2012
Registration Document
Annual Financial Report

CONTENTS

2012
REGISTRATION DOCUMENT
Annual Financial Report

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

This registration document has been filed with the *Autorité des Marchés Financiers* (AMF) on April 4, 2013, in accordance with article 212-13 of the General Regulations of the AMF. It may be used to endorse a financial operation in conjunction with a prospectus certified by the AMF. This document has been established by the Issuer, and is binding on its signatories.

This is a free translation into English of the Registration Document issued in French and it is provided solely for the convenience of English speaking users.

1

PRESENTATION OF THE GROUP

1.1 Key figures

The key figures for 2012 that are given below have been audited by the Group's Statutory Auditors.

The 2010 comparative information given below ("2010 restated") has been restated in 2011 to reflect the classification of discontinued operations in accordance with IFRS 5. These restatements relate to Dia's activities following the decision made at the Shareholders' Meeting in June 2011 to distribute all Dia shares to shareholders as an extraordinary dividend, which led to a loss in control over this subsidiary on July 5, 2011.

The 2011 comparative information given below ("2011 restated") has been restated to reflect the classification of discontinued operations in accordance with IFRS 5. These restatements relate to activities in Greece, Singapore, Malaysia, Colombia and Indonesia, and are described in Note 4 of the Consolidated Financial Statements.

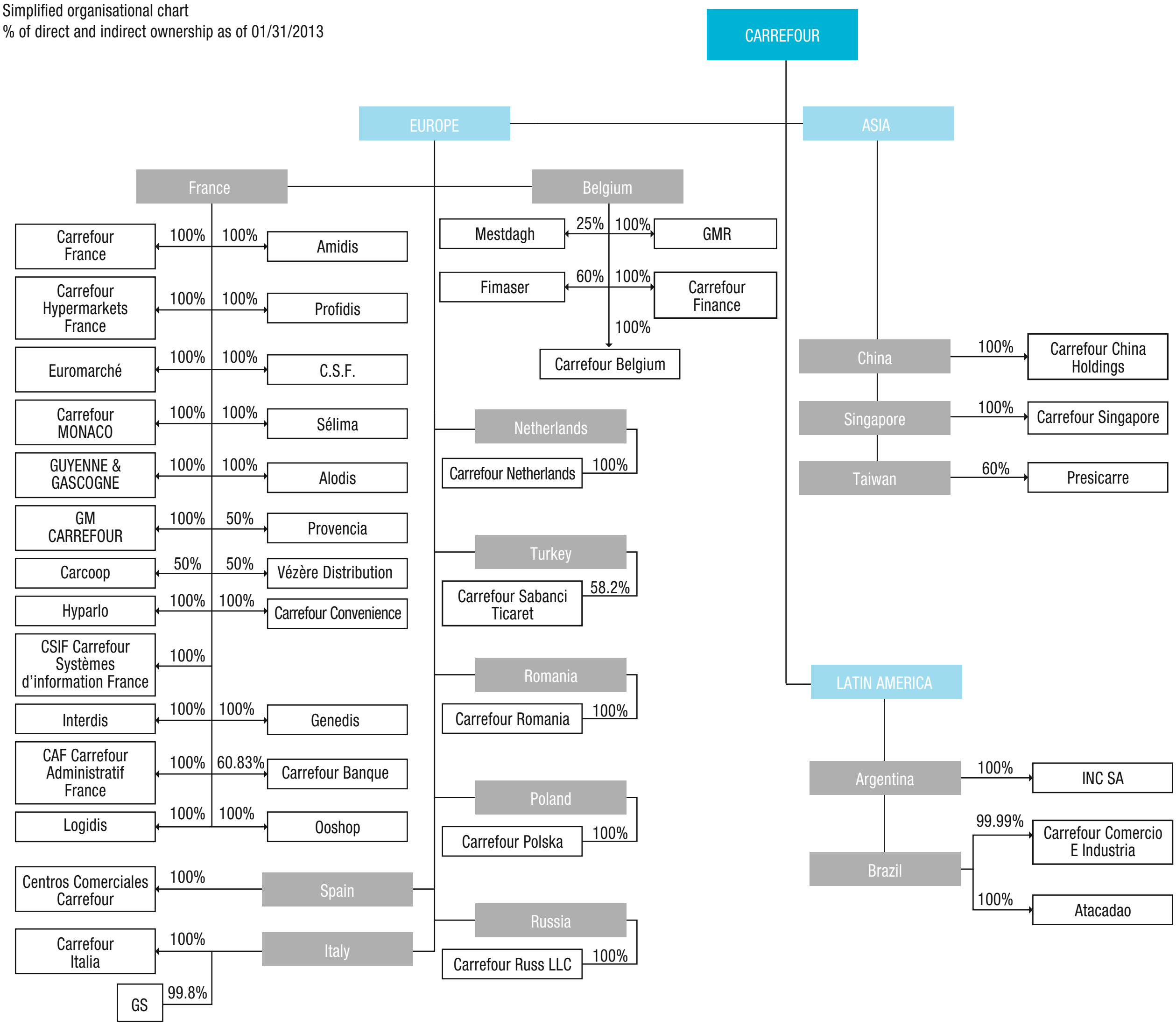
(in € millions)	2012	2011 restated	2011 published	2010 restated
Selected Financial information from the consolidated income statement				
Net sales	76,789	76,067	81,271	80,511
Recurring operating income before depreciation, amortization and provisions	3,688	3,748	3,883	4,377
Recurring operating income	2,140	2,197	2,182	2,701
Operating income / (loss)	1,434	(140)	(481)	1,703
Net income / (loss) from continuing operations	235	(1,713)	(2,176)	479
Net income / (loss) from continuing operations – Group Share	113	(1,865)	(2,202)	340
Net income for the year	1,316	404	404	568
Net income for the year – Group Share	1,233	371	371	433
Selected Financial information from the consolidated statement of cash flows				
Cash flow from operations	2,228	2,577	2,577	3,392
Net cash from operating activities	1,973	2,118	2,118	2,736
Net cash from / (used in) investing activities	337	(398)	(398)	(2,307)
Net cash from / (used in) financing activities	546	(1,170)	(1,170)	(344)
Net change in cash and cash equivalents	2,724	578	578	(29)
Selected Financial information from the consolidated statement of financial position				
Net debt	4,320	6,618	6,618	7,997
Total shareholders' equity	8,361	7,627	7,627	10,563
Shareholders' equity – Group share	7,487	6,618	6,618	9,584

1.2 History

1959	The Carrefour supermarket company is set up by the Fournier, Badin and Defforey families who run a discount supermarket in Annecy.
1963	The first French hypermarket is opened in Sainte-Geneviève-des-Bois (Essonne).
1970	Carrefour is listed on the French Stock Exchange.
1973	The Group begins operating in Spain.
1975	The Group begins operating in Brazil.
1982	The Group begins operating in Argentina.
1989	Carrefour establishes a foothold in the United States and in Taiwan.
1993	The Group begins operating in Italy and Turkey.
1994	Carrefour acquires a majority stake in Picard Surgelés. A joint company is set up with a Chinese partner in order to develop supermarket/hypermarket business activities in Shanghai and Beijing.
1996	Carrefour acquires a 42% stake in GMB, which controls the Cora group.
1997	Guyenne & Gascogne, Coop Atlantique and the Chareton group enter into an agreement with Carrefour: their 16 hypermarkets are converted to the Carrefour banner in 1998, and these groups retain management of their own stores. The Group begins operating in Poland.
1998	Carrefour issues a non-hostile takeover bid/tender offer for Comptoirs Modernes in October.
1999	Carrefour launches a non-hostile public exchange offer for Promodès.
2000	The European Commission approves the merger of Carrefour and Promodès, creating the world's 2nd largest retailer. Following the merger between Carrefour and Promodès, 7 hypermarkets and 14 supermarkets are disposed of in France at the end of 2000. The 1st Carrefour hypermarket opens in Japan.
2001	Carrefour disposes of its 73.89% stake in Picard Surgelés. Carrefour takes over management of its Norte subsidiary (139 supermarkets) in Argentina. Carrefour disposes of its 42% stake in Cora. The Group begins operating in Romania.
2002	The Group speeds up roll-out of the Carrefour banner at international level.
2003	Paul-Louis Halley, one of the founders of Promodès, is killed in a plane crash.
2004	Strong organic growth: 914 new stores created, including 793 abroad.
2005	Disposal of hypermarkets in Mexico and Japan. Carrefour increases its stake in Hyparlo. Carrefour acquires Penny Market from German group Rewe and sells Prodirest, its collective catering subsidiary.
2006	Disposal of assets in Korea, the Czech Republic and Slovakia. Incorporation of Hyparlo in France. Acquisition of Ahold Polska in Poland.
2007	Acquisition of Atacadão in Brazil. Sale of operations in Slovakia. Acquisition of Plus stores in Spain. Sale of Portuguese hypermarkets. Sale of operations in Switzerland. Acquisition of Artima in Romania.
2008	Acquisition of Alfa Retail Indo in Indonesia. Roll-out of the Carrefour *market* banner in France. Acquisition of Cross System Company (renamed Carrefour Property Development), the Group's real estate holding company. Renewal of the partnership with Guyenne & Gascogne.
2010	The 1st cash & carry store opens in India. Disposal of Thailand (with effect from 2011). Acquisition of a 51% stake in Baolongcang, in China. Acquisition of the Ipek supermarket chain in Turkey. Partnership with CT Corp in Indonesia.
2011	Spin-off of Dia SA.
2012	Full consolidation of Guyenne & Gascogne from June onwards after the successful non-hostile takeover bid/tender offer. Acquisition of Eki stores in Argentina. Finalisation of the Group's partnership with Itaú Unibanco in Brazil. Restructuring of the partnership in Greece with its partner Marinopoulos, which becomes Carrefour's exclusive franchisee for Greece, Cyprus and the Balkans. Closure of 2 stores in Singapore. Disposal of Colombia. Disposal of Malaysia. Sale of the stake in its Indonesian subsidiary to its partner CT Corp, which becomes Carrefour's exclusive franchisee in the country.

1.3 Organisational chart

Simplified organisational chart
% of direct and indirect ownership as of 01/31/2013



1.4 Activities and strategy

1.4.1 COMPANY PROFILE

Carrefour is Europe's leading retailer and the second-largest in the world. A multi-format, multi-channel and multi-local group, it had a total of 9,994 stores under banners as of December 31, 2012, and operates hypermarkets, supermarkets, convenience stores, cash & carry and hypercash stores, as well as both food and non-food e-commerce websites.

In 2012, the Group posted gross sales of 86.6 billion euros – up 1% on the previous year. Net sales totalled 76.8 billion euros.

In France – where it generates 46% of its sales – Carrefour operates through all retail formats, with 220 hypermarkets, 934 supermarkets, 3,342 convenience stores and 139 cash & carry stores. It also runs www.carrefour.fr – its e-commerce portal.

Carrefour operates in six other European countries outside of France (Belgium, Spain, Italy, Poland, Romania and Turkey). These countries account for 27% of its sales and include all retail formats: 400 hypermarkets, 1,433 supermarkets, 1,370 convenience stores and 14 cash & carry stores under Group banners and excluding international franchises.

In Latin America, Carrefour operates in Argentina and Brazil where it generates 19% of total sales through 675 stores – 272 hypermarkets, 168 supermarkets and 235 convenience stores.

Carrefour generates 8% of its total sales in three countries in Asia: China, India and Taiwan. It has 279 hypermarkets, three supermarkets and four cash & carry stores on the Asian continent – a total of 286 consolidated stores.

Carrefour also has 1,181 stores that it operates with several franchisee partners throughout the world.

In 2012, Carrefour either opened or acquired 836 new stores under banners – some 590,000 sq. m. of additional sales area.

CARREFOUR'S PERFORMANCE IN 2012

The Group's performance in 2012 shows an increase in activity driven by both buoyant demand and expansion in the world's emerging markets, particularly in Latin America, and by a resilient recurring operating income, in spite of a difficult economic environment in most of the mature countries in which the Group operates, notably Southern Europe. The Group made significant progress in improving its financial structure, bringing its net debt down by 2.6 billion euros to 4.3 billion euros by the end of 2012.

- In 2012, Carrefour posted sales excluding tax of 76.8 billion euros – up 0.9% on the previous year. At constant exchange rates, sales were up by 1.6%.
- Recurring operating income stood at 2,140 million euros – broadly stable at constant exchange rates and down by 2.6% at current exchange rates; the improvement posted in France and the strong growth in Latin America nearly offset the fall in profitability of the Group's business in Southern Europe.
- Non current operating income stood at -707 million euros, as opposed to -2,337 million euros in 2011, which included an Italian goodwill impairment charge of -1,750 million euros.
- The Group share of net income totalled 1,233 million euros, improving significantly compared to the 371 million euros posted in 2011.
- The Group's net debt fell from 6.9 billion euros at the end of 2011 to 4.3 billion euros at the end of 2012. This 2.6 billion euros decrease is explained by the cash-in from the Group's disposal of Colombia and Malaysia, and the deconsolidation of the external debt of those countries to third party financial institutions

HIGHLIGHTS OF 2012

Refocusing of the Group on countries where it holds leading positions and has a multiformat profile

- Following the restructuring of the partnership with Marinopoulos, its Greek partner become Carrefour's exclusive franchisee for Greece, Cyprus and the Balkans.
- Singapore: Closure of the Group's two stores.
- Disposal of Carrefour's Colombian business to Cencosud for a total enterprise value of 2 billion euros.
- Disposal of Carrefour's Malaysian business to Aeon for a total enterprise value of 250 million euros.
- Disposal of the Group's stake in its Indonesian subsidiary to its partner CT Corp for 525 million euros. CT Corp has become Carrefour's exclusive franchisee in the country.

Strengthening of operations in France, Brazil and Argentina

- Global consolidation of Guyenne & Gascogne as of June 1, 2012 following the success of tender offer.
- Finalisation of the financial services partnership with Itaú Unibanco in Brazil.
- Acquisition of 129 Eki stores in Argentina, consolidating Carrefour's leadership in the country.

1.4.2 STORES

A MULTI-FORMAT AND MULTI-CHANNEL RETAILER

Carrefour has all the resources it needs to cater to the diverse requirements of its customers – whether they live in an urban or rural environment, whether they be individuals or professional clients, in France or abroad. Always focused on meeting their needs, Carrefour continued to expand and renovate its stores in 2012.

The Group's stores throughout the world operate in a range of different formats and channels: hypermarkets – with a general product offer at the best possible prices; supermarkets – the leading grocery format; convenience stores – for service and practical solutions; cash & carry stores for professionals; hypercash stores; and drive and e-commerce – all designed to meet new requirements.

Hypermarkets

With sales areas of between 2,400 and 23,000 sq. m., Carrefour's hypermarkets feature a very wide range of both food (consumer goods, fresh products, etc.) and non-food products (clothing, electronic goods, decorative products, etc.). Customers find a broad selection of competitively-priced products at Carrefour hypermarkets that are suited to their various consumer habits.

In 2012, Carrefour set out to maximize its customers' purchasing power. In each of its 1,366 hypermarkets, Carrefour introduced an initiative designed to offer the most competitive prices in the market and to support an unbeatable price perception. It included the "Lowest Price Guarantee" campaign in France, and discounts on 4,000 daily use food products in Spain.

By the end of 2012, Carrefour had 1,336 hypermarkets under Group banners throughout the world, with 220 in France, 524 in Europe, 272 in Latin America and 350 in Asia. Altogether, the Group has 1,155 hypermarkets throughout the world.

Supermarkets

With sales areas ranging from 1,000 sq. m. to 4,000 sq. m. in towns or more rural areas, the Group's supermarkets are its leading grocery format and are modern and welcoming. With stalls that are brimming with fresh products, a selection of non-food top-up products and low prices throughout the store, Carrefour supermarkets have become a standard in convenience food retail.

By the end of 2012, Carrefour had 3,454 supermarkets under Group banners throughout the world, with 934 in France, 2,336 in the rest of Europe, 168 in Latin America and 16 in Asia. The Group has 1,538 consolidated supermarkets throughout the world.

Convenience stores

The Group is expanding its network of convenience stores under a number of different banners. Practical and close to home, it is designed for everyday shopping. With long opening hours, a range of products designed to meet everybody's requirements and a wide choice of services, Carrefour's convenience stores fully cater to present and future lifestyles. The new banners all give a clear idea of their purpose: Express is for daily purchases, City features a range of ready-to-eat products aimed at urban dwellers in a hurry, Contact stores are in rural areas and stock everything you need for the family, while Montagne stores make shopping in ski resorts simpler. What these banners have in common is that they are franchises and are helping Carrefour to achieve its aim: establish itself as the leading convenience retailer.

As of the end of 2012, Carrefour had 5,010 convenience stores, with 3,342 in France, 1,433 in the rest of Europe and 235 in Latin America. The network is mainly composed of franchised stores with the exception of 411 integrated stores.

Cash & carry and hypercash stores

The Group's cash & carry banners have a range of food and non-food products at wholesale prices, together with bespoke services designed to support and make the work of caterers and convenience food businesses easier. Major-brand products can be found alongside own-brand products, fresh products and specific products for use in catering (assembly and hygiene products, crockery, etc.), as well as products intended to be resold to grocers.

In 2012, two new Promocash stores were opened, bringing the number of stores in France up to 139 and confirming its position as the largest network of franchised cash & carry stores with a delivery service in France. Carrefour has continued with its growth programme in India, opening up two new Carrefour Wholesale Cash & Carry stores in Meerut and Agra.

At the end of 2012, Carrefour had a total of 164 cash & carry stores, with 139 in France, 21 in the rest of Europe and 4 in Asia. It now has 23 consolidated cash & carry stores throughout the world.

Combining all the advantages of wholesale and the convenience of hypermarkets, the Group continued to increase the number of hypercash stores throughout 2012. Products presented on pallets and sold in large quantities at wholesale prices at sites that are open to both professionals and individuals: that is the hypercash store model that Carrefour uses in some of its markets. 10 new Atacadão stores were opened in Brazil, bringing the total number of retail outlets up to 93. The Label'Vie group, Carrefour's franchised partner in Morocco, opened four stores in Casablanca, Fes, Tangiers and Oujda.

In Italy, the GrossIper banner has continued to expand, with the opening of a new store on the outskirts of Milan.

Multi-channel retail

In 2012, Carrefour continued to expand its food and non-food e-commerce business, adopting a multi-channel approach with its websites working together with its stores to meet the needs of customers on the lookout for bargains and practical solutions.

In France, the new version of carrefour.fr, launched in 2012, now makes life easier for online shoppers, providing fast access to a number of different e-commerce sites.

