POSITIVE FIRST-HALF 2018 RESULTS

Growth in recurring operating income and strong cash flow generation
Rapid implementation of the transformation plan, targets confirmed

- **Like-for-like sales up 0.7% in first-half 2018, reflecting**:
  - Globally less favorable markets in Europe
  - Lower growth in Brazil, penalized by food deflation through May
  - More favorable commercial trends in the second quarter (Q2 LfL: +0.9% vs. +0.4% in Q1)
- **Recurring Operating Income (ROI) of €597m, up by €36m (+6%) at constant exchange rates vs. reported H1 2017 ROI**[1]
- **Strong cash generation:**
  - **Growth of +€418m in Free Cash Flow excluding exceptional items**, thanks to strict control of investments and inventory
  - **Net debt improved** by €1.5bn at end-June 2018 vs. end-June 2017
- **First significant advances in the Carrefour 2022 Transformation Plan:**
  - Signing of strategic partnerships, notably with Système U, Tesco, Google and Tencent;
  - Rapid roll-out of omnichannel food offer in all Group countries;
  - Solid dynamic in the cost-reduction program: Cost cuts of €520m in the first half as part of the plan to reduce costs by €2bn by 2020;
  - Implementation underway of all the organization-related transformation plans announced in January (workforce reduction at headquarters in France, exit of 273 ex-Dia stores from the Group's scope[2], transformation plans in Belgium and Argentina).
- **Continued sustained pace in implementation of the transformation plan in H2, targets confirmed**

Alexandre Bompard, Chairman and Chief Executive Officer, declared: *"After six months of intense activity, the Carrefour 2022 plan is already delivering significant advances in a very large number of areas, including the development of the omnichannel offer, a revamped commercial proposition, major projects in the food transition area, cost reduction and strategic partnerships that attest to the Group's attractiveness. The first-half performance marks a clear improvement, with an increase in recurring operating income at constant exchange rates and strong growth in cash generation, demonstrating that the business model is under control.*
The fast start of the Carrefour 2022 plan reinforces our confidence in Carrefour's ability to transform itself rapidly and in depth. We confirm the targets we have set ourselves for 2020 and 2022."

(in €m)	H1 2017 reported	H1 2018	*Variation at constant exchange rates*
Sales inc. VAT	**43,053**	**41,439**	***+0.7% LFL***
Recurring operating income (ROI)	**621**	**597**	***+€36m***
Recurring operating margin	*1.6%*	*1.6%*	***0bp***
Free cash flow excluding exceptional items	**(2,587)**	**(2,169)**	***+€418m***
Net debt	**(7,720)**	**(6,255)**	***+€1,465m***[3]

[1] For a comparison to the reported 2017 H1 ROI at current exchange rates, refer to the table on page 14 of this release. For a comparison to the H1 2017 IFRS 5 ROI, refer to the table on page 13 of this press release.

[2] The 273 ex-Dia store network has been accounted for as discontinued activities (IFRS 5) in the 2018 first half financial statements, see comments on page 10 of this release.

[3] Variation at current exchange rates

Key first-half 2018 highlights

Rapid roll-out of the omnichannel offer and acceleration of e-commerce sales

A solid dynamic of digital transformation is underway and the Group posted a sharp acceleration of its food e-commerce sales, up +30% in the first half.

The creation of an omnichannel universe of reference involves creating a single e-commerce entry point in each country. The "One Carrefour" single e-commerce website concept was rolled out in Brazil and Poland in the first quarter. In Romania, the number of unique visitors doubled after the launch of the single e-commerce entry point, *carrefour.ro*, in May.

The implementation of optimized order preparation tools, ensuring a high service rate for online orders, took place across several geographies in the first half. In France, a second order preparation platform (PPC) was opened in April in the Paris region. In Spain and Italy, hybrid solutions for logistics are being rolled out. In China, 3 dark stores have been opened.

Finally, the deployment of delivery services accelerated in all the group's geographies. Home delivery is now deployed in 9 out of 10 countries, with a strategy of geographic expansion in the major cities. In France, 17 new cities have been opened for home delivery, reaching a total of 28 cities, already above the annual target of 26 cities. China has opened 8 new cities, while Brazil launched its e-commerce food website serving the greater Sao Paulo area in February 2018. Food click & collect is now offered in 8 countries and was strongly developed in the first half. France has opened 99 Drives and 13 pedestrian Drives, Brazil opened its first Drive in the second quarter in Sao Paulo and Poland has set up 28 "fresh food" lockers.

In China, the "O2O" segment (making the Carrefour offering available on various online platforms) is gaining strong momentum.

Revamp of our commercial proposition well underway

The redesign of the commercial proposition quickly got underway in all countries thanks to the implementation of numerous initiatives:

Optimization of store network:

- The hypermarket revitalization project is already well underway. France saw the first reductions of sales area, in favor of the opening of 5 outlets and 2 dark stores. The new organic concepts have been deployed in nearly 100 stores;
- The acceleration of expansion in cash & carry formats is in line with targets: Brazil has opened 10 Atacadão stores out of the 20 openings planned by the end of the year and Argentina converted two hypermarkets to the Maxi Cash & Carry banner in July.
- Lastly, some countries, such as Argentina, China or Italy, closed some loss-making stores in the first half.

