ROUTES	100
FORUM DEVELOPPEMENT	100
FRED 8	100
GAMACASH	100
GAUTHIER	100
GEILEROP	100
GENEDIS	100
GERNIMES	100
GIE BREST BELLEVUE	79.9
GIE CARREFOUR PERSONAL FINANCE SERVICES	57.5
GM CARREFOUR	100
GRANDSVINS-PRIVÉS.COM	100
GREENWEEZ	96.8
GUILVIDIS	100
GUYENNE & GASCOGNE	100
GVTIMM	51
HAUTS DE ROYA	100
HERMES	100
HYPARLO	100
HYPERADOUR	100
HYPERMARCHES DE LA VEZERE	50
IMMAUFFAY	51
IMMO ARTEMARE	51
IMMO BACQUEVILLE	51
IMMOBILIERE CARREFOUR	100
IMMOBILIERE ERTECO	100
IMMOCYPRIEN	51
IMMODIS	100
IMMODIVINE	51
IMMOLOUBES	51
IMMOTOURNAY	51
INTERDIS	100
JOUFFROY	100
JUSTE	100
KERGALYS	100
LA BAUDRIERE	100
LA CROIX VIGNON	51
LA GERSOISE	100
LALAUDIS	99
LANN KERGUEN	51.2
LAPALUS	100
LAURENJI	100
LE COURTEMBLET	100
LES TASSEAUX	51
LES VALLEES	51
LOGIDIS	100
LOGISTICADOUR	100
LUDIS	100
LVDIS	100
LYBERNET	50
MAISON JOANNES BOUBEE	100
MARKET PAY	100
MARKET PAY TECH	100
MATOLIDIS	100
MAXIMOISE DE CREATION	51
MELGVEN DISTRIBUTION	100
MENUDIS	100
MICHEL DISTRIBUTION	100
MICHEL HOCHARD	100
MONTECO	100



FRANCE	Percent interest used in consolidation
MONTEL DISTRIBUTION	**100**
MPF PODIROUX	**100**
MY DESIGN	**66**
NOSAEL	**51**
OGEDIS	**100**
ON LINE CARREFOUR	**100**
OOSHOP	**100**
OPCI KART CRF	**100**
P.R.M.	**100**
PASDEL	**100**
PHIVETOL	**100**
PLORAUDIS	**100**
PROFIDIS	**100**
PROLACOUR	**100**
RESSONS	**51**
ROZAY DISTRIBUTION	**100**
RUE DU COMMERCE	**100**
SAINGHIN DIS	**100**
SAINT HERMENTAIRE	**100**
SAM PROSPECTIVE	**90**
SAMAD	**100**
SCI PROXALBY	**74**
SCYCADIS	**100**
SELIMA	**100**
SELOJA	**51**
SIGOULIM	**51**
SMD	**100**
SOCIETE DES NOUVEAUX HYPERMARCHES	**100**
SODICO	**100**
SODIMODIS	**100**
SODISAL	**100**
SODISCAF	**100**
SODITA	**100**
SODITRIVE	**100**
SOFALINE	**100**
SOFIDIM	**98.9**
SOVAL	**100**
STATION SUD	**100**
STELAUR	**99.9**
STENN	**100**
SUPER AZUR	**100**
SUPERADOUR	**100**
SUPERDIS	**96.5**
TARDIS	**100**
TERTRA	**100**
TOURNAN CONCOURS	**100**
TROTTEL	**50**
UNIVU	**100**
VARJEA	**100**
VEZERE DISTRIBUTION	**50**
VISAGE	**100**
VIZEGU	**90.1**

GERMANY	
CARREFOUR PROCUREMENT INTERNATIONAL AG & CO. KG	**100**

ARGENTINA	
BANCO DE SERVICIOS FINANCIEROS SA	**60**
INC S.A.	**100**

BELGIUM	
BIGG'S SA	**100**
BRUGGE RETAIL ASSOCIATE	**100**
CAPARBEL	**100**
CARREFOUR BELGIUM	**100**
CARREFOUR FINANCE	**100**
CARUM	**100**
DE NETELAAR	**100**
DIKON	**100**
DRIVE 1	**100**
DRIVE 2	**100**
ECLAIR	**100**
FILUNIC	**100**
FIMASER	**60**
FOMAR	**100**
FRESHFOOD	**100**
GB RETAIL ASSOCIATES SA	**100**
GENT DAMPOORT RETAIL ASSOCIATE	**100**
GROSFRUIT	**100**
HALLE RETAIL ASSOCIATE	**100**