Carrefour has also stepped up the expansion of its *drives* – a system whereby people can shop online and then collect their shopping from one of a number of pick-up points. It has opened up 175 new ones, bringing the total number up to more than 200, the vast majority of which are attached to existing stores. New *drives* are also being opened in Belgium and Spain.

STORES AS OF DECEMBER 31, 2012 (INCLUDING FRANCHISEES AND PARTNERS)

	Hypermarkets	Supermarkets	Convenience stores	Cash & carry stores	Total
France	220	934	3,342	139	4,635
Total France	**220**	**934**	**3,342**	**139**	**4,635**
Belgium	46	436	232		714
Spain	173	114	105		392
Italy	45	439	720	14	1,218
Poland	84	161	297		542
Romania	24	68	16		108
Turkey	28	215			243
Others	124	903	63	7	1,097
Total Europe (excluding France)	**524**	**2,336**	**1,433**	**21**	**4,314**
Argentina	76	127	235		438
Brazil	196	41			237
Total Latin America	**272**	**168**	**235**		**675**
China	218				218
India				4	4
Taiwan	61	3			64
Others	71	13			84
Total Asia	**350**	**16**		**4**	**370**
Total Group	**1,366**	**3,454**	**5,010**	**164**	**9,994**

1.4.3 PRODUCTS

A BROAD SELECTION OF QUALITY PRODUCTS AT THE BEST POSSIBLE PRICES

Products are our core business. Our offer conception is based on unchanging principles, a wide selection, the lowest prices and irreproachable quality. To cater to the needs of our customers throughout the world, we refine our offer so that we can provide a variety of fresh products, products from local suppliers, major-brand products, essential non-food items, the best innovations and daily commercial services.

Fresh products

A major attraction for the stores, fresh products involve all the attention and expertise of our employees. In all of its store formats, Carrefour offers a wide selection of high-quality fresh products in areas that have been specially designed to make shopping enjoyable: large market stalls, easy-to-reach items and regional products – all selected to please our customers and support local economic development.

Local products

Carrefour has always given priority to products sourced locally, i.e. products from the country in which they are sold. More than 75% of all Carrefour food products come from local suppliers. Carrefour is seeking to strengthen this approach and give its store managers – particularly in hypermarkets – more decision making power so that they can select and offer their customers a very local selection of products sourced from producers located close to stores.

Everyday products

In the dry grocery, beverage and health & beauty departments, Carrefour offers a combination of products from consumers' favourite brands and Carrefour brands. In all the countries in which it operates, the Group applies an aggressive strategy of every day low prices and attractive discounts on the products that are popular with customers.

Non-food products

The non-food sections are organised into categories meeting customers' basic needs: small household goods, apparel, and home appliances (photo equipment, DVDs, sound and multimedia equipment). Carrefour products and the major brands make up an offer that has something for everyone and every budget. As consumer habits change, Carrefour is adapting its offer and working on value for money and the style of its non-food products, increasing the generalist dimension of its hypermarkets, offering supermarket customers the local services they expect and developing an innovative and competitive offer on the Internet.

Commercial services

From financing solutions to leisure activities, or from health and beauty care products to petrol, Carrefour's services can be found throughout shopping centres and store car parks, meeting customers' needs with the same commitment: high-quality products at the best possible prices.

Buy tickets to a show, send someone flowers, print out your photos or hire a lorry for your house move: the services that Carrefour offers varies from country to country and depending on consumer habits, but are all designed to keep shopping times to a minimum and optimise customers' budgets, customers whose loyalty to Carrefour grows by the day.

Carrefour can also offer its customers finance, savings and insurance services in 824 of its branches and finance service stands throughout the world. Located right next to hypermarkets, the Group's agencies and finance stands support Carrefour's core business. One of the ways in which it does this is by distributing PASS cards (payment cards that can be used both in France and abroad), as well as offering finance solutions and extended warranties for goods purchased.

In France, Carrefour Banque is striving to provide responsible banking services. For more than 30 years, it has been offering accessible, high-performance products that meet the requirements of customers and consumers, with interest rates on loans that are among the lowest on the market, as well as very attractive rates for insurance and high-interest savings accounts. Currently, more than 2.4 million PASS cardholders have access to a whole range of exclusive services and benefits, as well as being able to save money on their daily shopping trips. Carrefour Banque also has its own website, a mobile app and a telephone banking service entirely dedicated to Carrefour Banque customers, so that people can bank wherever and whenever they want.

Carrefour Banque has been operating in France since 1981. It took a European dimension in October 2011 with the opening of a branch in Italy – Carrefour Banca – created as a result of a merger with Carrefour Servizi Finanziari. Carrefour Banca is Italy's leading bank in the food retail industry and provides its Italian customers with banking and insurance services in 23 agencies located near Carrefour hypermarkets.

1.4.4 REAL ESTATE, PLANTS AND EQUIPMENT

For Carrefour, tangible fixed assets mainly include stores operated by the Group. At the end of December 2012, the Group operated 11.7 million sq. m. of sales area through its consolidated stores and 15.9 million sq. m. including its franchised stores.

The Group's ownership strategy for its stores varies from country to country, and from format to format. In total, the Group owns most of the real estate associated with its retail outlets. Since June 2012, Carrefour Property's activities in France, Spain and Italy – and its real estate activities at international level – have been grouped together under the responsibility of a Group Executive Director for Development and Real estate.

Details of its asset ownership are given in Notes 18 and 19 of the Consolidated Financial Statement for December 31, 2012 on pages 192-195 of this document.

1.4.5 INTELLECTUAL PROPERTY

Carrefour owns a number of international brands (banners and products). The national product brands are the property of the subsidiary which uses them.

Carrefour's Legal department has an intellectual property specialist who – with the help of outside consultancy firms – registers and renews brands, monitors them and defends Carrefour's rights against any third parties.

1.4.6 CARREFOUR'S GROWTH IN FRANCE AND THROUGHOUT THE WORLD

Carrefour is Europe's leading retailer and the second-largest in the world, and has been opening sales outlets for more than 50 years in France and abroad. It currently operates in mainland France and its overseas territories, as well as in Europe, Asia, Latin America, North Africa and the Middle East through a network of consolidated and franchised stores, and stores that it runs with partner companies. In 2012, Carrefour either opened or acquired 836 new stores under banners – some 590,000 sq. m. of additional sales area.

As of the end of 2012, the Carrefour group had 9,994 stores under banners in more than 30 countries.

In 2012, Carrefour posted net sales of 76.8 billion euros – up 0.9% on the previous year. This growth was driven by its activities in emerging markets – which now account for 26.8% of the Group's sales (25.4% in 2011). This growth corresponds to:

- a one percent increase in like-for-like sales;
- expansion (new stores and store acquisitions net of closures and divestitures), which has contributed a 0.6% increase in sales;
- changes in exchange rates (mainly the depreciation of the Brazilian real and the Argentinian peso), which have had a 0.7% negative effect.

Recurring operating income stood at 2.14 billion euros – broadly stable at constant exchange rates and down by 2.6% at current exchange rates. The contribution made by emerging countries has continued to increase significantly and accounted for 36.2% of the Group's operating income in 2012 (as against 32.7% in 2011). The improvement in France and the significant improvement in Latin America almost completely offset the declining profitability of operations in Southern Europe. In total, recurring operating income accounted for 2.8% of sales, versus 2.9% in 2011.

CARREFOUR IN FRANCE

In France, Carrefour is the leading food retailer across all formats (source: Nielsen). In 2012, the Group had 4,635 stores under banners in four different formats: 220 Carrefour hypermarkets, 934 supermarkets, 3,342 convenience stores operating under the Carrefour *city*, Carrefour *contact*, Carrefour *montagne*, Carrefour *express*, 8àHuit, Shopi, Marché Plus and Proxi banners and 139 cash & carry stores operating under the Promocash banner. The Group has a total of 767 consolidated stores – 212 hypermarkets, 550 supermarkets and five cash & carry stores.

In 2012, Carrefour in France either opened or acquired 200 stores under banners – including the Lyon Confluence hypermarket and the reopening of the Chapelle Saint-Luc store – four supermarkets, 192 convenience stores and two cash & carry stores, representing a total of 56,000 sq. m. of sales area.

Over the year, the Group increased the number of consolidated stores by 11; incorporating six Guyenne & Gascogne hypermarkets and converting five franchised cash & carry stores to consolidated stores.

Net sales (including petrol) increased by 0.5% to 35.3 billion euros. This can be attributed resiliency in food sales. The Group's efforts to reposition its prices had only a very slight effect on the margin thanks to a rebalancing of the commercial mix through lower investments in loyalty programmes and promotions. Sales, general and administrative expenses were down, both overall and as a percentage of sales. As a result, recurring operating income in France increased by 3.5% to 929 million euros.

The year was marked by a better second half – hypermarket sales trends improved and performance at the other formats was robust.

- Hypermarket net sales (including petrol) fell by 1.3% over the year on a like for like basis and by 1.9% overall. In January, the Group launched its "Lowest Price Guarantee" campaign, offering customers the lowest prices in the market in its hypermarkets on 500 of its most popular major-brand products. The campaign was also applied to other product categories throughout the year including petrol, school supplies and toys for Christmas.
- Supermarkets posted a 3% increase in their like-for-like net sales (including petrol), and a 1.4% increase overall.
- Other formats (mainly convenience stores) posted a 6.5% increase in their like-for-like net sales (including petrol) over the year, and a 6.8% increase in total.

In France, operational investments totalled 602 million euros, accounting for 1.7% of sales – down 291 million euros compared with 2011.

CARREFOUR IN EUROPE (OUTSIDE FRANCE)

Carrefour has continued to expand in Europe and had a total of 4,314 stores under banners at the end of 2012 (compared with 4,177 stores in 2011). Its stores under banners included 524 hypermarkets, 2,336 supermarkets, 1,433 convenience stores and 21 cash & carry stores. Carrefour operates consolidated stores in six countries and its consolidated store network totals 1,399 stores (392 hypermarkets, 817 supermarkets, 176 convenience stores and 14 cash & carry stores).

Over the year, Carrefour opened 417 stores under banners in Europe – an additional 260,000 sq. m. of sales area. In 2012, the network grew by one hypermarket and three convenience stores. The number of supermarkets remained stable as 24 new stores opened in Romania were offset by a number of closures and franchise conversions, mainly in Poland, Italy and Spain.

Sales excluding tax in Europe totalled 20.9 billion euros, down 2.7% at constant exchange rates (down 3.1% at current rates) in 2012; this reflects the economic slowdown in Italy and Spain, while the Group's performance in Belgium confirmed the recovery that began in 2011. Recurring operating income for the region totalled 509 million euros, down 20.2% at constant exchange rates (down 20.6% at current rates). This can mainly be explained by the fall in recurring operating income in Spain and Italy as the recession has pushed household spending down, partially offset by a fall in distribution costs.

- Carrefour has been operating in Spain since 1973. At the end of 2012, its stores under Group banners included 173 hypermarkets, 114 supermarkets and 105 convenience stores. Net sales totalled 8 billion euros – a 4.8% fall in total.
- Carrefour has been operating in Italy since 1993, with a network of stores under Group banners which includes 45 hypermarkets, 439 supermarkets, 720 convenience stores and 14 cash & carry stores. Net sales totalled 5.1 billion euros – a 5.8% fall in total.
- In Belgium – where Carrefour has been operating since 2000 – its network of stores under Group banners includes 46 hypermarkets, 436 supermarkets and 232 convenience stores as of the end of 2012. Net sales stood at 3.9 billion euros – an increase of 2.3%.
- Carrefour operates consolidated stores in three other countries in Europe, Poland, Romania and Turkey, with combined net sales of 3.9 billion euros (down 0.9% in total). Carrefour has been operating in Poland since 1997, with a network of stores under Group banners which includes 84 hypermarkets, 161 supermarkets and 297 convenience stores. In Turkey, where it has been operating since 1993, it has 28 hypermarkets and 215 supermarkets. Carrefour has been operating in Romania since 2001, with 24 hypermarkets and 68 supermarkets.
- Following the restructuring of the partnership in 2012 with Marinopoulos in the Group's Greek subsidiary, Marinopoulos has become Carrefour's exclusive franchisee for Greece, Cyprus and the Balkans. The network now operated by Marinopoulos is included in stores under Group banners for 2012.

Operational investment in Europe totalled 345 million euros – down 44% compared with 2011 – representing 1.7% of sales.

CARREFOUR IN LATIN AMERICA

Carrefour has been operating in Latin America since it opened its first store in Brazil in 1975 and has become one of the region's major players in retail. Carrefour is expanding its banners in two growth markets: Argentina and Brazil. The Group only operates consolidated stores in the region – 675 stores in total, including 272 hypermarkets, 168 supermarkets and 235 convenience stores. It has expanded its network by 10 Atacadão stores in Brazil, two hypermarkets in Argentina (including one transfer), 18 supermarkets and 166 convenience stores – including 56 new stores. These new stores have added an additional 110,000 sq. m. of sales area. 35,000 sq. m. of this has resulted from the incorporation of Eki stores into the network.

Sales growth in Latin America has remained strong (up 12.1% at constant exchange rates and up 4.6% at current exchange rates). It has been boosted by solid like-for-like growth in Argentina and Brazil, and by sustained expansion in both countries. The commercial margin has increased and recurring operating income for Latin America totalled 608 million euros – up 22.9% at constant exchange rates compared with the previous year (up 14.2% at current rates). This has been driven by improved profitability in Brazil.

- Carrefour has been operating in Brazil since 1975 and had 103 hypermarkets, 93 Atacadão stores and 41 supermarkets at the end of 2012. Net sales in Brazil totalled 11.3 billion euros. Carrefour Brazil's sales have enjoyed solid growth, with all formats contributing to this positive performance. It has posted a 9.5% increase in sales at constant exchange rates (a 1.3% increase at current exchange rates). The significant difference can be attributed to the depreciation of the Brazilian real.
- Carrefour has been operating in Argentina since 1982, with a network of stores under Group banners made up of 76 hypermarkets (including two hypercash stores), 127 supermarkets and 235 convenience stores. Sales in Europe excluding tax totalled 2.9 billion euros – up 24% on the previous year at constant exchange rates and up 19.9% at current exchange rates.

Operational investment in Latin America totalled 308 million euros, representing 2.2% of sales, as opposed to 2.8% in 2011. Investment in organic growth has been the priority.

CARREFOUR IN ASIA

Carrefour has been established in Asia since 1989. It opened its first store in Taiwan and now has a presence in China and India (through consolidated stores), as well as in Indonesia (through franchises).

The Group has a total of 370 stores under banners, including 350 hypermarkets, 16 supermarkets and four cash & carry stores. It has a total of 286 consolidated stores in Asia – 279 hypermarkets, 3 supermarkets and 4 cash & carry stores. Over the year, the Group expanded its network by 21 stores – 19 hypermarkets and 2 cash & carry stores. These new stores have added an additional 155,000 sq. m. of sales area.

Net sales in Asia grew by 0.5% at constant exchange rates (by 10.3% at current exchange rates), to stand at 6.4 billion euros. The increase was driven by on-going expansion. The commercial margin was resilient. The on-going work on productivity did not completely offset the rise in distribution costs that have resulted from expansion and wage inflation in China. Recurring operating income fell by 10.3% at current exchange rates (by 19% at constant exchange rates) to 168 million euros.

- Carrefour has been present in China since 1995, and currently operates 218 hypermarkets. Net sales in China totalled 4.8 billion euros – up 11.3% at current exchange rates and up 0.6% at constant exchange rates, the difference being explained by the increase in the value of China's currency relative to the euro. Expansion in China offset the decline in store sales on a like-for-like basis.
- Carrefour has been present in Taiwan since 1989 and currently operates a network of 61 hypermarkets and 3 supermarkets. Sales have been stable at constant exchange rates.
- Carrefour has been present in India since 2010 when it opened its first cash & carry store under the Carrefour Wholesale Cash & Carry banner in New Delhi. In 2012, Carrefour opened 2 cash & carry stores, bringing its total number of retail outlets up to 4 at the end of the year.
- In 2012, following the sale of its stake in its Indonesian subsidiary to partner CT Corp, CT Corp has become Carrefour's exclusive franchisee in the country. The network that is now operated by CT Corp is included in stores under Group banners for 2012.

Operational investment in Asia totalled 257 million euros, representing 4% of sales, as opposed to 193 million euros which represented 3.3% of sales in 2011.

OTHER COUNTRIES: CARREFOUR'S PARTNERSHIPS AROUND THE WORLD

Carrefour has 1,181 stores that it operates with local franchisee partners throughout the world in different formats.

It has 56 hypermarkets in Europe, 3 in North Africa, 52 in the Middle East, 13 in the Dominican Republic and French overseas territories, and 71 in Asia.

It has 743 supermarkets in Europe, 86 in North Africa, 44 in the Middle East, 29 in French overseas territories and 13 in Asia.

Carrefour's franchisees also include convenience stores, with 63 stores as of the end of 2012 in overseas territories, as well as 6 cash & carry stores in North Africa and 1 in a French overseas territory.

2

SOCIAL RESPONSIBILITY

2.1 CSR's governance

2012 was characterised by a change in the governance of Corporate Social Responsibility [1] (CSR) instigated by Georges Plassat after he stepped into the role of Group Chairman and Chief Executive Officer. This reworking of its sustainable development strategy against a background of organisational change within the Group confirms Carrefour's increased commitment to this issue. In practical terms, it has resulted in a number of key management actions in 2012, including:

- the creation of a dedicated Quality and Sustainable Development Committee;
- the launch of a plan to combat waste;
- use of the ISO 26000 standard as a benchmark for our CSR approach's content;
- the inclusion of a CSR target in the variable portion of Executive directors' remuneration ☑.

2.1.1 AN APPROACH FRAMED BY BROAD FUNDAMENTAL PRINCIPLES

The Carrefour Group's governance methods are described in pages 84-133 of the Registration Document/management report.

2.1.1.1 PRACTICES GUIDED BY FUNDAMENTAL TEXTS

The Carrefour Group is committed to operating within a framework that respects human rights, and bases its actions on the adoption and promotion of fundamental international principles, including, amongst others:

- the Universal Declaration of Human Rights;
- the main Conventions of the International Labour Organization (ILO) with regard to fundamental rights;
- the OECD's guiding principles;
- the principles of the Global Compact, of which the Group has been a member since 2001 ☑.

Carrefour is committed to compliance with all of these principles, taking into account the local context and the regulations of the countries in which it operates. It also ensures that its suppliers comply with these same principles.

2.1.1.2 MANAGING ETHICS WITHIN THE BUSINESS

In response to stakeholders' increasing expectations regarding transparency and ethics, the business's ethical system was reviewed in detail in 2009, based on a **Code of Professional Conduct and on Ethics Committees** at Group and Country level.