Initial investments in competitiveness have been launched, for example in France in supermarkets or in Brazil in hypermarkets.

The rationalization of assortments has already begun: It concerns both the reduction of assortments, notably in France (-4% at the end of June) and the removal of controversial substances or the promotion of local and organic products.

Finally, the redesign of the commercial proposition depends on the Group's ability to offer new, relevant and increasingly customer-oriented services: The implementation of the "Carrefour Pay" payment solution in France, the rapid deployment of delivery and facilitation of access to consumer credit (with the rapid deployment of the Atacadão credit card throughout its store network) are examples of concrete initiatives in the first half.

Signing of strategic partnerships

During the first half, the Group signed strategic partnerships with leading players to accelerate its transformation, notably:

- In the digital field, the strategic partnership with **Tencent** in China has resulted in the opening of the *Le Marché* store using facial recognition technology and the integration of WeBank with the *carrefour.cn* application. Other initiatives are under consideration.
- In France, Carrefour becomes **Google's** first retail partner offering the new grocery shopping experience, available in early 2019 and accessible via the Google Assistant, connected speakers such as Google Home and a new interface on the Google Shopping site in France. This partnership also concerns the opening of an innovation lab in Paris.
- Purchasing partnerships signed with **Système U** for France and **Tesco** internationally demonstrate the attractiveness of the Carrefour Group. These agreements have been conceived to be effective this fall with synergies expected as early as 2019.

Rapid progress in cost reduction plan and control of investments and inventories

A strong dynamic to optimize costs, investments and inventories was put in place in the first half:

- Efficiency gains and greater discipline on distribution costs;
- Lower inventories through reduced assortments and more efficient management of non-food inventory;
- Investments under control thanks to greater productivity and selectivity.

Cost savings amounted to €520m in the first half of 2018 as part of the €2.0bn full-year cost reduction program by 2020.

Organizational transformation plans: Agreements signed - operational implementation underway

At the end of June, the Group signed agreements with governments and/or social partners on all the organizational transformation projects announced in January.

Operational implementation is underway:

- In France, the exit of the 273 ex-Dia stores from the Group's scope is underway and will be completed at the end of July. The voluntary departure plan for 2,400 positions at the headquarters is underway and will be completed at the end of the year
- In Belgium, the voluntary departure plan for 950 head office and in-store positions will be completed in the first half of 2019. The conversion of 5 hypermarkets into supermarkets will take place by year-end.
- In Argentina, the voluntary departure plan for about 750 head office and in-store positions is underway and will be completed at the end of the year. A closure plan concerning 11 stores will be completed in H2.

All these initiatives demonstrate the Group's ability to transform quickly and deeply.

Advances to support the ambition to be the leader in the food transition for all

In line with its ambition to be the leader of the food transition for all, numerous initiatives have been launched. The Blockchain technology, allowing better product traceability, is being rolled out in nine quality lines. In France, nearly 100 contracts have been signed in the half with farmers to convert to organic farming. In Spain, an ambitious plan to eliminate controversial components and to develop Carrefour-branded organic products has been launched. In parallel, a training plan has been launched for 12,000 Spanish employees to promote organic products. In Brazil, Carrefour has just launched its brand "Sabor & Qualidade," a new line of exclusive natural products, traceable and at fair prices.

First-half 2018 results

Group sales in the first half amounted to €41,439m, an increase of +2.2% at constant exchange rates. After taking into account an unfavorable foreign exchange effect of -5.2%, mainly due to the depreciation of the Brazilian Real and the Argentine Peso, the total variation in sales at current exchange rates was -3.0%.

On a like-for-like basis, the variation in sales amounted to +0.7% over the half-year, with an improvement in the second quarter of +0.9% vs. +0.4% in the first quarter. This trend can be observed notably in Latin America and northern Europe. Total growth at constant exchange rates also includes an +0.1% calendar effect, an 0.7% contribution from petrol sales as well as the effect of openings and acquisitions for +0.7%.

Gross margin represents 22.2% of sales, a decrease of 70bps, mainly related to a franchisee/integrated stores mix effect, market competition and commercial investments carried out by the Group.

Distribution costs improved, decreasing by €535m at current exchange rates and €138m at constant exchange rates, demonstrating the efficiency of the cost reduction program. Distribution costs are down 70bps to 18.6% of net sales.

The Group's **Recurring Operating Income (ROI)** amounted to €597m, an increase of €36m and up 5.8% at constant exchange rates compared to the reported amount in H1 2017. Operating margin was stable at 1.6%. The foreign exchange impact was a negative €(60)m on ROI in the half, notably due to the drop in the Brazilian Real.

EBITDA represented 3.7% of sales, a stable margin vs. H1 2017, and increased by €30m at constant exchange rates.

In the first half of 2018, non-recurring income was a charge of €(785)m, notably reflecting costs related to the reorganization plans in various countries.