BELGIUM	Percent interest used in consolidation
HEPPEN RETAIL ASSOCIATE	**100**
LA LOUVIERE RETAIL ASSOCIATE	**100**
MABE	**100**
MARKET A1 CBRA	**100**
MARKET B2 CBRA	**100**
MARKET C3 CBRA	**100**
MARKET D4 CBRA	**100**
MARKET E5 CBRA	**100**
MARKET F6 CBRA	**100**
QUIEVRAIN RETAIL ASSOCIATE	**100**
R&D FOOD	**100**
ROB	**100**
RULUK	**100**
SCHILCO	**100**
SOUTH MED INVESTMENTS	**100**
STIGAM	**100**
VANDEN MEERSSCHE NV	**100**
VERSMARKT	**100**
WAPRO	**100**

BRAZIL	
ATACADAO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA	**88**
BANCO CSF S.A.	**44.9**
BSF HOLDING S.A.	**44.9**
CARREFOUR COMMERCIO E INDUSTRIA LTDA	**88**
CMBCI INVESTIMENTOS E PARTICIPAÇÕES LTDA	**88**
COMERCIAL DE ALIMENTOS CARREFOUR S.A.	**88**
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA LTDA	**88**
PANDORA PARTICIPACOES LTDA.	**88**
RIOBONITO ASSESSORIA DE NEGOCIOS LTDA.	**88**
TROPICARGAS TRANSPORTES LTDA.	**88**
VERPARINVEST S.A	**88**

CHINA	
BEIJING CARREFOUR COMMERCIAL CO., LTD.	**55.0**
BEIJING CHAMPION SHOULIAN COMMUNITY CHAIN STORES CO LTD	**100**
BEIJING CHUANGYIJIA CARREFOUR COMMERCIAL	**100**
BEIJING REPRESENTATIVE OFFICE OF CARREFOUR S.A.	**100**
CARREFOUR (CHINA) CONVENIENCE STORE INVESTMENT CO., LTD.	**100**
CARREFOUR (CHINA) MANAGEMENT & CONSULTING SERVICES CO., LTD	**100**
CARREFOUR (SH) E-COMMERCE CO., LTD	**100**
CARREFOUR (SHANGHAI) INVESTMENT MANAGEMENT AND CONSULTING SERVICES CO., LTD	**100**
CARREFOUR (SH) SUPPLY CHAIN CO., LTD	**100**
CHANGCHUN CARREFOUR COMMERCIAL CO., LTD	**75**
CHANGSHA CARREFOUR HYPERMARKET	**100**
CHANGZHOU YUEDA CARREFOUR COMMERCIAL CO., LTD	**60**
CHENGDU CARREFOUR HYPERMARKET CO., LTD	**100**
CHONGQING CARREFOUR COMMERCIAL CO., LTD	**65**
DALIAN CARREFOUR COMMERCIAL CO., LTD	**65**
DONGGUAN CARREFOUR COMMERCIAL CO., LTD	**100**
FOSHAN CARREFOUR COMMERCIAL CO., LTD	**100**
FUZHOU CARREFOUR COMMERCIAL CO., LTD	**100**
GUANGZHOU JIAGUANG SUPERMARKET CO., LTD	**100**
GUIZHOU CARREFOUR COMMERCIAL CO.,LTD	**100**
HAIKOU CARREFOUR COMMERCIAL	**100**
HANGZHOU CARREFOUR HYPERMARKET CO., LTD	**80**
HARBIN CARREFOUR HYPERMARKET CO., LTD	**83**
HEBEI BAOLONGCANG CARREFOUR COMMERCIAL CO., LTD	**100**
HEFEI YUEJIA COMMERCIAL CO., LTD.	**60**
HUHHOT CARREFOUR COMMERCIAL COMPANY CO.,LTD.	**100**
JINAN CARREFOUR COMMERCIAL CO., LTD	**100**
KUNMING CARREFOUR HYPERMARKET CO., LTD	**100**
NANCHANG YUEJIA COMMERCIAL CO., LTD	**60**
NANJING YUEJIA SUPERMARKET CO LTD	**65**
NINGBO CARREFOUR COMMERCIAL	**80**
QINGDAO CARREFOUR COMMERCIAL	**95**
QUJING CARREFOUR HYPERMARKET CO., LTD	**100**
SHANDONG CARREFOUR COMMERCIAL CO., LTD	**100**
SHANGAI CARHUA SUPERMARKET LTD	**55**
SHANGHAI GLOBAL SOURCING CONSULTING CO LTD	**100**
SHANGHAI JIAYUAN COMMERCIAL CO., LTD	**100**
SHANGHAI PROXIMITY SUPERMARKET	**100**
SHANXI YUEJIA COMMERCIAL CO.,LTD	**55**
SHENYANG CARREFOUR COMMERCIAL CO LTD	**65**
SHENZHEN CARREFOUR COMMERCIAL	**100**
SHENZHEN LERONG SUPERMARKET CO LTD	**100**