This approach is also involved in boosting internal control within Carrefour as formalised in the framework of Group rules, which makes explicit reference to the Code of Professional Conduct and the Ethics Committees.

(1) CSR: Corporate social responsibility (CSR) is the contribution made by businesses to Sustainable Development issues. For businesses, the approach involves taking the social and environmental impact of their activities into consideration so as to adopt the best practices possible and to thus help improve society and boost environmental protection.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.1.1.3 CODE OF PROFESSIONAL CONDUCT

The Carrefour Code of Professional Conduct, which was produced following a benchmarking exercise on best practices, is based on a series of consultation sessions with various internal stakeholders. It provides a simple, consistent joint frame of reference that sets out the Group's values and commitments, set out in a concise, dedicated document featuring 10 principles that are applicable to all employees: *strictly comply with the law, contribute to a safe, healthy working environment, make a commitment to diversity and working conditions that respect everyone's needs, protect the business's assets and resources, guarantee the confidentiality of the business's data, avoid conflicts of interest, reject any form of corruption, develop fair and transparent commercial practices, ensure reliable and accurate reporting and be an ambassador for Carrefour.*

Its goal is to formalise both a framework within which the Carrefour Group can carry out its business activities and ethical rules according to which all Group employees must perform their professional activities on a daily basis.

All Carrefour Group employees commit themselves to abiding by the Code and the principles it sets out with regard to actions and behaviour. Executive directors are responsible for disseminating the Code and ensuring its implementation within their area of responsibility. It is backed by a series of questions that individuals should ask themselves so as to ensure Code compliance in their day-to-day activities.

Several aids have been developed and disseminated within the Group as part of the roll-out of the Code of Professional Conduct, including a booklet, posters, an implementation kit for managers and an area on the Carrefour intranet.

The Code of Professional Conduct has also been translated into the local languages of the various countries in which we operate.

An e-learning course has been produced and initially rolled out to all Group directors to support employees' dissemination and assimilation of the Code of Professional Conduct's principles.

2.1.1.4 ETHICS COMMITTEES

The Group Ethics Committee functions as the body responsible for overseeing and assessing application of the principles set out in the Carrefour Code of Professional Conduct.

It is chaired by the Chief Human Resources and Organisation Officer. Other members include the Secretary General, the Group Legal director, the Executive director for Convenience Stores and Promocash and the Risks and Compliance director. This committee ensures the dissemination and understanding of and compliance with the Code of Professional Conduct throughout the Group. It reviews and issues opinions on all ethical matters related to the way in which Carrefour's activities are managed. It monitors the proper functioning of the Country Ethics Committees and alert systems, while guaranteeing the necessary conditions for their independence.

The organisation, principles, roles and responsibilities of the Group Ethics Committee are defined in a Charter. The minutes of each meeting are sent to the Chairman and Chief Executive Officer.

The Group has set up an Ethics Committee in each country in which it operates in order to ensure a coherent, consistent approach across the business.

The Country Ethics Committees are the local bodies in charge of monitoring compliance with the Group's Code of Professional Conduct's principles. They adapt the policies and broad guidelines approved by the Group Ethics Committee. The composition of the Country Ethics Committees is defined by the Group Ethics Committee and must be strictly adhered to in all countries. Each Country Ethics Committee is composed of four members appointed by the Country Executive director:

- Chief Human Resources and Organisation Officer;
- the Legal Affairs director, who also acts as secretary;
- the Risk Prevention director/manager;
- an Operations director.

A single Ethics Committee handles the entire geographic and operational scope of the "vertical" operations (Carrefour Property and financial services). Like the Country Ethics Committees, it is also composed of four members who are appointed by the director in charge of operations, with roles and responsibilities, principles and governance identical to those of the Country Ethics Committees. They are responsible for issuing opinions on ethical questions within their entity.

The organisation, composition, principles, roles and responsibilities of the Country Ethics Committees are defined in a Charter, and the minutes of each meeting are sent to the Risks & Compliance director.

The Country Ethics Committees rely on professional misconduct/malpractice alert systems set up in most Group countries, in accordance with local regulations.

These systems operate both internally and externally to inform the Country Ethics Committee of any behaviour or situation that runs counter to Carrefour's ethical principles. If such a situation does arise, the Ethics Committee launches a detailed investigation and a remedial action plan.

2.1.1.5 COMBATING CORRUPTION

The rejection of corruption in any form is one of the 10 principles set out in Carrefour's Code of Professional Conduct, and, on this basis, it is included in the Group's various aids and tools, such as its e-learning courses.

Carrefour joined the United Nations Global Compact in 2001 and is committed to compliance with the guiding principles of the OECD. These texts cover corporate ethics, including combating corruption.

As part of its efforts to strengthen its ethics commitments and to share best practices, the Carrefour Group is also involved in the work of the Business in Society Commission in the French section of the International Chamber of Commerce (ICC France), with a specific focus on anti-corruption efforts. Carrefour has also belonged to Transparency International (France) since 2009.

Furthermore, rejecting any form of corruption is one of the commitments signed by Carrefour Group suppliers through the Social and Ethical Charter, which is aimed at suppliers of Carrefour products, and the Ethical Charter, which is aimed at all other suppliers.

In a further step, in 2012 the Group Ethics Committee launched the introduction of statements of independence for those involved in the purchasing process ☑.

2.1.2 VISION OF CSR

2.1.2.1 VISION

The Carrefour Group's vision of a responsible business is one that boosts its own success while taking a commonsense approach that benefits everyone, from customers to local communities, neighbours, employees, investors and, more generally, society as a whole. Within this broad framework, Carrefour listens to whatever its customers have to say so as to offer them high-quality products while gradually moving toward across-the-board sustainable development.

To ensure that this **vision of social responsibility** provides our customers with tangible benefits, the Group carried out a fundamental review of its social-responsibility governance in 2012. The Executive Management teams have been tasked with gaining an increasingly detailed understanding of their customers' expectations and with working together at local level to implement an action plan. These short-term actions form part of a long-term vision defined by General Management at the highest level. Going forward, our short-term actions and long-term vision will complement each other, with the former creating immediate value in line with its environment and the other setting our actions in a meaningful context.

2.1.2.2 A CSR STRATEGY UNDERPINNED BY THE ISO 26000 STANDARD

In July 2012, an assessment of the Carrefour Group's responsibilities was carried out on the basis of the seven central questions laid down in the ISO 26000 standard ☑. The Group opted to use an international standard to ensure that its strategy was clear, transparent and easily comparable.

The assessment is presented in the form of a diagram with seven branches, one for each of the seven central questions, and identifies all areas relating to the protection of human rights, environmental protection, ethics, local integration and the range of products and services on offer. Based on this assessment, the Carrefour Group is now working on developing a comprehensive vision of the retailing business. The Group is working in conjunction with a panel of expert advisers and its stakeholders to define an ambitious, long-term position for each sustainable development issue it faces, which will be expressed in tangible terms through short-term local actions.

The issues and challenges the Carrefour Group is working on are numerous, and include the social and environmental conditions under which products are manufactured; Carrefour's relationship with its suppliers; reducing its environmental footprint and the nuisances associated with its transport activities and store operations; working conditions for employees, along with fair compensation that motivates their performance; promotion of responsible consumption; promotion of local employment; integration into the local economic fabric; and sponsorship to support the communities in which we operate.

2.1.2.3 PLAN TO COMBAT WASTE

Reducing waste, a major social issue, should help cut the consumption of non-renewable resources and contribute to protecting the quality of life for the nine billion inhabitants that the world will have to support by 2050. In order to achieve this, Carrefour drew up an ambitious waste-reduction plan in September 2012.

The plan aims not only to cut expenditure, but also to involve the Group's customers and partners. Based on the principle of subsidiarity, which underpins Carrefour's organisational structure, Country Executive Management teams have produced their own action plans for 2013 within the general framework of the overall plan. They are also responsible for involving all managers and, through them, all Group employees. All Carrefour business functions are affected.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.1.3 CSR GOVERNANCE TOOLS

2.1.3.1 DEDICATED SUSTAINABLE DEVELOPMENT DEPARTMENT

Carrefour's sustainable development policy is a core part of the highest level of the Group's business and is supported by an organisational structure that serves all business functions, countries and banners. This ensures that it is rolled out to all employees.

Organisation and mission

The Carrefour Group created its Sustainable Development department in 2000. Since 2011, a Quality and Sustainable Development department has been responsible for both the Sustainable Development department and the Quality department. Corporate Social Responsibility is managed by Carrefour's General Secretary. He works in conjunction with the Sustainable Development, Quality and Public Affairs departments and with the Carrefour Foundation to implement policy within the Executive Management teams. The Human Resources department has an Employee Relations department to deal with employee-related CSR topics, in close cooperation with the General Secretary.

The Sustainable Development department defines the Group's social responsibility strategy, leads its deployment, initiates projects and therefore deals with matters at the business's highest level. Its role is to define long-term goals, consolidate results from the Executive Management teams and disseminate best practices both internally and externally. It maintains contact with the country management teams to ensure that actions agreed locally are aligned with Carrefour's goals.

2.1.3.2 CSR'S INTEGRATION INTO ALL BUSINESS FUNCTIONS

The Group's Quality and Sustainable Development department works in close collaboration with the Group's country-level operational and cross-functional departments: European Public Affairs, Quality/Merchandise, Purchasing, Human Resources, Marketing, Communications, Assets and Logistics. All business lines are involved in implementing the Group's Sustainable Development approach. The Group also calls on the support of scientists and outside experts to carry out its mission.

2.1.3.3 IMPLEMENTATION IN COUNTRIES AND BANNERS

The Sustainable Development department has local coordinators in the various countries to promote the Carrefour Group's strategy internationally. In cooperation with the Business Units' operational and cross-functional departments (Quality, Assets, Logistics and Human Resources), these coordinators are responsible for the operational roll-out of the sustainable development policy to reflect the local situation. They are also responsible for reporting on the actions implemented within the BU. The Group Sustainable Development department coordinates this network of contacts through regular meetings with representatives in European countries and videoconferences with international coordinators (Latin America and Asia). These meetings enable discussions about policies established by the Group, major topical issues, best practices and indicators, most of which are reported on a quarterly basis.

2.1.3.4 QUALITY AND SUSTAINABLE DEVELOPMENT COMMITTEE

A Quality and Sustainable Development Committee was created in November 2012 at the instigation of the Chairman and Chief Executive Officer ☑. Its aim is to develop a vision of Carrefour's role within society and to ensure that everyone respects its fundamental positions. The Quality and Sustainable Development Committee is chaired by Carrefour's Chairman and Chief Executive Officer and comprises the General Secretary, Group Communications director, Group Human Resources director, Group Merchandise director, Group Quality director and the director for Belgium. It represents an essential means of integrating Corporate Social Responsibility into the Group's management.

The agenda for the committee's first meeting included three major topics: social responsibility in the supply chain, combating waste and crisis management.

2.1.3.5 A CSR TARGET IN VARIABLE REMUNERATION

A CSR target has been included in the variable portion of managers' remuneration since 2012. Last year's assessment was based on employee commitment and reduced energy consumption. A CSR element will again be included in individual objectives in 2013. These objectives will include a criterion on human resources management, which will be used to assess the extent to which managers are involved in their employees' development and training, commitment and promotion of diversity.

2.1.3.6 CSR TRAINING FOR COMMITTED EMPLOYEES

To encourage employee involvement, programmes aimed at raising awareness of sustainable development are offered on a regular basis.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

In 2012, Carrefour Property added three training courses to its catalogue, designed to improve its employees' skills in environmental areas: the environmental approach's fundamental principles, improving buildings' energy performance and new environmental regulations ☑.

A special one-day training module was developed in 2009 for all Supply Chain France teams to raise awareness and inform employees of our sustainable development objectives and the actions to be taken in their business area to achieve them. Some 85% of employees who have taken this training course said they were "very satisfied" with it ☑.

In Italy, the in-house journal *Noi Carrefour* (*We Are Carrefour*) deals with CSR-related topics on a regular basis. A story in the form of a cartoon strip also illustrates CSR topics as they are experienced by employees in their day-to-day work.

Italy continued its APE "We Like to Protect the Environment" programme in 2012, following on from its launch in 2009. Aimed at employees in Carrefour Italy's head office, the programme raises awareness amongst all employees about respecting and protecting the environment through individual and collective actions. Everyone can participate by taking the environmental actions suggested, such as turning off lights, electrical devices and office equipment, recycling waste, saving water and more, thus jointly saving energy and cutting costs at head office.

Working in partnership with the Akatu Institute, the main NGO for responsible consumption, **Carrefour Brazil** has introduced a training programme aimed at store employees. The two main subjects addressed are rational consumption of natural resources and the importance of sorting waste.

In **Argentina**, the national corporate social responsibility programme *Sumando Voluntades* has aimed to raise awareness and motivate all employees at head office and in the stores to take action on environmental protection, nutrition and social integration since 2009.

The Sustainable Development Awards organised in **France** since 2009 have rewarded the best actions relating to sustainable development taken by stores and support teams. Participants include not only teams from various stores (hypermarkets, supermarkets and convenience stores), but also from support functions (Supply Chain, Carrefour Property, Merchandise and Promocash) and head offices. Four awards are presented – for Waste Management, Saving Resources, Responsible Consumption and Citizenship – following a vote by customers and consumers.

2.1.4 A SHARED GOAL WITH OUR STAKEHOLDERS

Carrefour engages in on-going dialogue with its stakeholders through its Sustainable Development department at Group level and through the Business Units and stores at local level. Conducted both upstream and downstream, this consultation identifies and anticipates stakeholders' expectations to prevent risks, defuse conflicts and exchange views, in order to identify pragmatic and effective solutions.

2.1.4.1 CONSULTATION SESSIONS WITH CARREFOUR STAKEHOLDERS

As part of the assessment carried out in accordance with the ISO 26000 standard in July 2012, Carrefour updated its stakeholders' map and decided to set up a joint consultation body to ensure that it listened to them ☑ effectively and engaged in more meaningful discussions. Since January 2013, consultation sessions with Carrefour's stakeholders have been organised on a regular basis, with attendees including NGOs, customers, representatives of the French Ministry of the Environment and Ministry of Agriculture, agricultural (Carrefour Quality Line) producers, processed food suppliers and the rating agencies. The first consultation session, on biodiversity, took place on January 25, 2013. The event gave Carrefour's teams the opportunity to share a number of social-issue achievements, such as developing the offer and promoting the range of responsible products, responsible consumption amongst consumers and the Group's commitment to protecting biodiversity. The consultations also help to support the emergence of new ways of taking action in partnership with the stakeholders concerned.

They are also an opportunity for stakeholder representatives to put their questions directly to Carrefour's main senior managers and experts.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.1.4.2 TRANSPARENCY WITH REGARD TO THE FINANCIAL COMMUNITY

Today, the assessment of a company's performance by investors almost always includes an extra-financial aspect. Indeed, an assessment of the Company's intangible value makes it possible to measure its ability to develop over the long term by taking into consideration regulatory changes, consumers' expectations, image risk, resource availability, company governance and more.

Although many investment firms have created Socially Responsible Investment (SRI) funds comprised only of companies that meet the criteria defined for such funds, most investment schemes, even if they are not strictly considered SRI funds, include environmental, social or governance information in addition to purely financial data.

Working closely with the Group's Financial Communications department, the Sustainable Development department responds to requests for interviews as well as occasional requests for information concerning policies and initiatives launched by the Group's various businesses. They also respond to questionnaires from the main rating agencies.

2.1.4.3 SHARING VALUE

INCOME

Customers	Partners	Financial income
Carrefour's sales excluding tax reached €76,789 million (excluding customer loyalty programmes – €662 million) in 2012.	€2,333 million Other miscellaneous income for Carrefour: income from financial companies, leasing revenues and various other incomes.	Carrefour earned €81 million from its financial and strategic investments in the form of interest and dividends.

EXPENSES

Trade payables	Employees	Government and local communities	Financial institutions	Shareholders
Carrefour spent €66,701 million on goods and services from suppliers.	The Carrefour Group spent almost €7,566 million on its 364,969 employees in 12 countries. This amount includes gross salaries, social security charges and benefits.	Carrefour paid a total of €1,058 million in taxes, including €543 million in corporate income tax.	Charges – mainly linked to financial transactions – were €964 million.	The Carrefour Group paid: • €137 million in dividends to parent-company shareholders. • €121 million to minority shareholders in other Group companies.

2.1.4.4 SPECIAL PARTNERSHIPS WITH NGOS

For over a decade, Carrefour has built long-term partnerships with organisations that enable it to combine its own specialists' skills with those of outside experts in order to work more effectively and constructively. Far from being a mere joint reflection exercise, this cooperation has an operational impact: experts from NGOs contribute, alongside Carrefour employees, to developing and implementing the Group's sustainable development policy.

Initially established in 1997 to protect forests, the partnership between Carrefour and WWF France has gradually expanded to include environmental issues related to the exploitation of natural resources, based on two main pillars: developing responsible supply chains for such products as timber, paper, soya, palm oil, pesticides, seafood and gold, and supporting and promoting responsible consumption amongst consumers. Since 2010, the WWF has helped Carrefour to formally establish its responsible supply policy for forestry products, with a commitment charter that has been distributed to suppliers (see page 44). The partnership with the WWF has also resulted in numerous initiatives to raise awareness amongst consumers, using various media including the Carrefour website, the "100% Committed" newsletter and such magazines as *Kid's Mag* and *Carrefour Kids*.

The partnership of almost 20 years between Carrefour and the international trade-union federation **Union Network International (UNI)** resulted in the May 2001 signing of an international agreement on respect for fundamental rights and the recommendations laid down in the guidelines produced by the International Labour Organization (ILO), in particular in relation to trade-union freedoms and the right to collective negotiation. The agreement was renewed in 2011 and applies in all countries where the Group operates.

Carrefour has also worked in partnership with the **International Federation of Human Rights (FIDH)** since 1997 as part of its commitment to respect the basic rights laid down by the International Labour Organization. This cooperation has been formalised through the creation of a joint association: INFANS. In 2000, it was expressed in tangible terms through the development of a Social Charter binding Carrefour suppliers. Since 2002, INFANS has supported Carrefour's prescriptive approach by participating in the establishment of a system to ensure respect for the ILO's fundamental principles and human rights in the supply chain, primarily through the introduction of a social-audit programme for Carrefour suppliers, carried out by firms of independent experts. To ensure that labour relations practices do actually change, Carrefour and the IFHR have also developed training courses as part of a long-term programme of support for suppliers to help them implement a socially responsible approach. INFANS regularly carries out investigative assignments in the countries from which Carrefour sources products to assess working conditions and how they have changed.