Net income, Group share, amounted to €(861)m including the following items:

- A €98m improvement in **net financial expenses** following refinancing operations carried out under more favorable conditions and the Group's debt reduction;
- An income tax charge of €(179)m, increasing by €(90)m, mainly due to the recognition of deferred tax assets in 2017. Given the pre-tax loss mainly related to non-current expenses for the period, the effective tax rate is not representative and is negative (-52.2%). The tax charge for the period reflects a **normative tax rate of 34.7%**[1], excluding non-recurring income and non-income-based taxes. This normative tax rate is slightly up (+0.5pts vs. H1 2017), notably due to a greater contribution by Brazil in the Group's pre-tax income;
- **Net income of discontinued activities** stood at €(229)m and principally includes the net result of 273 ex-DIA stores whose exit from the Group's scope is underway and will be completed at the end of July.

Adjusted net income, Group share, amounted to €131m.

[1] The normative tax rate at December 31 2017 stood at 31.7%

Performance by geographic zone

France: Commercial activity still under pressure

LFL sales in France in H1 were stable vs. H1 2017 in a persistently competitive market. The second quarter trend is broadly the same as in Q1, with LFL sales of -0.1% despite a more difficult comparable base in Q2.

France's recurring operating income amounted to €110m, down €89m vs. reported H1 2017 ROI. This ROI decline reflects:

- On the one hand, continuation of commercial dynamics that are broadly in line with those observed in previous halves, and pressure on margins linked to both a competitive market environment and to investments in competitiveness;
- On the other hand, a positive dynamic of cost reduction and organizational transformation, whose effects were still limited in H1 but will ramp-up in H2 and in 2019.

Europe excluding France: Slight growth in recurring operating income

In Europe ex-France, total sales increased by +0.7% at constant exchange rates over the half, reflecting mixed performance between the South, at +0.2% (-2.5% LFL) and the North, which continues to deliver a good performance, with sales up + 1.5% (+0.2% LFL).

Southern Europe is still marked by strong competitive pressure and a less buoyant consumer environment, particularly in Italy. In Northern Europe, Belgium was impacted in the first half by operational disruptions. Strong growth momentum continued in Romania and Poland.

The transformation of the cost model is well underway in all countries in the zone. This dynamic will be reinforced in the second half of the year, particularly in Italy thanks to the signing of a purchasing partnership with local players Vegé Group and Pam, which will be the country's second-biggest purchasing organization.

The zone’s ROI increased in the first half by €3m at constant exchange rates to €152m, representing a stable operating margin of 1.5%. Cost-reduction momentum more than offset commercial market pressure and investments.

Latin America: Strong commercial momentum – improved earnings

In Latin America, sales in the half were up 9.3% at constant exchange rates and 6.4% LFL, reflecting a significant improvement in trends in the second quarter.

In Brazil, sales were up 5.8%, including acceleration in LFL growth of 1.9% and a scope effect of 3.8%, mainly due to the opening of 10 new Atacadão stores during the half-year. Food sales in Brazil are still impacted by food deflation since the third quarter of 2017. However, the month of June was marked by an interruption in food deflation.
The profitability of financial services rose substantially again, at +52.5% in the half, thanks to a strong growth in billings and good control over cost of risk. The Atacadão card continues to progress with 160,000 new cardholders in Q2.

In Argentina, the recovery plan is off to a good start. In a continued highly inflationary context, the sales trend reflects a good dynamic, with volumes increasing.

Cost reduction plans are already well underway, notably with the signing of a *crisis prevention plan* in Argentina with the government and unions. In Brazil, the rapid implementation of the cost reduction plan partially offset the unfavorable effect of food deflation.

At constant exchange rates, the zone’s ROI increased over the half by €82m to €375m with operating margin improving by 60bps to 4.3%.

Asia: Sharp rise in earnings despite continued difficult commercial trends in China

The trend in Asia remained broadly unchanged over the half, with sales down 4.6% at constant exchange rates. China is still impacted by strong competition from the e-commerce channel, while Taiwan continues its good momentum.

The first half of the year was marked by an improvement in profitability, at €32m, and a significant improvement in the operating margin. The Group is reaping the benefits of the action plans put in place in China in terms of cost reduction and closure of loss-making store.

Cash flow and debt

In the first half of 2018, the Group posted an improvement in **free cash flow excluding exceptional items** of €418m, from €(2,587)m to €(2,169)m.

- **Working capital requirements** improved by €153m notably thanks to a decrease of -€175m at constant exchange rates in inventories (-€546m at current exchange rates)
- **Capex**[1] were down €349m to €555m. This decrease reflects more selectivity and productivity in the implementation of the Group's investments. Significant capex has been allocated to the Group's strategic priorities and notably digitization, the roll-out of an omnichannel offer of reference, expansion in growth formats, notably cash & carry, with the opening of new Atacadao stores in Brazil and a revamped in-store commercial proposition.

Reported free cash flow increased by +€517m.

Net financial debt at June 30, 2018 improved by €1.5bn vs. June 30, 2017 to €6,25bn.

Dividend

Following the decision of the Annual General Meeting held on June 15, 2018, the shareholders were given the option of receiving their dividend of €0.46 in cash or in Group shares. At the end of the option period ended July 4, 2018, 57% of shareholders opted for the payment of the dividend in shares. Of the €352m in dividends, €152m was paid in cash on July 13, 2018 and €200m was paid in the form of 14,575,028 new shares.