CHINA	Percent interest used in consolidation
SHIJIAZHUANG CARREFOUR COMMERCIAL CO., LTD.	100
SICHUAN CARREFOUR COMMERCIAL CO., LTD.	100
SOCIEDAD DE COMPRAS MODERNAS, S.A. SHANGHAI REPRESENTATIVE OFFICE	100
SUZHOU YUEJIA SUPERMARKET CO., LTD	55
THE CARREFOUR(CHINA) FOUNDATION FOR FOOD SAFETY LTD.	100
TIANJIN JIAFU COMMERCIAL CO., LTD.	100
TIANJIN QUANYE CARREFOUR HYPERMARKET CO., LTD	100
WUHAN HANFU SUPERMARKET CO., LTD.	100
WUXI YUEJIA COMMERCIAL CO., LTD.	55
XIAMEN CARREFOUR COMMERCIAL CO LTD	100
XIAN CARREFOUR HYPERMARKET CO LTD	100
XINJIANG CARREFOUR HYPERMARKET	100
XUZHOU YUEJIA COMMERCIAL CO LTD	60
ZHENGZHOU YUEJIA COMMERCIAL CO., LTD.	60
ZHUHAI CARREFOUR COMMERCIAL CO.,LTD.	100
ZHUHAI LETIN SUPERMARKET CO., LTD.	100
ZHUZHOU CARREFOUR COMMERCIAL CO., LTD.	100

SPAIN	
CENTROS COMERCIALES CARREFOUR, S.A.	100
CARREFOUR NORTE, S.L.	100
SOCIEDAD DE COMPRAS MODERNAS, S.A.U.	100
CARREFOUR NAVARRA, S.L.	100
SERVICIOS FINANCIEROS CARREFOUR, EFC, S.A.	60
GROUP SUPECO MAXOR, S.L.U.	100
NORFIN HOLDER, S.L.	100
SUPERMERCADOS CHAMPION, S.A.U.	100
INVERSIONES PRYCA, S.A.U.	100
CARREFOUR PROPERTY ESPANA, S.L.U.	100
CARREFOURONLINE, S.L.U.	100
CORREDURIA DE SEGUROS CARREFOUR, S.A.U.	100
ESTABLECIMIENTOS DE DESCUENTO STONE, S.L.U.	100
SIDAMSA CONTINENTE HIPERMERCADOS, S.A.	100
VIAJES CARREFOUR, S.L.U.	100

HONG-KONG	
CARREFOUR ASIA LTD	100
CARREFOUR GLOBAL SOURCING ASIA	100
CARREFOUR TRADING ASIA LTD (CTA)	100

INDIA	
CARREFOUR INDIA MASTER FRANCHISE LTD	100
CARREFOUR WC & C INDIA PRIVATE LTD	100

IRLAND	
CARREFOUR INSURANCE LIMITED	100

ITALY	
CARREFOUR BANCA	60
CARREFOUR ITALIA FINANCE SRL	100
CARREFOUR ITALIA SPA	100
CARREFOUR PROPERTY ITALIA SRL	99.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BRIANZA	52.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BUROLO	89