2.1.4.5 ACTIVE PARTICIPATION IN PUBLIC DEBATE

Signing the European agreement on waste

Carrefour signed the REAP Forum commitments to combat waste in December 2012 following a European consultation session; over 20 European companies in the sector have signed the agreement to date.

The Group has made a commitment to conducting at least two awareness-raising initiatives on food waste at European level by 2014. These initiatives will focus primarily on:

- conducting at least two awareness-raising initiatives on food waste at national level by the end of June 2014;
- their main initiative will be to offer consumers:
  - advice on ways of reducing the food waste they generate: for example, how to manage, store and use food more efficiently,
  - information on the real meaning of use-by and best-before dates, in line with the messages conveyed in information campaigns run by the European Commission and the French Ministry of Agriculture and Food Processing, and, if appropriate, using the tools made available in this context,
  - marketing tools designed to reduce consumer food waste, such as shopping lists aimed at consumers and information on prevention.

2.2 Social responsibility

Inspired by the Group's goal of being "the employer of choice" everywhere it operates, the Carrefour Group's Human Resources department has set itself the task of boosting its customer-service culture and improving its employees' performance. As part of this, the Group continued to develop two priority strategic areas in 2012:

- acting as a responsible employer;
- developing the potential of Carrefour's men and women and rewarding them ☑.

ACTING AS A RESPONSIBLE EMPLOYER

Promoting diversity, prioritising rich, positive social dialogue, promoting well-being in the workplace and establishing the relationship between operational excellence and employee fulfilment are all areas where the Group has emphasised its actions in order to be recognised as a benchmark company and to act as a responsible employer.

DEVELOPING AND REWARDING THE GROUP'S MEN AND WOMEN

From training to development and fair remuneration that motivates employees to perform well, the Group has prioritised the production of straightforward operational policies and programmes based on the conviction that career management, training and recognition of its men and women are key elements in the Group's performance.

The key figures, principles and priorities of these strategic areas are described and illustrated by policies and practices at Group and local levels.

2.2.1 CARREFOUR'S MEN AND WOMEN

At year-end 2012, Carrefour had 364,969 employees in 12 countries. This section sets out details of the Carrefour Group's workforce in 2012 and like-for-like changes.

2.2.1.1 WORKFORCE PRESENTATION

Breakdown of workforce by geographic region

Workforce by geographic region	12/31/2012	12/31/2011	Change 2011/2012
Europe region	206,580	216,354	(4.5)%
Latin America region	86,672	86,028	0.7%
Asia region	71,717	68,621	4.5%
TOTAL GROUP	**364,969 ☑**	**371,003**	**(1.6)%**

☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Breakdown of workforce by format

Employees by format	12/31/2012	12/31/2011
Hypermarkets	64.9%	64.9%
Supermarkets	18.2%	18.0%
Others	16.9%	17.1%
TOTAL	**100%**	**100%**

Workforce by age group

Workforce by age group	12/31/2012	12/31/2011
> Age 65	0.1%	0.1%
Age 65 ≥ age > 60	0.6%	0.5%
Age 60 ≥ age > 55	3.3%	2.8%
Age 55 ≥ age > 50	6.2%	5.6%
Age 50 ≥ age > 45	9.5%	8.8%
age 45 ≥ age > 40	12.9%	11.9%
Age 40 ≥ age > 35	14.7%	14.3%
Age 35 ≥ age > 30	16.3%	15.8%
Age 30 ≥ age > 25	16.5%	17.5%
Age 25 ≥ age > 18	18.5%	22.2%
< Age 18	1.4%	0.5%

Breakdown by gender (male-female)

The Carrefour Group had 57% women in the workforce at the end of 2012. The Group's active policy of promoting equal treatment of men and women is described on page 26.

Proportion of women by category	12/31/2012	12/31/2011
Senior Directors	11.2%	10.8%
Directors	20.9%	19.8%
Managers	36.7%	35.5%
Employees	59.7%	59.5%
TOTAL GROUP	**57.0%**	**56.7%**

Breakdown of workforce by category and type of contract

Workforce by category	12/31/2012	12/31/2011
Senior Directors	0.1%	0.1%
Directors	0.5%	0.5%
Managers	10.7%	10.3%
Employees	88.7%	89.1%

Workforce by type of contract	12/31/2012	12/31/2011
Permanent contact	93.6%	92.4%
Fixed-term contract	6.4%	7.6%

New hires and departures

Number of new hires	2012	2011
Permanent contract	96,786 ☑	94,406
Fixed-term contract	69,664 ☑	56,380

☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Departures by reason	2012	2011
Dismissal	22,408	28,128
Resignation	55,116	52,206
End of probation period	23,640	28,873

2.2.2 ACTING AS A RESPONSIBLE EMPLOYER

2.2.2.1 A PROACTIVE POLICY

Diversity is an integral part of Carrefour's economic model. Since its creation, the Group has been committed to reflecting the diversity of society and the communities in which it operates. With some 100 nationalities represented, diversity is a reality at Carrefour: its teams are made up of men and women of all ages, all backgrounds and varied career paths.

Promoting diversity and equal opportunity

Since its creation, the Group has pursued a proactive policy of promoting diversity and equal opportunity, starting with recruitment and continuing throughout its employees' careers. Carrefour ensures fair treatment of its employees' careers and implements best practices designed to encourage equality between men and women, local employment and the recruitment of young people (regardless of whether or not they have qualifications), people excluded from the workforce and the disabled, as well as maintaining older workers in employment.

This key Group commitment is the responsibility of the Executive director for Human Resources and Group Organisation, while Human Resources directors in each country are tasked with the mission of promoting diversity.

In France, this commitment resulted in the 2004 signing of the Corporate Diversity Charter, the Code of Professional Conduct and the Parenting Charter, and the 2008 signing of a diversity and social cohesion agreement for the hypermarkets ☑ and an agreement on employment for the disabled in hypermarkets, supermarkets and logistics. In other Group countries, promoting diversity primarily takes the form of action plans and agreements with local associations to support the recruitment of people from a wide range of backgrounds. In particular, the Group works in close partnership with Ekon in Poland and Once in Spain on recruiting the disabled ☑.

Raising awareness of non-discrimination

Combating discrimination is primarily a question of providing training and raising awareness amongst all Group employees, with particular attention paid to management training, especially in relation to recruitment. In 2012, Carrefour's various entities developed or continued to pursue actions that reflected their local context.

Various actions were taken in **Brazil** in 2012, including the approval of Carrefour's policy on promoting diversity, making non-discrimination a topic in the induction programme, specific training for in-store ambassadors and the launch of a wide-ranging awareness-raising campaign, "We are the face of diversity."

Spain has developed a special training programme on equal treatment, harassment and gender-based violence for managers and employees.

In France in 2012, managers in 40 hypermarkets, primarily in the Ile-de-France region, attended a training course on professionalising recruitment, during which each delegate had the opportunity to review the rules of objective evaluation and the legal framework surrounding non-discrimination ☑. The training course will be rolled out to new stores in the first quarter of 2013. An experimental study of hypermarket employees from all backgrounds on work/study contracts is currently underway, meant to identify the impact of potentially discriminatory behaviour on employees' performance.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Special programmes targeting respect for equal treatment of men and women

The Group has developed ways of organising work that enable people to reconcile their working and family lives (including work schedules organised in blocks and job versatility; see page 33) and are of particular benefit to women.

Several countries have also launched special programmes and/or signed workplace gender-equality agreements in order to encourage greater diversity amongst management employees. This is the case in France, where agreements were renewed for hypermarkets and supermarkets in 2012 ☑. **Spain** has also implemented equality plans since 2010. Women represent over 57% of Carrefour's total workforce, but are not as well represented at the highest management levels. In 2012, 35.7% of the Group's managers were women.

	2012	2011	2010	2009	% vs. 09
Percentage of women in management (1)	35.7% ☑	34.6%	34.0%	33.8%	5.6%

(1) Like-for-like BU figures (100% of 2012 consolidated sales, excl. VAT).
☑ 2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

In addition to local initiatives, the Women Leaders programme was launched at Carrefour in 2011 ☑. The Group Human Resources department has developed a comprehensive action plan and set up a Steering Committee to monitor its implementation as well as to obtain feedback on the countries' best practices. Four focus areas have been defined, resulting in measures that can be adapted to each country:

- each country's definition of its own objectives;
- making women more visible within the business by promoting their achievements;
- career development decisions focused on gender equality; and
- the work/life balance.

Based primarily on identifying and establishing ambassadors in all countries, the project was launched and organised in 2011 and expanded in 2012. Numerous initiatives have been launched, including communications and awareness-raising activities in all countries; definition of a process to identity women with high potential in France; proactive recruitment of women managers in Argentina; highlighting women's careers within the Group (Argentina, Spain, France and Romania); the launch of the Women Leaders intranet site; dissemination of a brochure to Senior directors in all countries and directors in France; and establishment of a day dedicated to the role of women in business for members of the Carrefour European Committee (European Information and Consultation Committee).

In **France** a study was carried out in supermarkets to assess the difference in remuneration between men and women with the same profile at the level of Regional director, Store director and Store manager. The results, which were presented to the committee responsible for monitoring the agreement on equal treatment of men and women in September 2012, revealed discrepancies of less than 2.5%. (1) Population: Supermarket Store directors ☑.

Concrete actions for integrating disabled workers and keeping them employed

At the end of 2011, Carrefour entered into a partnership agreement with the Disability Network of the International Labour Organization (ILO) in order to work on promoting, alongside community organisations and other institutions, the disabled's employment around the world ☑. In 2012, the partnership resulted in the Executive director for Human Resources and Group Organisation participating in the official launch of the Disability Network at the ILO in Geneva in June 2012, welcoming members of the network's Executive Committee to Carrefour's head office and meeting disabled workers at the Carrefour store in Montesson. A "Disability at Carrefour" video was produced and disseminated around the world.

Various countries have continued numerous programmes to help integrate and support disabled employees.

In Spain, Carrefour has pursued a proactive policy in this area by signing an agreement in 2005 and following it up with an approach to integrate the disabled in 2009. The Group is now working with the Inserta foundation on recruiting the disabled, and takes part in forums on employment for those with disabilities in its catchment area.

In Poland, Carrefour achieved an employment rate of 5.24% for the disabled in 2012 with the support of the Carrefour Foundation and Poland's Ekon association. Training in all stores helps employees to cooperate more effectively with the disabled. In addition, recruitment of the disabled is one of the criteria used to determine the remuneration of directors, Store directors and Regional directors.

(1) Methodology developed by the APEC (Agence Pour l'Emploi des Cadres) in France.

☑ Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

In **France**, Carrefour remained one of the leading employers of the disabled in the mass-market retail sector in 2012, reaching a level of 6.03% in its hypermarkets (as at the end of 2012, excluding suspended contracts). Employees in charge of recruitment at Carrefour in France have been specifically trained to identify where the disabled could be matched to store vacancies.

Brazil has launched the "I practise inclusion" programme, the aim of which is to offer the disabled the right to equality within the organisation, both when they are recruited and throughout their career. The focus is on the person's skills and assets rather than his or her limitations.

	2012	2011	2010	2009	% vs. 09
Percentage of employees deemed disabled (1)	2.8%	2.6%	2.4%	2.6%	7.5%

(1) Like-for-like BU figures (100% of 2012 consolidated sales, excl. VAT).

	2012	2011	2010	2009	% vs. 09
Number of disabled people (1)	10,095 ☑	9,452	9,092	9,758	3.4%

(1) Like-for-like BU figures (100% of 2012 consolidated sales, excl. VAT).
☑ 2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

A special focus on older workers' employment and working conditions

Carrefour pays particular attention to employing older workers and ensuring they enjoy good working conditions in the later stages of their careers. Agreements have therefore been negotiated and signed within the various entities in France, in particular to implement action plans in relation to managing older workers' careers effectively.

Information sessions and training on retirement issues with the main welfare insurance groups have been rolled out in hypermarkets in France since 2010. By June 30, 2012, 146 information sessions had been deployed and 541 people had taken part in the programme.

A guide for older workers was also sent to the home address of all supermarket employees over age 45 and those over 55 at Carrefour Banque. It provides information and advice on working in a career's later stages and on planning for retirement.

2.2.2.2 DIALOGUE AS A TOOL TO DRIVE SOCIAL PROGRESS

The Carrefour Group is committed to consultation and internal and external social dialogue in support of individual and collective development.

As a means of measuring labour relations internally, for example, Carrefour carries out a detailed survey of its employees' expectations. Discussions take place on this basis at every level of the business and help to develop the Group's culture and boost its employees' commitment.

Identifying employee expectations

Surveys have been carried out with employees across the Group for the last 20 years to identify their expectations, including the Listening to Employees survey, focus groups, internet-based surveys in France and Italy and Encuesta Compromiso in Argentina ☑. These surveys, conducted with a representative sample of store and head-office employees, are used to gather views on such key topics as corporate image, training, career development, working conditions, management and commitment levels. The results are analysed in detail and fed into targeted action plans for each entity.

To take the process a step further, Carrefour disseminated a comprehensive opinion poll to all Group employees in May 2011, with a twofold aim:

- to gather employees' opinions on such key topics as career opportunities and development, quality of working life, interpersonal relationships, internal rules, policies and management functions within the business;
- to measure the extent to which employees understand and support the Carrefour Group's strategy and objectives ☑.

Following the survey, each country implemented a 2012 action plan; for example:

Belgium has been targeting four areas, all identified as improvement goals: communication, career opportunities, the Company's recognition of its employees and the Company's reputation. One action plan produced by Carrefour Belgium in 2012 involved the implementation of HR Fundamentals (cf. Part 2.3.4), plus training for 85 Store directors on how to use these tools.

In **Romania**, the improvement goals identified in the comprehensive survey were cross-referenced with results from self-assessments on HR processes carried out by all Store directors as part of introducing the Group HR Fundamentals programme. Action plans were implemented, and 25 commitments were made and communicated through posters in each store. Romania also trained its 75 Store directors on the HR processes and tools recommended as part of the HR Fundamentals programme.

In **Poland**, detailed surveys were carried out with 300 people in 10 stores.

In **France**, 115 groups of 10-12 people were surveyed in hypermarkets, while over 12,500 supermarket employees in France responded to the “all store employees” surveys conducted *via* the Internet.

Organisation of social dialogue

At Group level, in the mid-1990s Carrefour created one of the first European works committees: the European Consultation and Information Committee (*Comité d’Information et de Concertation Européen* – CICE). The CICE provides an opportunity for Carrefour’s social partners to speak freely and transparently with General Management on an extremely wide range of topics, including sustainable development and corporate social responsibility since 2008. Carrefour’s signing of an agreement with UNI (Union Network International) in May 2001 has contributed to the development of a real culture of social dialogue.

At European level, 2012 saw the tangible implementation of a new Carrefour European Consultation and Information Committee agreement, signed in 2011 ☑. In addition to the Carrefour European Consultation and Information Committee’s ordinary meetings, General Management organised a two-day training and information seminar in May 2012 for social partners and members of the committee; one day was devoted to equal treatment of men and women. A meeting of the CICE’s Executive Committee devoted to new technologies was also set up. The agreement has improved communication between members of the European Committee: the CICE newsletter and website, launched in 2012, provide comprehensive, detailed information on meetings, best practices and official Group communications. These ensure that members are kept informed throughout the year.

Social dialogue steadily grew in 2012, both in countries where it is an established practice and in those where the process is at an early stage.

In **Turkey**, for example, a collective agreement on salary increases was negotiated and signed in 2012. In **France**, annual compulsory negotiations resulted in new benefits for hypermarket, supermarket and logistics employees (e.g. the CESU [1] in hypermarkets). In **Poland**, 138 open-door meetings were organised for trade-union representatives to meet Carrefour employees. In **Belgium**, three new collective bargaining agreements were signed regarding work organisation, the price discounts granted to employees and payment of one-off, performance-related benefits.

(1) *Chèque Emploi Service Universel*, a flexible service voucher for employees.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Overview of collective bargaining agreements

The following table supplements the overview of collective bargaining agreements described above. It shows the main agreements signed in 2012. Clauses added to previously-signed agreements in 2012 are not listed.

Country	Agreements signed
Belgium	Agreement on work organisation in hypermarkets to support job versatility. Agreement on computerisation of promotional vouchers. Agreement on the redeployment of certain individuals. Definition of joint annual targets for calculating management bonuses.
China	Signing of three types of agreement for a total of nine in 2012. ■ Standard agreements to fulfil legal obligations that had just come into effect (all stores); ■ Standard agreements amended to include a commitment for a higher minimum salary than the required local legal minimum (10 stores); ■ Standard agreement amended to include a salary increase compared with 2011 (six stores).
Spain	Agreement on work organisation.
France/hypermarkets	Company-wide agreement on equal treatment of men and women in the workplace ☑. Agreement on change of membership in top-up pension organisations ☑. Agreement on management of career development for certain individuals ☑. Profit-sharing ☑. Agreement on workplace health ☑.
France/supermarkets	Agreement on workplace health ☑. Profit-sharing ☑. Incentive scheme ☑.
Poland	Definition of Inspectors' function. Definition of consultation rules in the case of employees on permanent contracts being made redundant. Definitions of redundancy terms regarding the closure of four hypermarkets.
Romania	2012-2013 collective bargaining agreement on pension payments made to employees leaving the business when they reach retirement age.
Turkey	New collective bargaining agreement for a three-year period.
Brazil	Collective bargaining agreement for the São Paulo region.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

An overview of the health and safety agreements signed is shown on page 32.

2.2.2.3 INCREASED HEALTH AND SAFETY VIGILANCE AT WORK

The health and safety of both employees and customers are key priorities for Carrefour.

The Group made a commitment at a very early stage to a proactive policy of improving its employees' working conditions in terms of both safety and physical and psychological health. From the outset, this approach has been characterised by respect for the operational teams and listening to their needs, introducing flexible working practices and a commitment to work/life balance. Countries without specific safety regulations base their practices on stricter French safety standards. Differences in legislation and the principle of subsidiarity regarding Carrefour's various countries and entities justify the diversity of health and safety actions taken across the Group.

Prevention of workplace accidents

In addition to regulatory requirements, the Group ensures that its employees understand health and safety regulations, runs preventive training and awareness-raising campaigns, establishes procedures in the countries where it operates and performs regular on-site audits. To reduce the number and seriousness of workplace accidents, the Carrefour Group also puts risk assessment and prevention at the heart of its employee health and safety management system. Many countries have set up dedicated organisational structures in the past few years ☑.