Financing

The Group benefits from a solid balance sheet that was strengthened in the half. It is rated BBB+ with a negative outlook by Standard & Poor's and Baa1 with a stable outlook by Moody's.

On March 27, 2018, the group carried out a convertible bond issue, for an amount of USD 500 million, converted into euros, with a maturity of six years and with a zero coupon.

On June 5, 2018, the Group issued a senior bond of €500 million with a five-year maturity and an annual coupon of 0.875%.

The success of these issues reflects the quality of the Carrefour Group's signature. In addition, the Group has undrawn credit facilities from its banking partners for 3.9 billion euros maturing in 2022 and 2023.

[1] Excluding Cargo

Second-half outlook

Continued implementation of the plan at a sustained pace in the second half

- **New advances in the omnichannel offer:** Clear acceleration of the deployment of click and collect and home delivery in all countries, particularly in France with the continued expansion of drives, the ramp-up of order preparation platforms and the deployment of the express delivery service to 6 new cities, to reach 15 in total at the end of the year. With the launch of the "One Carrefour" single e-commerce website in France, Italy and Belgium in the second half of the year, all countries will have rolled out the "One Carrefour" concept for their ecommerce sites and apps.

- **Acceleration of the in-store commercial proposition revamp**:

  - The revitalization of hypermarkets in France continues: The reduction of sales area should accelerate, notably with the opening of 7 new outlets and the sale of a first block of sales area to adjacent shopping malls. The new organic concept should be deployed in more than 80% of the hypermarket network by year-end.

  - Expansion in growth formats will also continue with the opening of 10 new Atacadão stores in Brazil, and more than 200 convenience stores in all countries.

  - In Argentina, most of the optimization of the store network will be carried out in the second half, with the transfer of hypermarkets to the Maxi banner and also the finalization of the closure plan concerning 11 stores.

  - The rationalization of assortments, notably including the extension of the private label range, will accelerate in the second half of the year in all countries.

- **Continued momentum in cost reduction**: The Group will continue the cost reduction momentum in the second half of the year, notably with the first gains related to the implementation of reorganization measures, including the voluntary departure plans in the French headquarters, or synergies from the purchasing partnerships signed in Italy with local players Vegé Group and Pam. The costs related to the organizational transformation measures that were recorded in the first half of 2018 should be disbursed mainly in the second half of 2018 and the balance in early 2019.

- **New steps in the ambition to be the world leader in the food transition for all**: The Group will implement as of the second half the commitment made last May in favor of more environmentally friendly packaging solutions through first measures, notably including stopping the sale of plastic straws. In addition, the consumer will be more involved in steps towards the food transition, notably though greater in-store visibility.

- **First achievements in the plan to dispose of €500m of non-strategic real estate assets by 2020** in the second half of the year after negotiations initiated in the first half. The Group aims to sign the sale of approximately €100m of non-strategic real estate assets in 2018 with an effective disposal in 2019, taking into account procedural timing constraints.

Targets confirmed

Rapid progress on the Carrefour 2022 plan in the first half, as well as the continued transformation momentum in the second half reinforce management's confidence in the relevance of the "Carrefour 2022" transformation plan and the Group's ability to implement it.

The Group confirms all the objectives set at the beginning of the year, in particular:

- €5bn of food e-commerce sales in 2022
- €5bn in sales of organic products in 2022
- A cost reduction plan of €2bn on an annual basis by 2020
- Disposal of non-strategic real estate assets for €500m by 2020
- Capex of €2bn in 2018

Conference call

A conference call will be held today - July 26, at 18:15 (Paris time), and will be accessible through the following number (no code required):

- France : +33 1 72 72 74 51
- UK : +44 203 009 2476

Webcast: An audiocast of the presentation will be available on the website: www.carrefour.com

Agenda

- Third-quarter 2018 sales: October 17, 2018

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APPENDIX

2017 historical data

- The rapid implementation of the sale or closure of the 273 ex-DIA stores enabled the recognition of these stores as discontinued activities, as of January 1st, in accordance with IFRS 5.
- As part of the communication on the 2018 half-year financial statements, variations are presented against H1 2017 reported accounts (which notably include the losses of the ex-DIA stores in the net Income from continuing operations). This comparison reflects the rapid implementation of the exit of these stores as part of the global transformation plan of H1 2018.
- The IFRS 5 standard provides that the classification as discontinued activities is also applied to historical data for H1 2017. These restated historical data are presented in the appendix of this press release and in the "2018 Half-year Financial Report".
- In view of the discontinuation of the French integrated convenience store network, it should be noted that the classification as discontinued activities was applied to the entire store network of this business, or 352 stores, of which 273 stores sold or closed by the end of July and 79 stores to be transferred to franchise.

First-half 2018 sales inc. VAT

Group sales amounted to €41,439m. The foreign exchange impact in the first half of the year was an unfavorable -5.2%, largely due to the depreciation of the Argentine Peso and the Brazilian Real. The petrol effect was a favorable + 0.7%. The calendar effect was almost neutral at + 0.1%.