ITALY	Percent interest used in consolidation
CONSORZIO PROPRIETARI CENTRO COMMERCIALE GIUSSANO	77
CONSORZIO PROPRIETARI CENTRO COMMERCIALE MASSA	54.1
CONSORZIO PROPRIETARI CENTRO COMMERCIALE THIENE	57.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE TORINO MONTECUCCO	87
CONSORZIO PROPRIETARI CENTRO COMMERCIALE VERCELLI	84
DIPERDI SRL	99.8
GALLERIA COMMERCIALE PADERNO S.R.L.	99.8
GALLERIA COMMERCIALE PROPERTY FUTURA S.R.L.	99.8
GS SPA	99.8
S.C.A.R.L. SHOPVILLE GRAN RENO	57.7
SOCIETA SVILUPPO COMMERCIALE SRL	99.8

LUXEMBOURG	
VELASQUES SA	100

NETHERLANDS	
CARREFOUR CHINA HOLDINGS BV	100
CARREFOUR NEDERLAND BV	100
CARREFOUR PROPERTY BV	100
FICADAM BV	100
FOURET BV	100
HYPER GERMANY BV	100
INTERCROSSROADS BV	100
SOCA BV	100

POLAND	
CARREFOUR POLSKA	100
CARREFOUR POLSKA WAW	100
CPA WAW 1 SKA	100
IBES	100

ROMANIA	
ALLIB ROM SRL	100
ARTIMA SA	100
BRINGO MAGAZIN	51
CARREFOUR PRODUCTIE SI DISTRIBUTIE	100
CARREFOUR ROUMANIE	100
COLUMBUS ACTIVE SRL	100
COLUMBUS OPERATIONAL SRL	100
MILITARI GALERIE COMERCIALA	100
SUPECO INVESTMENT SRL	100

SWITZERLAND	
CARREFOUR WORLD TRADE	100
HYPERDEMA (PHS)	100

TAIWAN	
PRESICARRE	60
CARREFOUR INSURANCE BROKER CO	60
CHARNG YANG DEVELOPMENT CO	30
CARREFOUR TELECOMMUNICATION CO	30.6

16.2 Equity-accounted companies at December 31, 2016

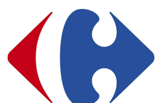
FRANCE	Percent interest used in consolidation
ABREDIS	50
ADIALEA	45
ALEXANDRE	50
ANTONINE	50
ARLOM	50
AROBLIS	50
AUBINYC	50
AUDIST SAS	50
AZAYDIS	34
AZIMMO	33.8
BAMAZO	50
BELONDIS	50
BIADIS	34
BLADIS	33.3
BORDEROUGE	50
BOURG SERVICES DISTRIBUTION "B.S.D"	50
BPJ	26
BS DISTRIBUTION	50
CABDIS	50
CALODIAN DISTRIBUTION	50
CARDETY	43
CARDUTOT	26
CARGAN	50
CARMILA	42.4
CERBEL	50
CEVIDIS	50
CHAMNORD	55.4
CHERBOURG INVEST	48
CHRISTIA	50
CINQDIS 09	50
CJA DISTRIBUTION	50
CLUNYDIS	50
CODINOG	50
COFLEDIS	50
COLODOR	50
COROU	50
COVIAM 21	50
DECODIS	26
DEPOT PETROLIER DE LYON	50
DEPOTS PETROLIERS COTIERS	24.4
DIRIC	50
DISMONPT	26
DISTRI PALAVAS	50
DISTRIBOURG	50
DISTRICAB	50
DISTRIFLEURY	50
DOUDIS	50
DU MOULIN	50
EDENDIS	50
ENTREPOT PETROLIER DE VALENCIENNES	34
FABCORJO	50
FARO	50
FIVER	50
FONCIERE MARSEILLAN	50
FONCIERE PLANES	50
FONCIERE SOLANDIS	33.8
FRELUM	50
GALLDIS	50
GANDIS	50
GPVM	30
GRANDI	50
GWENDA	50
HBLP	25
IDEC	50
IMMO ST PIERRE EGLISE	50
J2B	50
JOSIM	34
JUPILOU	34
LA CATALANE DE DISTRIBUTION	50
LA CRAUDIS	50
LAITA BELON DISTRIBUTION	50
LB LE PLAN	50
LE CLAUZELS	50
LE PETIT BAILLY	50
LEATILD	50
LES OLIVIERS	50
LEZIDIS	50
LSODIS	50
LUMIMMO	51
MADIS	50
MAGODIS	50
MAISON VIZET FABRE	40.3
MALISSOL	50