Regular training courses are provided to disseminate best practices and ensure that they are applied consistently, covering in-store safety as well as health, movement and working posture. Supermarkets in France trained over 2,500 people in movement and working posture in 2012.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

France also developed risk assessment software in 2009. This is designed to reflect the activities of each banner and is now deployed in all hypermarkets and 224 supermarkets. This allows each store to carry out risk analyses for all its workstations and to implement annual action plans.

The Carrefour *market* store in Suresnes (France) stood out for its exemplary actions in the area of workplace risk prevention by conducting a prototype study and introducing equipment to improve working conditions when employees are putting goods on display. As a result, the banner was awarded a Cramif (*Caisse régionale d'assurance maladie d'Île-de-France*) Award from the Île-de-France health insurance fund.

Carrefour France created a dedicated body for workplace health and safety in 2012. Several major projects have been launched, including those aimed at preventing psychosocial risks, appointing a Company medical officer for France and preventing workplace risks associated with the "drive-in" format; these resulted in the signing of two partnership agreements with the Île-de-France health insurance fund on January 25, 2013, the first on "drive-in" collection points and the second on workplace risk prevention officers' training for Carrefour France.

Spain has identified a list of equipment needed to ensure that employees are properly protected for each workstation. Employees can also take a dedicated training course on preventing risk in their day-to-day work *via* the Online Campus site.

In **Poland**, a dedicated health and safety department is responsible for the risk prevention system and checks that procedures are applied and updated as necessary. It sets up and runs a programme of regular audits and monitors the corrective actions expected. A risk assessment is carried out for each workstation at each store opening.

In Brazil, accident analysis carried out in 2012 resulted in the production of a preventive action plan. Training on the use of equipment and machinery has been intensified.

Romania has introduced a risk identification procedure, and quarterly meetings run by the Health and Safety Committee establish whether any action plans are required.

Rate of work absences and accident frequency and seriousness

	2012	2011	2010	2009	% vs. 09
Rate of absence due to workplace and travel-related accidents (1)	0.57%	0.58%	0.59%	0.58%	(0.8)%

(1) Like-for-like BU figures (83% of 2012 consolidated sales) – excluding: HM: BR/SM: BR.

	2012	2011
Workplace accident frequency rate (1) (number of accidents/millions of theoretical work hours)	21.9 ☑	28.0
Workplace accidents' seriousness level (1) (number of days absent due to workplace accident/1,000 work hours).	0.52	0.61

(1) Like-for-like BU figures (100% of 2012 consolidated sales, excl. VAT).
☑ 2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

Prevention of occupational illnesses

Workplace ergonomics and combating musculoskeletal problems

The main occupational illnesses identified by the Carrefour Group are musculo-skeletal problems. Numerous preventive actions are taken across the Group to avoid them.

Carrefour stores have been given ergonomic equipment designed to limit handling operations. French supermarkets and hypermarkets, for example, are equipped with high-lift pallet trucks or manual trucks in smaller stores. Platforms have been specially created in supermarkets to allow employees to reach the top shelves easily.

In 2012, **France's** logistics entity limited the height of pallets, and significantly reduced the number of 1.80-metre pallets leaving the warehouse. Building on these initiatives, a three-year action plan was instigated in 2012 on preventing strenuous working conditions and psychosocial risks. An information/consultation phase began in December 2012.

Preventing stress and psychosocial risks

Over the past 15 years, stress has emerged as a major psychosocial risk faced by companies. The Carrefour Group instigated an approach to preventing psychosocial risks in the workplace several years ago. It aims to assess the main risk factors and support the development of appropriate action plans. Numerous actions have been taken at local level at the instigation of countries and entities.

<u>Carrefour Banque carried out a study involving all employees in 2012, conducted by a firm specialising in assessment and prevention of psychosocial risks and workplace stress</u> ☑.

In Carrefour stores **in France**, training courses on stress management and "SOS Conflict" courses continued in 2012 to help employees manage sometimes difficult relationships with customers (from basic dissatisfaction to verbal or physical aggression or the threat of violence):

- some 43 managers and 1,385 hypermarket employees and store managers were trained in stress management, with the aim of identifying stress linked to workplace activities and managing and adapting working methods to optimise performance and improve the quality of working life;
- 1,310 employees took part in the "SOS Conflict" course in hypermarkets and 248 in supermarkets. A total of 25,266 have benefited from the programme since 2004.

The supermarkets also took the initiative and launched a questionnaire in early 2012, with the help of an outside firm, on evaluating and preventing psychosocial risks.

A remote listening and psychological support system has also been set up for all employees in France. Available free-of-charge and 24/7, this personalised, anonymous, confidential service gives employees access to an outside psychological clinician to discuss any work-related or personal issues that may be causing them unhappiness or even psychological problems, such as bereavement, conflict or stress.

Spain has carried out psychosocial risk assessments in over 20 stores. Despite the low level of psychosocial risks identified in the research, action plans have been agreed upon and implemented so as to prevent their appearance.

In **Poland**, a module on psychosocial risks and stress management has been introduced into the training programme delivered as part of the induction process for new recruits. They are also told about the most frequent causes of occupational illness.

Promoting employee well-being

To ensure that all employees flourish in their work, Carrefour focuses its actions on promoting work/life balance and supports the introduction of programmes to improve working conditions.

Work/life balance

Carrefour was one of the first businesses to make a commitment to respecting its employees' work/life balance. As a member of the *Observatoire de la parentalité en entreprise* (a charitable organisation), the Group signed a parenting charter in 2008 and made a commitment toward implementing tangible initiatives in this area.

In **France** and **Spain**, agreements on the equal treatment of men and women ensure that employees have more opportunity to reconcile their working and family life. In tangible terms, employees in **Spain** now have the option of adding annual leave to their paternity leave. In **France**, various measures have also been taken in relation to parenting, including adjustments to working hours, a pilot scheme for inter-company daycare centres in towns with several Carrefour *market* stores, funding of childcare for parents attending training courses and offering CESU flexible service vouchers with a 50% employer contribution. The CESU voucher scheme already existed in the supermarkets, but was renewed and extended to hypermarkets for the first time as part of the 2012 annual compulsory negotiations.

Poland ran a time-management course in 2012 to help people organise, plan and complete tasks more effectively, thus aiding them in maintaining a better balance between their work and personal lives.

Work-schedule pooling (see page 33) also helps them to achieve a better work/life balance.

Programmes to improve working conditions

Since the issue of improved working life is at the heart of current social thinking, Carrefour has implemented programmes on management and interpersonal relations intended to improve working conditions.

In **Spain**, the Carrefour Life programme, an ambitious social project aimed at employees and their families, offers a range of benefits, courses and group activities designed to help people combine their private and working lives. The programme includes summer holiday camps, the chance to take part in sporting competitions, cultural events aimed at children, such as cinema and show tickets, and more. The programme has been a tremendous success since it was launched in 2009. It had over 22,000 members in 2012.

Hypermarkets in **France** introduced a well-being programme for check-out employees in 2010. The popularity of the initiative, which attracted over 12,000 participants, encouraged Carrefour to repeat it, with 11 new ideas for events such as cookery competitions and introductory courses.

Numerous initiatives that go beyond legal requirements are run within the Group, such as courses designed to improve employees' diets, which are offered in **France** as part of an e-learning programme and are also available in **Argentina**, **Brazil**, **Poland** and **Taiwan**. In **Taiwan**, for example, the Employee Caring Mechanism programme, launched in all stores and at head office in June 2011, aims to improve employees' well-being at work through a range of initiatives, including birthday celebrations, rest areas, yoga and dance classes after work, information sessions on insurance and tax schemes, and so on.

☑ *<u>Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.</u>*

Absenteeism rate by reason

Absenteeism rate	2012	2011
Illness [(1)]	3.76%	3.87%
Workplace accidents	0.42% ☑	0.42%
Accident while travelling	0.04%	0.04%

(1) Illness only for employees on permanent contracts.
☑ 2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

Overview of agreements signed regarding health and safety at work

The table below shows some of the agreements and supplementary agreements signed with trade unions or employee representatives on workplace health and safety in 2012. This list is not exhaustive. Clauses added to previously-signed agreements are not included.

Country/Format	New for 2012
France/supermarkets	Renewal of an agreement signed in May 2009 for a three-year period. Part of the initial agreement relates to psychosocial risks and workplace stress (prevention of sexual and psychological abuse, support for risks of antisocial behaviour, support for employees who are victims of aggression and prevention of workplace stress). The new agreement now includes commitments on reducing workplace strenuousness ☑.
France/hypermarkets	Three-year agreement signed in hypermarkets in July 2012. Three major prevention areas, involving physical risks, psychosocial risks and workplace strenuousness ☑.
Brazil	Agreement on medical assistance and insurance coverage.

☑ Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

2.2.2.4 EFFECTIVE WORK ORGANISATION THAT RESPECTS EMPLOYEES' NEEDS

Innovative organisational and working-time models

Carrefour is committed to implementing effective organisational models that respond to the constraints inherent in the business and the changes it faces, while continuing to pay attention to employees' expectations and to comply with local regulations.

There are several ways of improving work organisation in stores while ensuring the efficiency levels required for growth, including reducing part-time work through job versatility, developing work-schedule pooling and experimenting with remote working.

Reducing part-time employment

Wherever possible, Carrefour seeks to boost the hourly basis of its part-time employees.

	12/31/2012	12/31/2011
Proportion of part-time employees	23.5% ☑	23.4%

☑ 2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

In **France**, actual working time for all full-time employees is 35 hours, except for managers, who work a fixed number of days per year. In hypermarkets, actual working time for part-time employees is a minimum of 30 hours (except for student contracts) ☑. Hypermarkets offer their part-time employees a full-time contract whenever possible.

In **Spain**, an agreement on reorganising working hours was signed in 2012: it defines the minimum and maximum number of working hours per day and an annual calculation of working hours. Going forward, employees who work every day of the week are guaranteed two consecutive days off on a Saturday and Sunday five times per year.

☑ Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

Part-time work is an option that enables the Group to adapt its store-based activities to suit customer flows. However, the employees affected have not always favoured this alternative. Carrefour has developed a job versatility option – first in France and then in other countries – which offers employees the opportunity to do some of their work in a different department within the store or to do a different job. This enables them to increase their number of working hours and therefore their remuneration, diversify their workplace experience and explore new business functions.

Since 2009, job versatility has enabled any hypermarket employee **in France** to work under a full-time contract where possible, if they so wish. This means that they can work an additional five hours and see a 17% increase in their remuneration. Most logistics sites in France also offer job versatility. Some 1,284 people had taken advantage of job versatility in hypermarkets as at the end of 2012, 92% of whom were women, including 150 new beneficiaries.

Job versatility has existed in **Poland's** supermarkets for several years.

Work-schedule pooling

Introduced in France in 1998 and managed *via* a computerised tool, pooling of work schedules allows check-out employees to plan their working time in accordance with their wishes and the level of store activity.

Two pilot schemes are underway in three stores in **Belgium**:

- work-schedule pooling based on the scheme used in France;
- a "free-time management" pilot, which gives check-out employees the option of indicating two to five periods during the week when they are not available.

Over 200 stores **in France** used the work-schedule pooling system in 2012, which can be implemented in any store with sufficient employee numbers.

Remote working

Remote working is designed to enable employees to work flexibly while helping them to be more efficient. Working from home for some of the time can be especially useful in certain functions, in particular because it avoids employees having to travel to their usual workplace.

Carrefour tested remote working in **Italy** and **Belgium** in 2012 with some 20 employees from each head office. The scheme allows people to work remotely for one day per week in Belgium and up to two days per week in Italy. The business provides the necessary tools – computer, mobile phone and Internet access – and ensures that it meets legal requirements with regard to accidents or illnesses at an external workplace.

The pilot in Belgium was conclusive and will be extended to all central services in 2013 (while the pilot in Italy is currently being analysed).

Adapting the social model to economic challenges

The demanding economic environment, structural changes in consumption patterns and increased competition in the mass merchandise sector have had an impact on Carrefour's business in western Europe, particularly in France.

<u>Against this background, Carrefour France launched a voluntary redundancy scheme at various head offices in early 2013</u> ☑.

It was decided to reduce the size of central services and support functions to simplify organisation of the Group's head office and other head offices in France and therefore help to boost the business's competitiveness over the next few years while building a closer relationship with our in-store clientele.

2.2.3 DEVELOPPING AND REWARDING CARREFOUR'S MEN AND WOMEN

Career management, training and recognition of its men and women are key elements in the Group's operational performance. Carrefour has a firm commitment to all these areas and focuses its activities on three priority areas:

- ensuring dynamic, equitable career management;
- providing opportunities for all employees – whatever they do, throughout the world – to take part in training and increase their employability throughout their working lives;
- offering fair remuneration and employee benefits that motivate employees, in line with the market and employees' needs.

The 2011 implementation of the Carrefour People Model and an HR Fundamentals scheme was designed to strengthen the underlying principle by creating the conditions for responsible management and effective human resources management.

☑ *<u>Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.</u>*

2.2.3.1 PROACTIVE TALENT AND CAREER MANAGEMENT

With over 120 different business functions and a presence in 12 countries, Carrefour offers some highly varied career paths and real mobility opportunities. The Group prioritises internal promotion and is committed to employees' development being based on their actual performance and their ability to take on new responsibilities, combined with the business's needs. To accomplish this, the Group has equipped itself with effective management tools and processes, including:

- **career committees.** Career committees exist at every organisational level. Their aim is to identify talent and ensure that the business has the right people, in the right place, at the right time, now and for the future. This results in joint and individual development areas based on rigorous succession planning;
- the introduction of **career management meetings** designed to encourage the mutual exchange of views and the development of internal mobility between various countries and regions; and
- **annual performance appraisals.** As Senior Directors and most directors have been trained in the new Carrefour People Model (see below), their performance has been assessed on the basis of new methodology that takes account of both individual objectives (the "what") and key skills (the "how") in order to strengthen the Group's performance-based culture. The appraisal is an opportunity for the employee and his or her manager to discuss the employee's performance over the year, how they would like their career to develop and their training needs;
- **the commitment** the Carrefour Group has made to **promoting women's development** and supporting them so that they might reach positions at the highest level of responsibility, primarily thanks to Carrefour's Women Leaders project.

In **Romania**, an employment exchange has been set up in order to create a transparent internal recruitment system so that all vacant positions are visible to all employees. Following the 2011 reorganisation, support has been provided to help encourage managers in overstaffed hypermarkets to move over to supermarkets.

Spain has developed a career tracking tool to assess the performance of all employees and produce career plans.

In **France**, the "enviedebouger" intranet site supports internal mobility by publishing details of new challenges.

Carrefour also decided to show its commitment by signing an agreement with its social partners on career development paths in December 2011. The intention is for the new agreement to provide ways of encouraging voluntary functional and/or geographical mobility for all Group employees in France. It is about providing the resources to build a career path for employees through:

- links between various occupations;
- a training policy designed to make it easier for employees to adapt and develop their professional skills;
- job mobility, mainly internally;
- ways of managing job mobility that align with each company's human resources management policy.

A Young Talents path has also been formalised in hypermarkets in France to help identify the managers of the future and support internal promotion: a questionnaire has been sent to all young Group employee members who have been in a business management position for a minimum of two years. This identifies potential among existing employees members and means that they can be offered a career that meets their expectations and aligns with Group needs.

Rate of internal promotion	2012	2011
Promotions to Senior Director	52.2%	30.5%
Promotions to director	43.9%	45.0%
Promotions to manager	51.6%	49.1%
TOTAL	**51.2%**	**48.5%**

2.2.3.2 TRAINING TO SUPPORT PROFESSIONAL AND PERSONAL EFFECTIVENESS

The Carrefour Group's training policy

The Carrefour Group's training policy promotes employees' skills development and sustains them throughout their career. It also supports organisational change based on simplicity and effectiveness. Shared between the Group and country or entity levels, the Group Training department is responsible for carrying out this policy.

The Group provides leadership training for Senior Directors and certain high potentials. Each country and business unit is also responsible for implementing its own training plan to meet its particular needs, especially where this relates to specific business functions.

The policy is structured to follow the employee's career path, breaking down as follows:

- training prior to and when starting a position, including an induction course for new arrivals involving business-related, customer-relations and corporate-culture elements;
- training for better job performance;
- development programmes to prepare for and support career progression.

Targeted training is offered for each of the 120 business functions represented at Carrefour in order to ensure excellence in the basics, with a goal of 100% of the target groups receiving compulsory training ☑.

In total, nearly 5.0 million hours of training were provided in 2012, an average of 17.1 hours of training per person ☑.

Hypermarkets in **France** organise numerous open houses to provide information and raise awareness of the training available amongst employees. A total of 141 open houses were organised in 2012, and 181 stores ran open houses between 2010 and 2012.

Romania introduced a training policy to encourage employees to adopt a proactive approach on the basis of the development needs expressed during their annual performance appraisal. Some 20 courses are now on offer, and 515 attendees have benefited from the new system.

In **Spain**, an e-learning platform is being developed and several new programmes have been created, including "Fresh Products School," a check-out simulator, Carrefour Spain Master, business and language training, and more.

In **China**, in addition to individual development plans, Carrefour has introduced a programme designed to assess store managers' level of business knowledge in the form of a so-called "driving licence" assessment system.

	2012	2011	2010	2009	% vs. 09
Average number of training hours per employee (1)	17.1	17.6	17.4	17.8	(4.3)%

(1) Like-for-like BUs (scope: 84% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR/SM: BR.

	2012	2011	2010	2009	% vs. 09
Total number of training hours delivered over the year *(in millions)* (1)	5.0 ☑	5.3	5.4	5.5	(10.0)%

(1) Like-for-like BUs (scope: 84% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR/SM: BR.
☑ 2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.

The Group's 2012 training priority involved the roll-out of the Carrefour People Model. The goal is to have a leadership model that clarifies the key skills that all Carrefour employees should have, regardless of their function, in order to improve the Group's results through better individual and collective performance and to make the Carrefour attitude (committed, caring and positive) a reality.

Training on the Carrefour People Model was launched in 2011 and delivered to Senior Director (Senior Directors and directors) in all countries in 2012. Several countries, including **Belgium, Poland, Italy and Turkey**, have also rolled out training to managers. As a result, over 6,000 employees have been trained on the model.

An e-learning platform (E-Campus Carrefour) was created at Group level to help share initiatives and support the model's roll-out. Key training topics to be included in training catalogues so as to ensure the development of key skills have been identified and communicated to all countries.

Accredited training

The Carrefour Group makes full use of the continuing education programmes provided within the legislative framework in France, and makes every effort to extend these to other countries where possible.