	Sales inc. VAT (€m)	Variation ex petrol and ex calendar		Total variation inc. petrol	
		LFL	Organic	at constant exchange rates	at current exchange rates
France	**19,207**	**-0.1%**	**-1.1%**	**0.9%**	**0.9%**
Hypermarkets	9,845	-1.6%	-2.2%	-0.1%	-0.1%
Supermarkets	6,391	0.8%	-1.0%	0.9%	0.9%
Convenience/other formats	2,971	2.6%	2.3%	4.6%	4.6%
Other countries	**22,232**	**1.2%**	**2.6%**	**3.2%**	**-6.2%**
Other European countries	**11,226**	**-1.5%**	**-0.7%**	**0.7%**	**0.6%**
Spain	4,510	-1.8%	-1.0%	2.2%	2.2%
Italy	2,638	-3.6%	-3.5%	-3.0%	-3.0%
Belgium	2,080	-2.0%	-2.2%	-2.2%	-2.2%
Poland	1,005	0.8%	2.9%	2.8%	4.0%
Romania	993	5.3%	8.1%	8.7%	6.0%
Latin America	**7,842**	**6.4%**	**9.5%**	**9.3%**	**-13.4%**
Brazil	6,418	1.9%	5.7%	5.8%	-12.1%
Argentina	1,425	24.7%	24.7%	24.6%	-18.7%
Asia	**3,163**	**-3.9%**	**-4.5%**	**-4.6%**	**-9.3%**
China	2,195	-6.4%	-7.8%	-8.0%	-11.6%
Taiwan	968	2.2%	3.7%	3.7%	-3.5%
Group total	**41,439**	**0.7%**	**1.1%**	**2.2%**	**-3.0%**

Second-quarter 2018 sales inc. VAT

Group sales amounted to €20,813m. The currency effect was an unfavorable -5.4%, largely due to the depreciation of the Argentine Peso and the Brazilian Real. The petrol effect was a favorable + 1.3%. The calendar effect was an unfavorable -1.1%.

	Sales inc. VAT (€m)	Variation ex petrol and ex calendar		Total variation inc. petrol	
		LFL	Organic	at constant exchange rates	at current exchange rates
France	**9,869**	**-0.1%**	**-0.9%**	**0.9%**	**0.9%**
Hypermarkets	5,022	-1.0%	-1.4%	0.2%	0.2%
Supermarkets	3,293	0.1%	-1.5%	0.4%	0.4%
Covenience/other formats	1,553	2.2%	2.0%	4.5%	4.5%
Other countries	**10,944**	**1.7%**	**3.1%**	**2.5%**	**-7.4%**
Other European countries	**5,688**	**-2.2%**	**-1.5%**	**-1.3%**	**-1.6%**
Spain	2,307	-2.9%	-2.2%	0.2%	0.2%
Italy	1,322	-3.9%	-3.8%	-5.0%	-5.0%
Belgium	1,058	-2.3%	-3.2%	-3.9%	-3.9%
Poland	494	2.3%	4.5%	0.1%	-0.9%
Romania	507	3.1%	6.0%	7.0%	4.6%
Latin America	**3,864**	**8.4%**	**11.5%**	**9.6%**	**-14.9%**
Brazil	3,156	3.4%	7.3%	5.5%	-13.3%
Argentina	708	28.0%	27.9%	26.8%	-21.5%
Asia	**1,392**	**-4.2%**	**-4.7%**	**-4.7%**	**-7.1%**
China	947	-6.5%	-8.0%	-8.0%	-8.7%
Taiwan	446	1.0%	2.7%	2.8%	-3.6%
Group total	**20,813**	**0.9%**	**1.4%**	**1.8%**	**-3.6%**

First-half 2018 net sales and Recurring Operating Income by region

H1 2018 vs. H1 2017 restated for IFRS 5

(in €m)	Net sales				Recurring operating income			
	H1 2017 restated for IFRS 5	**H1 2018**	*Variation at constant exchange rates*	*Variation at current exchange rates*	H1 2017 restated for IFRS 5	**H1 2018**	*Variation at constant exchange rates*	*Variation at current exchange rates*
France	**17,017**	**17,150**	***+0.8%***	***+0.8%***	**273**	**110**	***-59.7%***	***-59.7%***
Other European countries	**10,010**	**10,093**	*+1.0%*	*+0.8%*	**149**	**152**	*+2.2%*	*+1.9%*
Latin America	**8,075**	**6,976**	*+8.6%*	*-13.6%*	**293**	**319**	*+28.0%*	*+8.8%*
Asia	**3,135**	**2,851**	*-4.3%*	*-9.0%*	**12**	**32**	*+177.3%*	*+157.0%*
International	**21,219**	**19,920**	***+3.1%***	***-6.1%***	**455**	**503**	***+23.7%***	***+10.6%***
Global functions					**-33**	**-16**	*-54.1%*	*-52.4%*
TOTAL	**38,236**	**37,071**	***+2.1%***	***-3.0%***	**695**	**597**	***-5.4%***	***-14.0%***