FRANCE	Percent interest used in consolidation
MARIDYS	50
MASSEINE	50
MAUDIS	50
MBD	50
MORTEAU DISTRIBUTION	50
NASOCA	50
NCL	50
NOUKAT	50
OLICOURS	50
OUISDIS	50
OULLIDIS	50
PAM	50
PHILODIS	50
PLAMIDIS	50
PLANE MARSEILLAN	50
PRASSIDIS	50
PRODIX	50
PROPHI	50
PROVENCIA SA	50
RD2M	50
REBAIS DISTRIBUTION	50
RIMADIS	50
ROND POINT	34
ROSE BERGER	26
SADEV	26
SAINT JUERY DISTRIBUTION	50
SAM	50
SASD	26
SCA	50
SCB	26
SCGR DISTRIBUTION	50
SCI IMMODISC	49.5
SCI LA BEAUMETTE	49
SCI LA CLAIRETTE	49.5
SCI LATOUR	60
SCI PONT D'ALLIER	49.5
SCI SOVALAC	49.5
SCOMONDIS	50
SDAP	26
SDR	50
SEREDIS	26
SERPRO	50
SIFO	50
SME	50
SOBRAMIC	50
SOCADIS	50
SOCADIS CAVALAIRE	50
SODIBOR	50
SODICAB	50
SODILIM	50
SODIMER	50
SODYEN	50
SOLANDIS	34
SOMADIS	50
SOQUIMDIS	50
SOVADIS	50
ST PAUL DE DISTRIBUTION	50
STE DU DEPOT PETROLIER DE NANTERRE	20
STORYDIS	50
TIADIS	50
TURENNE	50
VALMENDIS	50

BELGIUM	
MESTDAGH	25

BRAZIL	
COSMOPOLITANO SHOPPING EMPREENDIMENTOS S.A.	44

SPAIN	
2011 CAYETANO PLANELLES, S.L.	26
2012 ALVARO EFREN JIMENEZ, S.L.	26
2012 CORDOBA RODRIGUEZ, S.L.	26
2012 ERIK DAVID, S.L.	26
2012 FLORES HERNANDEZ, S.L.	26
2012 LIZANDA TORTAJADA, S.L.	26
2012 NAYARA SAN MARTIN YANGÜELA, S.L.	26
2012 VICENTE ARLANDIS PONS, S.L.	26
2013 ALBADALEJO VALENCIA, S.L.	26
2013 CID OTERO, S.L.	26



SPAIN	Percent interest used in consolidation
2013 CORCOLES ARGANDOÑA, S.L.	26
2013 COUÑAGO NEVADO, S.L.	26
2013 GISBERT CATALA, S.L.	26
2013 MARTINEZ CARRION, S.L.	26
2013 SOBAS ROMERO, S.L.	26
ANTONIO PEREZ 2010, S.L.	26
COSTASOL DE HIPERMERCADOS, S.L.	34
D-PARKING, S.C.P.	57.5
GLORIAS PARKING, S.A.	50
ILITURGITANA DE HIPERMERCADOS, S.L.	34
JM MARMOL SUPERMERCADOS, S.L.	26
LAREDO EXRPRESS J.CARLOS VAZQUEZ, S.L.	26
LUHERVASAN, S.L.	26
SUPERMERCADO CENTENO, S.L.	26
SUPERMERCATS HEGERVIC MATARO, S.L.	26
SUPERMERCATS SAGRADA FAMILIA, S.L.	26
VALATROZ, S.L.	26
ITALY	
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	49.9
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ROMANINA	46.3
CONSORZIO PROPRIETARI CENTRO COMMERCIALE SIRACUSA	33.3
S.C.A.R.L. SHOPVILLE LE GRU	39.3
GALLERIA COMMERCIALE NICHELINO S.R.L.	49.9
CARMILA THIENE S.R.L.	49.9

NETHERLANDS	Percent interest used in consolidation
ARAVIS INVESTMENTS B.V.	50
POLAND	
C SERVICES	30
ROMANIA	
PLOIESTI SHOPPING CITY	50
TURKEY	
CARREFOUR SABANCI TICARET MERKEZI AS CARREFOURSA	46
TUNISIA	
ULYSSE	25