Carrefour supports two accredited training programmes in France:

- the CQP (*Certificat de qualification professionnelle* – Certificate of Professional Qualification) is aimed at employees without any other qualifications and gives them the opportunity to obtain professionally-recognised certification. The CQP scheme is already implemented in supermarkets so as to recognise existing employees' skills and has been introduced in hypermarkets with the aim of supporting integration. In 2012, 1,604 people on work/study contracts completed training to obtain a Retail Employee Certificate of Professional Qualification. A total of 654 employees attended a three-day mentoring course. The introduction of the CQP Logistics Professional qualification in 2012 was piloted in the Logistics department and is scheduled to be rolled out to all logistics sites in 2013;

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

- APL (Accreditation of Prior Learning) offers employees the chance to gain formal accreditation for their experience in the workplace. The first pilot scheme, launched in supermarkets in 2011, was continued in 2012 (with 30 people involved that year). Internal trainers in supermarkets are also awarded skills certificates by the Sorbonne. The trainers concerned this year were those working in the non-food segment and at check-outs.

In addition, **Promocash**, the Group's cash & carry banner, has introduced a professionalisation programme for two intakes of departmental managers with a view to promoting them to deputy positions.

Romania, **Belgium**, **Italy** and **Poland** have also had accredited training programmes since 2012.

Knowledge transfer and mentoring

The aim of so-called "referral" stores and business trainers all over France and within each banner is to ensure that know-how and business best practices are passed on to the next generation. Learners alternate between theory and practice while working in-store.

In addition, under the GPEC Agreement (job and skills forecast management system) of February 6, 2009 and the "older workers" agreement settled with social partners, the Group's various French entities negotiated and made commitments to promote senior employment. As part of this initiative, senior-employee volunteers can pass on knowledge to less experienced employees, provide training and mentor young people on work/study programmes, and support the integration of new employees.

In **France** and **Spain**, Carrefour has also put in place an internal recruitment scheme for franchisees based on passing on know-how and providing on-going technical and commercial support. A total of 333 people have been trained in France (including the 2011-2012 intake) in the convenience store format.

Promoting equal opportunities through training

Each year, the Carrefour Group hires many people without professional qualifications and offers them a wide range of jobs along with numerous opportunities for development through training. Today, more than 50% of new Group managers have risen through the ranks by means of internal promotion ☑. With its wealth of cultural and social diversity, the Group maintains a proactive policy that offers opportunities for those from all backgrounds. Training has been introduced for employees with reading and writing difficulties, based on the EvoluPro programme; the course is run by Carrefour hypermarkets in France and provides store employees with an opportunity to learn or improve their French on a voluntary basis. Since 2010, 665 people have benefited from the programme. It was renewed and extended to 70 stores during the annual compulsory negotiations in 2012. A pilot scheme is set to be launched for Logistics starting in 2013.

2.2.3.3 MOTIVATING, APPROPRIATE, COMPETITIVE EMPLOYEE REMUNERATION AND BENEFITS

Carrefour ensures that Group employees benefit from attractive remuneration and benefit plans in line with local practices in each market and in accordance with legal obligations and Group rules.

Motivating employees

Carrefour wants all employees to be aware of their own objectives and for the latter to be defined in line with Group priorities.

This means paying special attention to managing skills and performance. All managers are therefore asked to support members of their team to develop their skills and assess their performance regularly over the course of the year.

Recognising employees

Fair remuneration within the organisation

Fixed and variable remuneration levels are set while taking into account the specific nature of each function and the skills required.

The annual remuneration review is designed to verify the consistency and fairness of internal remuneration levels: proposals for remuneration changes are analysed by each entity to ensure that they are consistent with responsibilities and the performance of each employee, and that they are based on a principle of fairness.

Remuneration levels reflecting market practices

Countries assess their positioning each year in relation to their local market based on dedicated remuneration surveys, in order to ensure that salaries are in line with the Group's employment catchment areas.

Linking employees to Carrefour's performance

Each entity within the Group has simple, motivating remuneration plans. These aim to link employees to the business's results and in particular to recognise employees who have made a decisive contribution to the results achieved ☑.

To accomplish this, managers are eligible for variable individual remuneration, the amount of which varies in line with the economic results of the entity to which they belong and their individual performance. In addition, special initiatives for in-store employees were launched in several countries in 2012.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

A number of collective variable-remuneration schemes have thus been developed:

- **China** has announced the launch of a profit-sharing scheme in 2013 for which all employees in the country will be eligible;
- in a similar vein, all employees in **France** are eligible for a profit-sharing and incentive scheme that is more generous than the legal requirement. The amounts paid can be invested in a Group savings plan within six employee savings funds, offering a range of investment possibilities. The Carrefour Group supplements some of these payments with a top-up contribution;
- Carrefour supports employee share ownership by offering a Carrefour Shares fund as one of the six on offer. As of December 31, 2012, Group employees held 1.17% of the Group's capital through the Group savings plan;
- in **Brazil**, a dedicated incentive scheme linked to store and merchandise results has been launched to recognise those employees who have made a decisive contribution to performance.

Offering appropriate benefits

Benefit schemes in line with local practices have been implemented in each country where the Carrefour Group has a presence. Carrefour therefore contributes to improving the day-to-day lives of its employees and their families, for example through healthcare schemes top-up insurance schemes and purchase discounts ☑.

In 2012, the Group also instigated an inventory of employee benefit schemes worldwide ☑. The inventory is designed to check that schemes comply with local obligations and to assess Carrefour's position in each country, along with the risks and opportunities inherent in each scheme.

This approach is part of the Group's desire to respond to its employees' changing social-protection needs. It also translates into various initiatives in relation to communications on the various Group benefit schemes.

In **France** and **Spain**, for example, a brochure distributed to employees describes the various elements that comprise their remuneration and benefits. In addition, all hypermarket employees in France received a remuneration "passport" for the first time in 2012. This is an individual, personalised document that details the elements that make up the employee's remuneration and benefits. Following a survey carried out with recipients, this remuneration "passport" will be updated and improved in 2013.

Ensuring compliance with legal obligations and Group rules

Given the associated challenges, particularly in financial and governance-related terms, the Group Human Resources department has been keen to pay particular attention to the issue of remuneration and employee benefits, for which specific rules have been communicated to the various Group entities.

2.2.3.4 MANAGEMENT TOOLS AT GROUP LEVEL

HR tools, known as HR Fundamentals, have been developed to apply in all countries where Carrefour operates. Used in conjunction with the Carrefour People Model, these will contribute to improving commercial results by increasing our employees' commitment and satisfaction across the Group.

The eight HR Fundamentals were implemented in all Group stores in 2012 (excluding China and Brazil, where they are scheduled for implementation in the first half of 2013), giving the countries tools to help Store directors and their managers to excel in recruitment, induction, objective-setting, remuneration and employee benefits, employee recognition, communications, training and career management ☑.

The eight HR Fundamentals are part of an approach toward on-going HR-process improvement. An intranet site was developed in 2012 and has been translated into all Group languages to make it easier for managers to access tools and to encourage them to share best practices.

2.3 Sustainable supplier relationships

Since 1997, the Carrefour Group has been committed to oversight of working conditions at its own-brand product suppliers, and stands as one of the pioneering companies in this area.

While the Group believes social audits are necessary it does not feel that they are sufficient, and is therefore going further by boosting supplier support so as to contribute to improving employee working conditions. Carrefour also works toward harmonising social standards from an international standpoint and, in the context of its commercial relationships, contributes to its suppliers' training and economic development.

2.3.1 ENSURING OUR SUPPLIERS' RESPECT FOR HUMAN RIGHTS

2.3.1.1 THE SOCIAL AND ETHICAL CHARTER FOR CARREFOUR PRODUCT SUPPLIERS

For more than 15 years, the Carrefour Group has implemented a proactive policy designed to ensure respect for human rights by all Carrefour product suppliers. This involves monitoring compliance with the main Conventions of the International Labour Organization (ILO). This commitment was formalised through its cooperative work with the IFHR (International Federation of Human Rights), which began in 1997 through a joint association known as INFANS. In 2000, this partnership led to the drafting of a Social and Ethical Charter, which is appended to contracts signed by Carrefour's own-brand product suppliers.

In its Social and Ethical Charter, Carrefour notes, amongst other things, that its commitment to retailing that complies with ethical standards, operates within the law and respects human rights is in line with the 10 principles of the United Nations Global Compact and the 10 principles of its Code of Professional Conduct.

By signing the Charter, suppliers commit, at every stage of their commercial relationship, to operating strictly within the law, undertaking not to impede competition law in any way, avoiding conflict-of-interest situations, disallowing any form of corruption and guaranteeing confidentiality.

In terms of employment rights, suppliers must undertake to comply with seven fundamental principles:

1. Prohibiting forced or compulsory labour;
2. Prohibiting child labour;
3. Respecting freedom of association and recognising the right to collective bargaining;
4. Prohibiting any form of discrimination, harassment or physical or psychological violence;
5. Guaranteeing that necessary health and safety measures are taken;
6. Offering workers decent salaries, benefits and working conditions;
7. Guaranteeing working hours in line with international standards. These principles, set out in the contractual document signed by suppliers, are based on the Reference Code produced by the GSCP (1) (see below) according to best practices identified in the various existing Codes ☑.

To date, 100% of Carrefour-brand product suppliers have signed the Social and Ethical Charter.

(1) www.gscpnet.com.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Key figures

1,044 social audits conducted at Group level in 2012 ☑.

of which 55% were listing audits and 45% follow up audits.

Suppliers of national-brand products are also required to sign an Ethical Charter, through which they undertake to maintain a relationship with Carrefour based on ethical practices.

2.3.1.2 RESPECT FOR THE SOCIAL AND ETHICAL CHARTER

To support the Social and Ethical Charter, Carrefour and the FIDH have developed a methodology designed to monitor compliance with the Charter, *via* social audits carried out by firms of independent experts, as well as to provide long-term supplier support. This methodology is based on the following steps:

- presentation to suppliers of the conditions of their commercial relationship with Carrefour, a commitment by suppliers to the principles of the Charter and on-site inspections carried out by Carrefour teams;
- external, unannounced on-site inspections carried out by professional audit firms selected by Carrefour;
- random, external, on-site inspections carried out during FIDH missions under the INFANS scheme;
- implementation of a corrective action plan following the audit, co-signed by the supplier, and the recommendation of additional measures by the FIDH if necessary;
- monitoring of corrective actions by Carrefour teams, and follow-up audits.

At the same time, Carrefour is continuing to train its own teams in **France** and **Asia** with regard to social responsibility and monitoring its implementation on-site.

Listing and follow-up social audits commissioned by the Group obey strict rules, and the last few years have been devoted to boosting these requirements:

- the geographical scope of systematic social audits has been redefined with the FIDH in light of current country risks;
- any new supplier located in an at-risk country must subject their manufacturing sites to an external social audit in order to be listed, and listing is only possible if the results of this audit comply with Carrefour's requirements;
- where examples of non-compliance are observed, the time frame for carrying out follow-up audits will depend on the nature and gravity of the non-compliance issue.

In addition, audits are scrupulously made unannounced, regardless of the supplier or activity sector. This type of audit has proven essential to determining actual working conditions.

All Carrefour product suppliers located in sensitive countries are audited prior to listing.

Key figure

In 2012, 75% of the 1,044 sites where social audits were carried out were in China ☑.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.3.2 SUPPORTING CONTINUOUS IMPROVEMENT FOR CARREFOUR PRODUCT SUPPLIERS

2.3.2.1 IMPLEMENTING AN INNOVATIVE SUPPORT APPROACH IN ADDITION TO AUDITS

In 2012 as in previous years, the types of non-compliance most often observed related to working hours that exceeded ILO conventions and local legislation and respect for minimum wages, plus an increase during the year in instances of non-compliance relating to safety, in particular associated with more stringent requirements. This observation highlights the limitations of the audit process, which is necessary but no longer sufficient, and affirms Carrefour's policy of supporting suppliers *via* a progressive approach based on three main areas:

- Carrefour is increasing the countries' direct involvement in the conduct of social audits while maintaining coordinated actions at Group level to produce a comprehensive risk map and to share a common framework, methodology and resources;
- to ensure that the actions taken to remedy instances of non-compliance are effective and of benefit to the workers concerned, Carrefour has enlisted the expertise of the FIDH, both in terms of strategy development and action on the ground (see page 22 of the FIDH partnership agreement), and works in conjunction with its competitors to harmonise standards and share best practices;
- in mature countries, audits are gradually being transformed into an overall approach to the supplier's social performance. Suppliers themselves are involved in their evaluation, since they carry out a self-assessment using a framework based on the ISO 26000 standard. The topics covered by the audit, such as social and environmental questions, are weighted according to the risks associated with the country or sector. Audits are no longer simply about sanctioning compliance with regulations, but rather a form of support, including best practices, which helps the supplier to improve.

In 2012, systematic environmental audits of non-food product factories were boosted as part of the listing process. The goal is to monitor suppliers' environmental compliance so as to support them in more effectively managing their activities' main environmental impacts. To achieve this, Carrefour has instigated an extensive training programme for non-food quality managers on the environment and local regulations. Eight training courses have been run in eight Group countries. These are led by external specialists and are followed up in the field by experienced auditors.

2.3.2.2 CONTRIBUTING TO HARMONISING INTERNATIONAL WORKPLACE STANDARDS

Contributing to the implementation of stringent, harmonised standards is an integral part of the Carrefour Group's continuous improvement approach.

Since 1998, the Carrefour Group has played a leading role in creating the Social Clause Initiative (*l'Initiative clause sociale* – ICS), which brings together 19 mainly French retail banners. The ICS enables members to share a common Code, methodology and database. Each member enters data by incorporating results from social audits carried out at their suppliers' sites. Carrefour has contributed about 50% of the audit volume since the initiative was launched.

Faced with a major increase in the number of audit standards, in 2006 the Group decided to extend its approach worldwide by helping to launch, alongside three other international banners, the Global Social Compliance Programme (GSCP). Bringing together 34 major players in the retail and industrial sectors, this programme promotes the continuous improvement of workers' conditions based on the worldwide harmonisation of standards and tools. Carrefour wanted support for its ambitious approach from its long-term partners, the FIDH and UNI-Commerce, which sit on this platform's Advisory Board.

The GSCP has developed a standard Code based on best practices identified by its members, an audit methodology, the selection criteria used by auditors, an environmental benchmark and an equivalence process.

This process helps to reduce duplication of social audits carried out at production sites. Carrefour went through the equivalence process, which consists of two phases, in 2012:

- a self-assessment of the Group's process for checking the social compliance of its production sites;
- an evaluation based on evidence from the self-assessment by a panel of three international experts, resulting in a score for Carrefour's processes.

Carrefour will publish its results in 2013 so that its management system for social compliance can be compared with those of other buyers.

2.3.2.3 PREVENTION PROCEDURES FOR AT-RISK COUNTRIES

Corrective and preventive actions are taken in at-risk countries, again with a view to supporting suppliers in improving working conditions in their factories. These actions may be taken at the instigation of Carrefour teams in the country, with or without assistance from the Group or the INFANS association (FIDH), or jointly with other buyers and/or social partners facing the same non-compliance issues. They may be specific to a supplier, geographical area or identified issue.

Today, they are mainly carried out on a country or regional basis.

Over the last few years, a number of fires have broken out in textile factories in **Bangladesh**. In 2011, 19 international groups, including Carrefour, came together to launch a national plan to raise awareness of fire safety standards in factories. Two films have been made, one to inform workers of safety practices and the other detailing the security measures managers need to implement to protect everyone's safety. Training sessions have been run for suppliers in Bangladesh by associations in the country's textile sector. The fatal fires that occurred in late 2012, however, confirm the need for a comprehensive, multi-party approach, including the administrative authorities, associations, suppliers, workers and their representatives, to improve Bangladeshi factory quality and practices across the board. Carrefour is currently working on a joint approach of this kind.

In conjunction with the International Finance Corporation (IFC), a subsidiary of the World Bank, Carrefour has drafted procedures for the effective operation and formation of workers' representation committees (Workers' Participative Committees – WPC), whose actions will supplement those of the trade unions. These procedures were sent to suppliers in May 2012, with a deadline for integration into their system. In late 2012, the INFANS association worked in factories to ensure that the WPCs were up and running and to identify any necessary improvements. The association will provide support to Carrefour as it now implements these procedures operationally across the board.

Five films have been produced jointly with four other buyers and an NGO on the rights and responsibilities of factory workers in southern **India**. The films will be distributed to factories in 2013. Training courses have already been run for those in charge of factories' social compliance. The goal is to ensure that suppliers systematically incorporate workers' rights and responsibilities into their employee information and training programme. In 2013, an independent NGO will measure the effectiveness of this training based on predefined criteria. Once the results have been analysed, the approach may be extended to other suppliers.

In China, where there are still numerous and recurrent instances of non-compliance, research into the causes of factory non-compliance is underway in order to draw up a targeted action plan.

2.3.2.4 PROMOTING THE SUSTAINABLE DEVELOPMENT SELF-ASSESSMENT TOOL FOR SUPPLIERS

By helping its suppliers to adopt a sustainable development approach and by highlighting best practices, Carrefour boosts their social performance as well as its own.

Carrefour provides a self-assessment tool for its product suppliers

Launched in France in 2006, the sustainable development self-assessment tool is a detailed self-evaluation framework designed in conjunction with the WWF and ADEME, the French Environment and Energy Management Agency ☑. It is accessible to suppliers online and includes 49 assessment criteria, based on four central pillars:

- sustainable development management and policy;
- environmental performance;
- workplace performance;
- economic performance.

Carrefour's aim is to ensure that all of its suppliers answer all questions and implement practical sustainable development initiatives. Carrefour provides them with support to achieve this goal using the tool. The sustainable development self-assessment provides them with some 20 advice sheets and best-practice examples, and allows them to compare their average with that of other suppliers in their activity area. Carrefour also arranges for consultants to visit some businesses to identify their best practices, help them to pinpoint improvement goals and draw up action plans.

Based on feedback from its suppliers, Carrefour regularly optimises its self-assessment tool to more effectively meet their needs. In 2010, the Group added an introductory module on carbon assessment and included more sophisticated sorting criteria to compare the supplier's performance according to activity sector.

In 2012, Carrefour worked on harmonising the sustainable development self-assessment with the ISO 26000 standard on corporate social responsibility.

Carrefour provides the tool in 15 languages in all of the Group's consolidated countries ☑.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Key figures

6,940 suppliers had access to a self-assessment tool as at the end of 2012 ☑.

57% of them answered 100% of the questions ☑.

Carrefour highlights exemplary approaches

In France, Carrefour has been promoting its suppliers' CSR approaches since 2009 through the Sustainable Development Awards. The businesses that achieve the best results in the self-assessment exercise are visited by an independent auditing firm. Following the audits, the winners are selected by a panel of experts from the ADEME and WWF France, specialist journalists and Carrefour Group representatives.