H1 2018 vs. H1 2017 reported

(in €m)	Net sales				Recurring operating income			
	H1 2017 reported	**H1 2018**	*Variation at constant exchange rates*	*Variation at current exchange rates*	H1 2017 reported	**H1 2018**	*Variation at constant exchange rates*	*Variation at current exchange rates*
France	**17,307**	**17,150**	***-0.9%***	***-0.9%***	**199**	**110**	***-44.8%***	***-44.8%***
Other European countries	**10,010**	**10,093**	*+1.0%*	*+0.8%*	**149**	**152**	*+2.2%*	*+1.9%*
Latin America	**8,075**	**6,976**	*+8.6%*	*-13.6%*	**293**	**319**	*+28.0%*	*+8.8%*
Asia	**3,135**	**2,851**	*-4.3%*	*-9.0%*	**12**	**32**	*+177.3%*	*+157.0%*
International	**21,219**	**19,920**	***+3.1%***	***-6.1%***	**455**	**503**	***+23.7%***	***+10.6%***
Global functions					**-33**	**-16**	*-54.1%*	*-52.4%*
TOTAL	**38,526**	**37,071**	***+1.3%***	***-3.8%***	**621**	**597**	***+5.8%***	***-3.8%***

First-half 2018 consolidated income statement vs. H1 2017 restated for IFRS 5

(in €m)	H1 2017 restated for IFRS 5	**H1 2018**	*Variation at constant FX*	*Variation at current FX*
Net sales	**38,236**	**37,071**	***+2.1%***	***-3.0%***
Net sales, net of loyalty program costs	**37,939**	**36,728**	***+2.0%***	***-3.2%***
Other revenue	1,353	1,309	*+4.0%*	*-3.2%*
Total revenue	**39,292**	**38,037**	***+2.0%***	***-3.2%***
Cost of goods sold	(30,536)	(29,816)	*+2.8%*	*-2.4%*
Gross margin	**8,756**	**8,221**	***-0.6%***	***-6.1%***
As a % of net sales	*22.9%*	*22.2%*	*(72bp)*	*(72bp)*
SG&A	(7,297)	(6,884)	*-0.2%*	*-5.7%*
As a % of net sales	*(19.1%)*	*(18.6%)*	*+51bp*	*+51bp*
Recurring operating income before D&A (EBITDA)	**1,489**	**1,373**	***-1.9%***	***-7.8%***
EBITDA margin	*3.9%*	*3.7%*	*(19bp)*	*(19bp)*
Depreciation and amortization	(765)	(740)	*0.3%*	*-3.2%*
Recurring operating income (ROI)	**695**	**597**	***-5.4%***	***-14.0%***
ROI margin	*1.8%*	*1.6%*	*(21bp)*	*(21bp)*
Recurring operating income including income from associates and joint ventures	**707**	**591**	***-8.4%***	***-16.5%***
Non-recurring income and expenses	(148)	(785)		
Operating income	**559**	**(194)**		
Financial expense	(247)	(149)		
Income before taxes	**312**	**(342)**		
Income tax expense	(115)	(179)		
Net income from continuing operations	**197**	**(521)**		
Net income from discontinued operations	(50)	(229)		
Net income	**147**	**(750)**		
Of which Net income, Group share	**78**	**(861)**		
Of which net income from continuing operations, Group share	128	(633)		
Of which net income from discontinued operations, Group share	(50)	(229)		
Of which Net income, Non-controlling interests	**69**	**112**		
Of which Net income from continuing operations, Non-controlling interests	69	112		
Of which Net income from discontinued operations, Non-controlling interests	-	-		
Net income, Group share, adjusted for exceptional items	**202**	**131**		

First-half 2018 consolidated income statement vs. H1 2017 reported

(in €m)	H1 2017 reported	**H1 2018**	*Variation at constant FX*	*Variation at current FX*
Net sales	**38,526**	**37,071**	***+1.3%***	***-3.8%***
Net sales, net of loyalty program costs	**38,228**	**36,728**	***+1.2%***	***-3.9%***
Other revenue	1,354	1,309	*+3.9%*	*-3.3%*
Total revenue	**39,582**	**38,037**	***+1.3%***	***-3.9%***
Cost of goods sold	(30,762)	(29,816)	*+2.0%*	*-3.1%*
Gross margin	**8,821**	**8,221**	***-1.3%***	***-6.8%***
As a % of net sales	*22.9%*	*22.2%*	*-72bp*	*-72bp*
SG&A	(7,419)	(6,884)	*-1.9%*	*-7.2%*
As a % of net sales	*(19.3%)*	*(18.6%)*	*-69bp*	*-69bp*
Recurring operating income before D&A (EBITDA)	**1,431**	**1,373**	***+2.1%***	***-4.0%***
EBITDA margin	*3.7%*	*3.7%*	*-1bp*	*-1bp*
Depreciation and amortization	(781)	(740)	*-1.7%*	*-5.2%*
Recurring operating income (ROI)	**621**	**597**	***+5.8%***	***-3.8%***
ROI margin	*1.6%*	*1.6%*	*0bp*	*0bp*
Recurring operating income including income from associates and joint ventures	**633**	**591**	***+2.3%***	***-6.7%***
Non-recurring income and expenses	(150)	(785)		
Operating income	**484**	**(194)**		
Financial expense	(247)	(149)		
Income before taxes	**236**	**(342)**		
Income tax expense	(89)	(179)		
Net income from continuing operations	**148**	**(521)**		
Net income from discontinued operations	(1)	(229)		
Net income	**147**	**(750)**		
Of which Net income, Group share	**78**	**(861)**		
Of which net income from continuing operations, Group share	79	(633)		
Of which net income from discontinued operations, Group share	(1)	(229)		
Of which Net income, Non-controlling interests	**69**	**112**		
Of which Net income from continuing operations, Non-controlling interests	69	112		
Of which Net income from discontinued operations, Non-controlling interests	-	-		
Net income, Group share, adjusted for exceptional items	**154**	**131**		