The awards recognise exemplary approaches that encourage others to take similar actions. Each year, the Carrefour Sustainable Development Awards are given to four businesses. In 2012, the winners were:

- Château de Nages (fruit);
- Biscuiterie de l'Abbaye;
- Arc International (tableware);
- Bodin (Carrefour organic chickens).

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.4 A product range for everyone

The Carrefour Group is committed to offering its millions of customers freedom of choice.

To achieve this, the banner implements a product-mix policy that meets everyone's tastes and expectations every day. Its wide, varied range is based on products from the major national brands, regional products and Carrefour own-brand products.

Carrefour's 10,000 listed products represent a customer offer aimed at three goals:

- offering **high-quality Carrefour products at the best value for money**;
- putting a **balanced, varied diet** within everyone's reach;
- promoting **responsible consumption** by offering Carrefour products that offer greater biodiversity protection.

These values are part of the Group's DNA. Carrefour uses a range of tools for expressing its values through its products in practical terms, from its specifications to the development of special brands *via* certification and collaboration with stakeholders.

2.4.1 TRANSLATING THE GROUP'S COMMITMENTS INTO SPECIFICATIONS

2.4.1.1 DEFINING AND MONITORING REQUIREMENTS FOR SAFE, HIGH-QUALITY PRODUCTS

Carrefour produces an own-brand range that guarantees its customers access to **safe, high-quality** products.

As a result, all of Carrefour's ranges comply with concrete, demanding **quality** standards. Carrefour's suppliers have committed to complying with strict specifications that define the product's basic characteristics, covering customer expectations, particularly in terms of taste, price positioning, compliance with regulations and Carrefour standards, the origin of raw materials, the recipe used and production methods for food items.

To guarantee **maximum safety** for consumers and to anticipate risks, Carrefour has introduced procedures and tools (periodic analyses, monitoring and traceability) designed to manage any non-compliance that may be detected. In the event of non-compliance requiring a product withdrawal, the Group also uses an alert system to immediately inform all stores that they must take action.

Carrefour also takes all the necessary precautions in selecting products' composition when formulating its non-food ranges. This approach allows the Group to be proactive and anticipate new regulations, in particular Europe's REACH (Registration, Evaluation, Authorisation and Restriction of Chemical Substances) regulation. In many cases, Carrefour imposes stricter requirements than those laid down in the regulations. For toys, for example, the REACH regulations demand control of six phthalates. <u>Carrefour, however, prohibits the use of these six phthalates in its toys</u> ☑.

An independent laboratory is responsible for producing a safety data sheet for all own-brand chemical products, and a toxicological assessment is carried out by an expert.

2.4.1.2 PROMOTING A BALANCED DIET FOR EVERYONE

As a major retailer in the mass merchandise sector, and given the public health challenges represented by overweight and obesity rates, Carrefour is developing, in addition to basic quality and safety criteria, a proactive policy designed to promote a **balanced diet for everyone.** Specifications require that suppliers improve their recipes on a continuous basis, particularly by reducing levels of salt, sugar, lipids, saturated fatty acids, partially hydrogenated fats and trans fats. For several years, the Group has also been developing targeted ranges to respond to the nutritional needs of certain consumer groups, such as newborns, children, the gluten-intolerant, those who must limit their salt consumption and more.

2.4.1.3 BETTER BIODIVERSITY PROTECTION THROUGH PRODUCT CHARACTERISTICS

Carrefour also designs its **specifications** and **supply chains** so that its own-brand products **respect the environment, biodiversity and** local communities. Depending on the product family concerned, Carrefour defines criteria to avoid depleting natural resources and to promote the use of formulations that provide greater ecosystem protection.

☑ *<u>Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.</u>*

Developing more responsible supplies of marine resources

Carrefour includes sustainability criteria in the specifications for its fish-product supplies and optimises its range to reduce sales of more-threatened species. The sale of red Mediterranean tuna was suspended in Europe's Carrefour stores in 2008. In France, Carrefour has also suspended the sale of deep-sea perch and blue ling cod. In addition, sales of grenadier and cutlass fish have been cut back since 2008. In 2012, Carrefour continued the same approach by suspending the sale of new wild species in danger of extinction, namely shark (except spotted dogfish), red sea bream, sturgeon and wild eel. These actions were the result of discussions with the Group's stakeholders, in particular WWF France and the Seafood Choice Alliance NGO, as well as all key players in the sector. In China, the Group has followed Carrefour France's example by promoting a range of non-endangered fish and stopping the sale of certain listings, such as shark (and shark fin, except for spotted dogfish).

Developing a credible alternative to GMOs

In light of the controversy surrounding the issue and the lack of long-term data on the impact of cultivating genetically-modified organisms (GMOs) on biodiversity, Carrefour has implemented a proactive policy in this area for over 15 years. In 1996, the Group was the first and only retailer to adopt the precautionary principle and offer its customers a credible alternative to GMOs. In the European Union, no own-brand products in any of our ranges have contained GMOs for over a decade ☑. Outside the European Union, the Group has taken steps to offer an alternative to GMOs whenever possible, while adapting to local regulatory requirements.

Reducing the environmental footprint of forestry supplies

Carrefour made a commitment to sustainable forest management so as to control its supplies of timber and associated products at a very early stage. In 2011, the Group raised the bar even higher by bringing more of its European Purchasing Office suppliers within the scope of its responsible sourcing strategy. To do so, it drew up a Wood Charter for Suppliers. By signing the charter, suppliers using wood, pulp, paper and products derived from these materials commit themselves to ensuring:

- the legality of their supplies;
- respect for local populations;
- no sourcing from High Conservation Value (HCV) forests;
- no sourcing of species included on the IUCN (International Union for Conservation of Nature) red list of threatened species or species protected under the CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) agreement.

The Wood Charter is supported by a questionnaire that helps us to work with suppliers in examining how to improve their sourcing to comply with the charter (species, production regions etc.).

Carrefour is now extending its continuous improvement approach to countries outside Europe. In Argentina, for example, 90% of Carrefour's own-brand outdoor furniture and decorative products use FSC-certified timber, and in 2012 Carrefour was the first retailer in Argentina to offer firewood from local, sustainably managed forests. Thanks to its partnership with a local firm, Carrefour can ensure complete traceability of its timber products.

The Group is also developing stationery and personal hygiene (paper tissues, wipes etc.) products and packaging based on FSC, PEFC and recycled materials, mainly under its ECOplanet brand.

Key figure

Carrefour France ranks no. 1 on the WWF France 2012 Timber Barometer (WWF Scorecard) ☑.

Using sustainable palm oil

Palm oil production is still too often associated with deforestation. As part of its forestry protection policy, Carrefour has committed to using only sustainable palm oil in its own-brand products between now and 2015. At the end of 2012, over 120 listings containing palm oil certified according to the Roundtable on Sustainable Palm Oil (RSPO) framework were available in stores in France. Over 400 listings covered by Green Palm certificates were also for sale ☑.

In Indonesia, Carrefour launched the first product certified under the RSPO standard for the domestic market in 2012: a Carrefour ECOplanet-branded palm oil for cooking.

Depending on local eating habits and conditions, replacing palm oil with another oil may offer our customers nutritional benefits, in particular by reducing the product's saturated fatty-acid content. This change should not affect quality or have a detrimental effect on the taste, texture or shelf-life of the product. In France, palm oil was replaced with another oil in some 320 Carrefour products in 2012 ☑, the equivalent of reducing palm oil consumption by 7,000 tonnes.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.4.1.4 OFFERING MORE ENVIRONMENTALLY FRIENDLY PRODUCTS THROUGH ECO-DESIGNED PACKAGING

Product packaging fulfils numerous functions, from protection to transport, storage, information, promotion, making the product easier to use and even reducing waste. But packaging involves consuming materials such as paper, cardboard, plastic and timber, which then become waste. Carrefour is committed to reducing packaging at source and designing innovative packaging that helps protect the environment and is safe and simple for consumers to use.

The Group believes that innovative packaging always has an eco-friendly design, including the following criteria:

- reduction at source and elimination of outer wrapping;
- preference for single-material solutions to facilitate sorting and recycling;
- the use of certified materials from renewable, responsibly managed resources;
- preference for recycled materials;
- using environment-friendly inks and varnishes to print paper and cardboard.

Carrefour is also exploring the possibilities of biosourced materials such as bioplastics (produced from agricultural waste).

The Carrefour design teams work to develop innovative, industrialisable packaging that takes environmental impact into consideration throughout the product's lifecycle. The packaging must be recyclable as far as possible at the end of its lifecycle. In this regard, Carrefour is training its product managers and quality engineers in Europe on packaging eco-design and product lifecycles ☑.

At the same time, Carrefour has been participating in outside working groups, including:

- since 2009, the Global Packaging Project of the Consumer Goods Forum (an international network of manufacturers and retailers) to develop a set of common indicators for evaluating packaging's environmental performance. Carrefour aims to make the most effective packaging its priority, taking environmental criteria into account;
- the National Packaging Council (*Conseil National de l'Emballage* – CNE), a discussion forum for multiple players designed to promote best practices and a responsible eco-design policy for consumer products, involving retailers, manufacturers and Society.

2.4.2 PROMOTING THE EMERGENCE OF RESPONSIBLE SECTORS

Many supply networks – involving seafood, wood products, soya, beef and palm oil – now have a major impact on the environment, biodiversity and fish and wood resources. They also represent economic sectors that many populations around the world depend on for their livelihoods. For optimum effectiveness, retailers must bear responsibility for their entire supply chain; Carrefour therefore actively participates in the various platforms, round tables and working groups dedicated to developing responsible sectors.

To preserve fish stocks:

- Carrefour has been working with WWF France since 2007 to identify the fishing areas and species that need priority attention;
- the Group also uses the guide published by **Seafood Choice Alliance**, an NGO working with the entire sector (fishermen, fish-farmers, distributors and retailers), which helps the latter to make the best procurement choices possible given certain species' endangerment;
- to help improve practices in **fish-farming**, which is an acceptable alternative to fishing if the environmental impact is limited, Carrefour has been participating in the WWF's **international dialogues**, which are aimed at defining sustainability criteria, in particular regarding breeding densities, food-distribution optimisation, the monitoring of waste disposal for sea cages and land-basin water quality;
- in May 2012, Carrefour participated in a round table organised by the WWF that brought together European Parliament members to support ambitious reform of the **Common Fisheries Policy**;
- in France, Carrefour also represents the Federation of Retail and Distribution Companies (*Fédération du commerce et de la distribution* – FCD) before the **Sustainable Fishing Ecolabel Commission**.

Aware of the important role forests play in ensuring ecosystem balance, Carrefour became involved early on in efforts to fight climate change, gradually developing a comprehensive strategy comprising initiatives in those of its sectors connected to forestry use and in association with NGOs and dedicated working groups:

- as part of its membership in the **Consumer Goods Forum**, the Carrefour Group supported the adoption of a far-reaching objective: **zero deforestation by 2020**;
- since 2009, Carrefour has been sitting on the Executive Committee of the **Roundtable on Sustainable Palm Oil** (RSPO). This round table is a platform for 650 palm-oil producers, agri-food manufacturers, retailers and NGOs. Its mission is to foster sustainable practices in the palm oil sector by developing a production certification system and ensuring traceability in the supply chain;

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

- since 2009, Carrefour **Brazil** has been participating in the **Sustainable Cattle Working Group** (*Grupo de Trabalho da Pecuaria Sustentavel* – GTPS), which aims to create a responsible cattle supply sector;
- the Group is a member of the **Round Table on Responsible Soya** (RTRS), an international organisation that brings together soya producers, manufacturing representatives, mass-retailing representatives and NGOs since 2006. In 2010, it published a certification standard for responsible soya production, which verifies that a product was grown without requiring the conversion of high-conservation-value areas. It also promotes more responsible management practices, and ensures fair working conditions in compliance with ILO standards and respect for local communities. Carrefour also went to considerable lengths to ensure that the RTRS standard included an appendix on non-GMO crops;
- since 2006, Carrefour has been supporting the **Soya Moratorium**. This initiative, engaged in by sector professionals, the Brazilian authorities and Society, involves fighting the Amazon's deforestation for soya crops.

2.4.3 CARREFOUR QUALITY LINES: AGRICULTURAL PRODUCTS THAT UPHOLD VALUES

Emblematic of Carrefour's sustainable development approach, the Carrefour Quality Line fresh products networks (meat, fish, cheese and produce) put responsible consumption within reach of all customers and consumers. In 2012, the Group celebrated the 20th anniversary of its Carrefour Quality Lines, of which there were 430 in Group countries this year. All such lines meet the socioeconomic principles set forth at the very beginning with a view to achieving sustainable development:

- Make **quality products** available to consumers at the **best price**;
- Use **local** suppliers who are rewarded for their approach to **quality** and to whom Carrefour guarantees **long-term markets** (see pages 65-66, part 2.6);
- Contribute to **local economic growth;**
- promote **local products** and **expertise.**

Responsible agriculture criteria are also included in product specifications:

- mandatory crop rotation;
- a ban on spreading sludge from water treatment plants;
- no chemical soil treatments after harvest;
- prohibition of soil-free plant production;
- development of fish farming with limited environmental impact;
- integrated approach to fruit and vegetables.

Along with environmental protection, **animal welfare** is included in the specifications for animal-raising operations:

- no preventive antibiotic treatments used;
- prohibition of products made from animals whose feed consisted of more than 0.9% GMOs;
- limitations on animal density to reduce pollution and improve animal comfort;
- rules guaranteeing comfortable conditions for animals while being transported to slaughterhouses.

Carrefour pays special attention to animal welfare because this ethical principle contributes to the quality of the final product. In 2008, the Group boosted its commitment by entering into partnership with France's International Society for the Protection of Farm Animals (*Protection mondiale des animaux de ferme* – PMAF), and launched several innovative projects in 2010 and 2011.

In 1998, Carrefour France extended its commitments to include upstream operations, in particular aiming to develop traceable, GMO-free soya-meal networks. Anticipating the French government's decree related to the labelling of GMO-free food (eventually published in January 2012), as early as 2010 Carrefour was able to meet French transparency requirements on animal feed; more than 300 listed Carrefour and Carrefour Quality Line products sold in France now display the "Reared without GMOs" label.

The Group has also launched research aimed at eliminating preventive antibiotics for poultry with the goal of better fighting the emergence of antibiotic-resistant bacteria, which are caused in part by animal-raising operations' overuse of medications. In partnership with a group of producers from Auvergne, Carrefour is testing plant therapy, an innovative natural solution for boosting birds' immune systems. Since November 2012, Carrefour hypermarkets and supermarkets have been offering their customers and consumers poultry raised without antibiotics.

The Carrefour Quality Lines thus represent a unique approach, due to their scope and the collaboration they make possible with the agricultural sphere. Since their creation, they have allowed Carrefour to develop innovations that promote the Group's values and set the groundwork for tomorrow's agriculture.

For the past 20 years, the Group has been creating Carrefour Quality Line seafood products so as to guarantee that a marketed species is not endangered or comes from sustainably managed stocks and is caught *via* fishing techniques that have a controlled environmental impact.

Key figures

At the end of 2012, Brazil had 51 Carrefour Quality Lines (CQLs) and 152 products, eight of them launched in 2012.

In Turkey, the CQLs offer 17 products.

Group	2012	2011	2010
Sales (incl. VAT) of Carrefour Quality Line products *(in millions of euros)*	940	927	907
Number of Carrefour Quality Line products *(number of products)*	430 ☑	422	422

☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.4.4 MEETING THE EXPECTATIONS OF ALL CUSTOMERS AND CONSUMERS

In contact with thousands of suppliers and millions of customers, Carrefour has long taken up its various responsibilities as the European market's leader and the second-leading retailer worldwide. The Group has gradually developed a high-quality, safe, eco-friendly food product offer that makes a balanced diet available to all. This comprehensive approach takes the shape of various initiatives that cover all these criteria and put into play Carrefour's social responsibility contributions.

2.4.4.1 FAIR TRADE

In 2012, the Group had over 1,700 fair trade listings (own-brand and national brands) throughout the world. In 1998, Carrefour became the first French banner to market a fair trade product: Malongo coffee under the Max Havelaar label.

Carrefour Solidaire products come from some 50 small-producer cooperatives located mainly in South America plus Asia and Africa. The Fairtrade label guarantees such producers a higher income and a long-term partnership, and certifies that their production incorporates eco-friendly practices (GMO-free products, optimised natural-resource management etc.). In **Spain**, a range of textile products made in India by disadvantaged women is sold in partnership with the Creative Handicraft association.

Key figure

In France, Carrefour is amongst the leading players in this market with over 548 items, including 17 with the Fairtrade label under its Carrefour Solidaire brand.

Group	2012	2011	2010
Sales (incl. VAT) of Carrefour fair trade products *(in millions of euros)*	26	32	30
Number of Carrefour-brand fair trade products *(number of listings)*	115 ☑	100	77

☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.4.4.2 PROMOTING ORGANIC AGRICULTURE: THE CARREFOUR BIO RANGE

The Group has developed a particularly wide selection of organic products that use eco-friendly production methods. The Carrefour BIO range offers a broad range of food products, textiles and cosmetics, and the number of listings expands year after year. In 2012, Carrefour hypermarkets sold nearly 2,000 Carrefour BIO food listings worldwide.

In 2012, Carrefour extended its "Guaranteed Lowest Price" pledge to 100 organic products from leading brands, selected from the most frequently-purchased everyday products. Carrefour recently celebrated the 20th anniversary of its BIO organic range in **France** by organising a number of events at its stores and launching a wide-reaching campaign to promote Carrefour BIO products in-store, *via* catalogues and online (http://www.c-laterre.fr/carrefour_et_le_bio/produit-bio-magasins). **Italy** launched six Carrefour BIO products to encourage the consumption of soya, plant protein and other products by offering customers such alternatives as wheat, soya and quinoa, bringing the country's number of BIO listings to over 200.

Key figure

825 Carrefour BIO food listings and 565 textile listings in France.

All formats	2012	2011	2010
Number of controlled organic-food product listings *(in units)*	2,004 ☑	1,998	1,201
Sales (incl. VAT) of controlled organic-food products *(in millions of euros)*	321	329	331

☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.4.4.3 MSC-CERTIFIED SEAFOOD

Since 2008, the Carrefour Group has developed a wide range of own-brand products certified by the Marine Stewardship Council (MSC), a globally recognised programme for certifying products obtained *via* responsible fishing practices. With 23 MSC listings ☑, Carrefour offers one of the largest ranges in France, all brands combined.