First-half 2018 consolidated balance sheet

(in €m)	June 30, 2017	**June 30, 2018**
ASSETS		
Intangible assets	9,985	9,365
Tangible assets	13,236	12,376
Financial investments	2,745	2,670
Deferred tax assets	841	737
Investment properties	332	383
Consumer credit from financial-service companies – Long-term	2,477	2,468
Other non-current assets	276	328
Non-current assets	**29,892**	**28,327**
Inventories	6,863	6,301
Trade receivables	2,636	2,756
Consumer credit from financial-service companies – Short-term	3,655	3,434
Tax receivables	886	859
Other assets	995	939
Current financial assets	252	202
Cash and cash equivalents	1,615	1,993
Current assets	**16,902**	**16,484**
Assets held for sale	**20**	**61**
TOTAL	**46,814**	**44,872**
Liabilities		
Shareholders' equity, Group share	9,753	8,439
Minority interests in consolidated companies	1,526	1,954
Shareholders' equity	**11,279**	**10,393**
Deferred tax liabilities	549	474
Provisions for contingencies	2,937	3,747
Borrowings – Long-term	6,586	6,350
Bank loans refinancing – Long-term	2,574	2,347
Non-current liabilities	**12,646**	**12,918**
Borrowings – Short-term	3,001	2,100
Trade payables	12,784	12,373
Bank loans refinancing – Short-term	2,774	3,046
Tax payables and others	1,084	1,161
Other debts	3,233	2,872
Current liabilities	**22,876**	**21,552**
Liabilities related to assets held for sale	**14**	**9**
TOTAL	**46,814**	**44,872**

First-half 2018 consolidated cash flow statement

(in €m)	H1 2017 restated for IFRS 5	H1 2017 reported	**H1 2018**	*Var.vs. H1 2017 reported in €m*
NET DEBT AT OPENING	**(4,531)**	**(4,531)**	**(3,728)**	***803***
Gross cash flow	1,037	979	948	*(31)*
Change in working capital	(2,518)	(2,518)	(2,365)	*153*
Impact of discontinued activities	(60)	(3)	(6)	*(4)*
Cash flow from operations (ex. financial services)	**(1,541)**	**(1,541)**	**(1,423)**	***118***
Capital expenditure (*ex. Cargo*)	(899)	(904)	(555)	*(349)*
Net capital expenditure *(Cargo)*	(85)	(85)	(38)	*47*
Change in net payables to fixed asset suppliers	(249)	(262)	(273)	*(12)*
Asset disposals	57	56	74	*18*
Impact of discontinued activities	(18)	0	(3)	*(3)*
Free cash flow	**(2,736)**	**(2,736)**	**(2,219)**	***517***
Free cash flow excluding Cargo and exceptional items	(2,529)	(2,587)	(2,169)	*418*
Financial investments	(142)	(142)	(154)	*(12)*
Proceeds from disposals of subsidiaries	11	11	14	*2*
Others	(63)	(63)	(22)	*41*
Impact of discontinued activities	1	1	2	*1*
Cash flow after investments	**(2,929)**	**(2,929)**	**(2,380)**	***550***
Capital increase	90	90	36	*(54)*
Dividends paid to minority interests	(84)	(84)	(31)	*53*
Acquisition/disposal of investments without change in control	(57)	(57)	0	*57*
Treasury shares	(2)	(2)	42	*44*
Cost of net financial debt	(191)	(191)	(121)	*71*
Others	(15)	(15)	(75)	*(62)*
NET DEBT AT CLOSE	**(7,720)**	**(7,720)**	**(6,255)**	***1,465***

Change in shareholders' equity

(in €m)	Total shareholders' equity	Shareholders' equity, Group share	Minority interests
At December 31, 2017	**12,159**	**10,059**	**2,099**
Adjustments linked to the first-time application of IFRS 9[1]	(259)	(141)	(119)
At January 1, 2018	**11,899**	**9,919**	**1,980**
Total comprehensive income over the period	(1,182)	(1,160)	(22)
Dividends	(375)	(352)	(23)
Impact of scope and others	51	32	19
At June 30, 2018	**10,393**	**8,439**	**1,954**

First-half 2018 net income, Group share, adjusted for exceptional items

(in €m)	H1 2017 reported	**H1 2018**
Net income from continuing operations, Group share	**78**	**(861)**
Restatement for non-recurring income and expenses (before tax)	150	785
Restatement for exceptional items in net financial expenses	17	6
Tax impact[2]	(84)	(19)
Restatement on share of income from minorities and companies consolidated by the equity method	(7)	(8)
Restatement for net income of discontinued operations	1	229
Adjusted net income, Group share	**154**	**131**

[1] The Group applied IFRS 9 standard – Financial Instruments for the first time as of January 1st, 2018

[2] Tax impact of restated items (non-recurring income and expenses and financial expenses) and non-recurring tax items.

EXPANSION UNDER BANNERS – SECOND-QUARTER 2018

Thousands of sq. m	Dec. 31, 2017	March 31, 2018	Openings/ Store enlargements	Acquisitions	Closures/ Store reductions	*Total Q2 2018 change*	June 30, 2018
France	5,764	5,762	20	-	-229	*-208*	5,553
Europe (ex France)	5,599	5,577	32	8	-35	*5*	5,581
Latin America	2,408	2,432	34	-	-16	*18*	2,450
Asia	2,736	2,684	27	-	-51	*-24*	2,660
Others[2]	1,111	1,104	28	-	-	*27*	1,132
Group	**17,618**	**17,558**	**141**	**8**	**-331**	***182***	**17,376**

STORE NETWORK UNDER BANNERS – SECOND-QUARTER 2018

N° of stores	Dec 31, 2017	March 31, 2018	Openings	Acquisitions	Closures/ Disposals	Transfers	*Total Q2 2018 change*	June 30, 2018
Hypermarkets	**1,376**	**1,379**	**6**	**1**	**-8**	**-1**	***-2***	**1,377**
France	247	247	1	-	-	-	*1*	248
Europe (ex France)	460	457	-	1	-2	-1	*-2*	455
Latin America	193	193			-2		*-2*	191
Asia	365	373	2		-4		*-2*	371
Others[1]	111	109	3				*3*	112
Supermarkets	**3,243**	**3,233**	**44**	**-**	**-28**	**6**	***22***	**3,255**
France	1,060	1,060	2	-	-4	1	*-1*	1,059
Europe (ex France)	1,756	1,749	18	-	-20	2	-	1,749
Latin America	147	147	2	-	-2	-	-	147
Asia	58	53	13	-	-2	-	*11*	64
Others[2]	222	224	9	-	-	3	*12*	236
Convenience	**7,327**	**7,221**	**104**	**-**	**-372**	**-2**	***-270***	**6,951**
France	4,267	4,215	39	-	-314	-1	*-276*	3,939
Europe (ex France)	2,446	2,398	61	-	-50	-1	*10*	2,408
Latin America	521	518	2	-	-	-	*2*	520
Asia	41	38	-	-	-7	-	*-7*	31
Others[2]	52	52	2	-	-1	-	*1*	53
Cash & carry	**354**	**356**	**11**	**-**	**-**	**-3**	***8***	**364**
France	144	144	-	-	-	-	-	144
Europe (ex France)	42	42	2	-	-	-	*2*	44
Latin America	153	157	6	-	-	-	*6*	163
Asia	2	0	-	-	-		-	-
Others[2]	13	13	3	-	-	-3	-	13
Group	**12,300**	**12,189**	**165**	**1**	**-408**	**-**	***-242***	**11,947**
France	5,718	5,666	42	-	-318	-	*-276*	5,390
Europe (ex France)	4,704	4,646	81	1	-72	-	*10*	4,656
Latin America	1,014	1,015	10	-	-4	-	*6*	1,021
Asia	466	464	15	-	-13	-	*2*	466
Others[2]	398	398	17	-	-1	-	*16*	414

[1] *Africa, Maghreb, Middle East and Dominican Republic*

Definitions

Like for like sales growth
Sales generated by stores opened for at least twelve months, excluding temporary store closures, at constant exchange rates, excluding petrol and calendar effects.

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

Gross margin
Gross margin is the difference between the sum of net sales, other income, reduced by loyalty program costs and the cost of goods sold. Cost of sales comprise purchase costs, changes in inventory, the cost of products sold by the financial services companies, discounting revenue and exchange rate gains and losses on goods purchased.

Recurring Operating Income (ROI)
Recurring Operating Income is defined as the difference between gross margin and sales, general and administrative expenses, depreciation and amortization and provisions.

Recurring Operating Income Before Depreciation and Amortization (EBITDA)
Recurring Operating Income Before Depreciation and Amortization (EBITDA) excludes depreciation from supply chain activities which is booked in cost of goods sold and excludes non-recurring items as defined below.

Operating income (EBIT)

Operating Income (EBIT) is defined as the difference between gross margin and sales, general and administrative expenses, depreciation, amortization and non-recurring items

Non-recurring income and expenses are certain material items that are unusual in terms of their nature and frequency, such as impairment, restructuring costs and expenses related to the revaluation of pre-existing risks on the basis of information that the Group became aware of during the accounting period.

Free cash flow

Free cash flow is defined as the difference between funds generated by operations (before net interest costs), the variation of working capital requirements and capital expenditures.

Disclaimer

This press release contains both historical and forward-looking statements. These forward-looking statements are based on Carrefour management's current views and assumptions. Such statements are not guarantees of future performance of the Group. Actual results or performances may differ materially from those in such forward-looking statements as a result of a number of risks and uncertainties, including but not limited to the risks described in the documents filed with the Autorité des Marchés Financiers as part of the regulated information disclosure requirements and available on Carrefour's website (www.carrefour.com), and in particular the Annual Report (Document de Référence). These documents are also available in English on the company's website. Investors may obtain a copy of these documents from Carrefour free of charge. Carrefour does not assume any obligation to update or revise any of these forward-looking statements in the future.