2.4.4.4 CARREFOUR ECOPLANET: A RANGE THAT HELPS PROTECT BOTH THE ENVIRONMENT AND BIODIVERSITY

In 2006, the Group launched the Carrefour ECOplanet brand, which now has 124 listings (35 household and personal-care products, plus 80 non-food and nine food products). In particular, this range provides the Group with an opportunity to demonstrate its commitment to preserving biodiversity and natural resources. ECOplanet-range products are certified under such well-respected names as the European, FSC, MSC and Nordic Swan ecolabels or backed by an external guarantee.

In France, Carrefour offers 34 labelled Carrefour ECOplanet products made from materials produced in sustainably managed forests. Since 2010, this offer has included toys made from FSC wood, Carrefour ECOplanet nappies made from agricultural materials and chlorine-free cellulose. The Carrefour ECOplanet range also offers a growing number of products made from recycled materials. Finally, certain listings are very innovative in that biotechnology is integrated into their design. This is the case, for example, with cleaning products designed with a natural surface-active substance produced by bacteria.

2.4.4.5 CARREFOUR DEVELOPS SPECIAL PRODUCT RANGES DESIGNED TO MEET SPECIFIC NUTRITIONAL NEEDS

In response to the world's increasing obesity crisis, the Carrefour Group, as the second-leading retailer worldwide, has a responsibility to provide affordable products that allow all consumers to achieve a balanced diet. Carrefour's nutritional strategy is founded on four main action spheres:

- guaranteeing Carrefour products' nutritional quality;
- offering healthy, affordable products;
- helping to inform consumers and boost their awareness (see page 51);
- developing targeted product ranges designed to meet certain customers' specific nutritional needs.

Carrefour Baby

Carrefour worked with paediatricians and dieticians to design this range of food products for children up to three years of age. It offers quality products made from simple recipes and adapted to the needs of little ones. In **France**, the Carrefour Baby range had 50 listings, 36 of them organic, in 2011.

Carrefour Kids

These fun, varied products, offered at affordable prices, were developed in partnership with Disney to meet specific nutritional standards: they have suitable calorie content and limited amounts of fat, sugar and salt, and do not use artificial sweeteners.

Carrefour No Gluten

This range, specifically developed for the gluten-intolerant, is available in **Europe** and **Argentina**. These products can easily be recognised by the wheat-head symbol with a cross through it, the logo of the French Gluten Intolerance Association and of the Spanish Celiac Association (FACE). At the end of 2012, **Spain**'s offer of 150 gluten-free products included over 90 traditional fresh products listings (meat products) and a chocolate dessert. In **Italy**, 12 gluten-free products are offered at Carrefour stores. In **Argentina**, where the percentage of people with gluten allergies is relatively high, Carrefour stores in the Salta region have a special area dedicated to gluten-free items. This initiative got its start through a partnership between Carrefour and the municipality of Salta dedicated to serving those with celiac disease. Mothers of coeliac children came together and formed a cooperative to develop gluten-free "home-made" products. These products are now sold at Carrefour stores.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.4.5 PROMOTING RESPONSIBLE CONSUMPTION

2.4.5.1 EDUCATING CUSTOMERS ABOUT RESPONSIBLE CONSUMPTION

Since mass-market retailers can play a major role in modifying consumption patterns and changing behaviour, Carrefour is thus redoubling its efforts to guide customers toward responsible consumption. Products with environmental and social added value are representative of more responsible consumption. They are promoted during national and local events. **In France** for example, during the Organic Spring campaign, hypermarkets and supermarkets promoted the Group's commitment to biodiversity and protecting the environment in their catalogues, in-store and online. The stores set up sampling stands hosted by local suppliers, such as producers of organic fruit, vegetables and meat.

In **Argentina, China, France and Brazil**, Carrefour used the WWF's Earth Hour campaign to rally stores and customers around the issue of **climate change**. During this operation, the Group promoted energy-efficient products in stores.

Carrefour **Spain**, in partnership with Fapas (the Fund for the Protection of Wild Animals), supports projects to safeguard bears and tetra cockerels in the Cantabrian cordillera. It encourages its customers to get involved in its "More Bears, Less CO_2" programme by planting trees, participating in pollination initiatives and visiting protected areas.

In 2012 in **France**, 225 hypermarkets and 937 supermarkets participated in the third Blue Days, an event promoting the catalogue's MSC-labelled products over one week. A special promotional campaign was launched in the hypermarkets, while information on sustainable fishing was promoted in the customer magazine and on the homepage (www.carrefour.fr).

Also in France, types of fish classified by Carrefour as being from "well-managed, abundant fish stocks" are highly visible and easily identifiable on shelves. In-store, customers are given a list of "fish to take note of" and the address of a dedicated website. This initiative was carried out with support from WWF France.

2.4.5.2 INFORMING CONSUMERS ABOUT WASTE SORTING

To both raise consumer awareness of waste-sorting's importance and answer sometimes-complex sorting questions, Carrefour has included pictograms on its Carrefour BIO and Carrefour ECOplanet product packaging. Available in four European countries (**France, Belgium, Italy and Spain**), these pictograms designate each component of the packaging and how it should be disposed of (in general garbage or a recycling bin).

In 2012, the Group carried out a real-life test of the pictograms' effectiveness as applied to 300 organic-range products. Given the success of this initiative, the Group plans to expand it to all Carrefour products in 2013.

Encourage customers to opt for reusable bags

In some countries, such as **Argentina** and **Brazil**, discontinuing the distribution of free disposable plastic check-out bags is a pioneering initiative that has been supported by a major campaign to boost customer awareness. As part of its efforts, Carrefour Brazil has taken part in a huge "No more plastic bags" awareness-raising campaign in partnership with local communities and associations. Customers have been supported by store employees and offered a wide range of reusable bags and boxes, available free of charge.

An identical initiative was run by Carrefour in **Turkey** to mark World Environment Day.

In **France**, to boost the reusable-bag offer, organic cotton bags produced in the Vosges region were made available in several colours at hypermarkets and supermarkets.

2.4.5.3 INFORMING CONSUMERS ABOUT THE IMPORTANCE OF A VARIED, BALANCED DIET

Simple and transparent information

Since 2005, Carrefour has also been labelling its products with nutritional information developed in collaboration with the CLCV (Confederation for consumption, housing and lifestyle) consumer association. To provide customers with clear information so that they can compare products more easily, in 2009 Carrefour decided to adopt the Guideline Daily Amounts (GDA) system for its own-brand products in Europe. Grids on products' front labels indicate the amounts of calories, sugar, fat (including saturated fat) and salt, expressed as a percentage of daily recommended amounts. On products for children, the GDAs are provided for each product's targeted age range.

The packaging always includes the phrase, "Eat a varied, balanced diet and get regular exercise!" – a recommendation in line with the basic principles of the PNNS (*Plan National Nutrition Santé*, or National Nutrition and Health Plan), launched in 2001 by the French authorities. Depending on the packaging's available space, this phrase may be followed by nutritional advice to help consumers put together balanced, varied meals. For example, a pizza's packaging is labelled with the following suggestion: "For a complete meal, enjoy this pizza with crudités or vegetables and have yogurt or a piece of fruit for dessert. And don't forget to drink plenty of water."

Awareness-raising campaigns in Group countries

In all the countries in which it operates, the Carrefour Group is increasing its efforts to promote a balanced diet and healthier lifestyle, especially among young people. To reach as many people as possible, Carrefour spreads the message in a range of ways, including websites, magazines, participation in awareness campaigns, sponsorships and promotional efforts aimed at assembling affordable, balanced meals.

In 2012 in **France**, for example, Carrefour *market* stores participated in Taste Week for the ninth year in a row, promoting seasonal fruit through tastings and informational workshops for over 1,000 children from nearby schools.

Similarly, in **Spain** in 2012, over 3,100 children from 70 middle schools participated in Carrefour's "Bocata Sano" ("Healthy Sandwich") initiative, aimed at preventing childhood obesity and spreading information on the importance of a healthy, balanced diet. In Poland, a new website – www.klubmarkicarrefour.pl – is dedicated to promoting food products and consumption habits that help make a balanced diet possible.

In collaboration with nutrition experts, Carrefour **Brazil** now offers a set of over 80 menus featuring optimum calorie, protein, sugar and fat content. These menus, available online and in stores, were adopted by over 100,000 customers in 2012.

2.5 Optimising our business operations' environmental performance

Fighting climate change and preserving natural resources are major Carrefour commitments. Using resources effectively contributes to the Group's financial performance and longevity in the long term. Moreover, fighting climate change also helps maintain the quality of the ecosystems we depend on for our business.

In response to this challenge, for more than a decade the Carrefour Group has resolutely invested in improving its retail operations' environmental performance.

Carrefour takes action in two main ways: it moves toward energy-efficient stores that produce small amounts of waste and CO_2, and limits the environmental impact throughout the logistics chain. Carrefour's approach is based on implementing innovative technology, sharing best practices with other market players and informing employees at all levels.

2.5.1 MANAGING ENVIRONMENTAL RISKS

Environmental risks are covered on pages 117-118.

2.5.1.1 ORGANISING THE COMPANY TO ADDRESS ENVIRONMENTAL ISSUES

Environmental risks are evaluated and then a prevention programme is implemented in various countries where the Group has retail outlets ☑. In keeping with the principle of subsidiarity, which prevails in the Carrefour Group's management methods, each country introduces the organisation best suited to its situation in terms of environmental goals and achieving the objectives set forth by the Group, in particular concerning efforts to reduce energy consumption. Analysis, regulatory monitoring, development of action plans and investment therefore take place locally at the initiative of country management or of store managers, with the cooperation of maintenance employees and all other employees.

At hypermarkets in France, for example, the variable pay for technical managers includes a qualitative goal for waste-sorting. Many countries have also introduced an energy-efficiency objective into store managers' compensation ☑.

2.5.1.2 ENVIRONMENTAL EVALUATION AND CERTIFICATION APPROACHES

Environment, hygiene, health and safety management systems are being gradually rolled out in Group countries. They are supported by a Group reporting tool and store environmental performance measurement systems (energy and water consumption, waste production etc.), which make precise monitoring and management of facilities and audit programmes possible, providing insight into the stores' situation with regard to local environmental regulations as well as allowing users to anticipate environmental risks and roll out appropriate preventive measures. All countries have defined environmental performance goals in such key areas as energy, greenhouse gas emissions and reducing waste and water consumption, and they have a scorecard for monitoring purposes.

Locally, certain countries can choose ISO 14001 certification for some of their activities, as **Spain** has done for its service stations.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.5.2 STORES THAT ARE MORE ECONOMICAL AND SUSTAINABLE

Each year, Carrefour continues its growth and opens new retail outlets with the goal of reducing and managing the impact of its retail centres.

To this end, the Group works toward the following goals:

- integrating environmental criteria into the construction and renovation of stores, since the choices made when the store is designed will have an impact throughout the entire operational period;
- reducing stores' carbon footprint and energy consumption;
- managing its sites' water consumption;
- increasing the percentage of waste recycled at stores.

2.5.2.1 INTEGRATING ENVIRONMENTAL CONSIDERATIONS INTO THE DESIGN AND CONSTRUCTION OF STORES

Designing energy-efficient stores

In constructing, expanding and renovating commercial spaces, each project gives the Carrefour Group an opportunity to apply the principles of sustainable construction. **Carrefour Property**, the real-estate company that manages the commercial real-estate assets of the Carrefour Group in France, Italy and Spain, involves local communities, prime contractors parties and service providers in its eco-design approach, and works to implement innovative solutions to protect the environment:

To reach the Group's energy efficiency goal (see p. 54-56) **Designing store architecture to optimise energy consumption.** Renovated and new buildings use natural lighting as much as possible, are constructed from materials offering high thermal inertia and have glass façades oriented in a way that reduces the need for air-conditioning. These best practices have been developed in **France,** as well as in **India**, **Taiwan** and **China**, among others. Some stores also have a planted roof, which plays the role of insulation, or a white roof with high solar reflectivity, which limits the need for air-conditioning, such as at the Assago hypermarket in Italy.

In 2011, Carrefour expanded its Eco-Construction Charter to include renewable energy sources in projects, so that these options (solar water-heaters, heat pumps, wind turbines etc.) are more systematically taken into consideration.

Special attention is also paid to the **selection of materials.** Stores favour natural materials that are more respectful of the environment. Wood, brick, and paints are all chosen according to eco-responsible criteria. In keeping with its commitment to responsible procurement (see pages 43-46), the wood comes in large part from sustainably managed forests. Glues, paints, stains and varnishes bearing the NF Environment label, European Ecolabel or other such equivalent are used at all the sites in France. Carrefour Property also uses materials that require low levels of energy for their production or are made using abundant natural materials.

Carrefour Property involves the **banners** operating in its French shopping centres in its approach. **Environmental criteria** are included in the **rental agreements** and **specifications for outfitting boutiques** to encourage the use of energy-efficient equipment, the choice of eco-friendly materials and the sorting of waste.

New sites are designed for optimal suitability within their local environment. Launched in 2006, Carrefour's Landscaping Charter includes management of green spaces with respect for local biodiversity ☑. Each project is designed to integrate seamlessly into the natural or urban landscape and to minimise environmental impact.

To strengthen its commitment to biodiversity and the preservation of natural resources, Carrefour Property developed a new Biodiversity Charter in 2012 ☑. Its goal is to spread the best practices that protect biodiversity, from the design phase to the works and onward to the operational phase. A prerequisite for any land-use project, this charter makes it possible to evaluate the ecological and urban context of the project. Next, it covers the following three areas:

- the orientation of green-space design (according to the metropolitan area's main zones of ecological consistency);
- the orientation of the worksite's implementation;
- the orientation of green-space management.

Carrefour also works to facilitate its stores' accessibility. For example, at the l'Escapade shopping centre, opened in November 2012 in La Chapelle-Saint-Luc near Troyes, the integration of the project into its environment required safe pedestrian access paths, the creation of a bicycle path and parking spaces for families, electric vehicles and carpool vehicles. The car park has recharging stations for electric vehicles. In Mondeville, the future business zone will be served by a central bus stop. The future Quetigny business zone will be served by two tram lines.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

To optimally promote this comprehensive environmental approach and get its stores involved in on-going improvement, Carrefour Property studies the possibilities of **HEQ** (*Haute Qualité Environnementale*, a French standard) **certification** or **BREEAM** (Building Research Establishment Environmental Assessment Method, a British standard) **certification** for each project in France. The Carrefour *market* supermarket in Mondonville, opened in 2010, was the Group's first store to receive HEQ certification. These innovative standards and technologies are also used outside the scope of Carrefour Property: **Turkey**, for example, is expecting to obtain LEED certification for its new head office, scheduled for delivery in 2013.

Carrefour's approach is also embodied in other projects, such as the HEQ-certified l'Escapade shopping centre, which is also in the process of obtaining BREEAM certification; the Carrefour Lyon Confluence store, which is also HEQ certified, as is the shopping centre it is part of; the expansion of the Argeles-Gazost Carrefour *market*; and the new Audenge Carrefour *market*, which aims to obtain HEQ certification. These on-going and completed projects use all of the measures detailed above to activate all possible means of promoting environmental protection.

Creating clean worksites

Beginning with the design phase, Carrefour works to limit its impact. In France, the companies that worked on construction sites for Carrefour stores in 2012 signed the Green Worksite Charter ☑, which in particular recommends worksite waste-sorting, the cleaning of earth-moving machinery's wheels to avoid spreading mud on public roads and the limitation of noise disturbances by planning loud works for time periods that will be the most comfortable for area residents.

In 2012, the Green Worksite Charter concerned 13 projects, in particular involving:

- the construction and expansion of hypermarkets and shopping centres;
- the construction of supermarkets.

In 2013, Carrefour Property aims to apply the Green Worksite Charter to all of its construction and expansion works.

2.5.2.2 REDUCING THE ENVIRONMENT FOOTPRINT OF STORE OPERATIONS

Reducing stores' energy consumption and carbon footprint

The Group has set itself an ambitious objective: reducing its CO_2 emissions by 40% compared to 2009 levels in four European countries – France, Spain, Italy and Belgium – by 2020 ☑.

The greenhouse gas emissions generated by store operations come mainly from the **energy** they use and the **refrigerants** needed to produce food refrigeration. Carrefour has therefore made these two sources its priorities.

The Carrefour Group's carbon footprint

GHG EMISSIONS BY SOURCE (IN T. CO_2 EQ.)

Scope 1	Refrigerants ☑☑	42%
	Gas ☑☑	3%
	Fuel ☑☑	1%
Scope 2	Electrical power ☑☑	44%
Scope 3	Logistics ☑	10%

Excluding: Argentina HM and SM.
☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*
☑☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of reasonable assurance.*

GHG EMISSIONS BY REGION (IN T. CO_2 EQ.)

France	20%
Europe (excluding France)	44%
Asia	11%
Latin America	25%

Excluding: Argentina HM and SM.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

To measure its carbon footprint, in 2007 the Group implemented a greenhouse gas (GHG) emissions reporting system based on the guidelines of the GHG Protocol, an international GHG accounting standard ☑. In 2012, the direct emissions (scope 1 of the protocol: refrigerants, gas and fuel) were 1.6 million t. of CO_2 eq. ☑☑ and indirect emissions (scope 2: electricity, and scope 3: goods transport) were 1.9 million t. of CO_2 ☑ eq.

The energy efficiency programme

Since store energy expenditure comes to over 500 million euros per year, reducing energy consumption is also a cornerstone of the Group's efforts to stop wastage and a major factor in lowering Carrefour's energy dependence.

AVERAGE STORE ENERGY CONSUMPTION

Electrical power	87%
Gas	11%
Fuel	2%

STORE ENERGY CONSUMPTION

Food refrigeration	35%
Air conditioning	25%
Lighting	24%
Food preparation and other areas	16%

In 2012, the energy consumption (electricity, fuel and gas) of the Group's stores dropped by 24.6% (compared to 2004 levels, per sq. m. of sales area). Carrefour's goal is to reduce energy consumption by 30% per sq. m. of store sales area by 2020 (compared to 2004 levels).

To achieve this result, the Group launched an energy efficiency programme at all stores. This multi-year investment plan, worth some thirty million euros a year, allows Carrefour to roll out energy efficiency technology at its stores. The stores are also equipped with a centralised technical management (CTM) system that automatically regulates heating, air conditioning and lighting according to need, and monitors consumption.

They are all also gradually adopting low-consumption lighting, and adding glass doors to frozen and refrigerated product units. Some stores also recover the heat energy generated by their cooling facilities and reuse it for heating or for domestic hot-water production, while others gradually replace their compressors with more effective units and still others develop organic-waste methanisation, install insulating walls and use heat pumps when geothermal energy makes it possible.

In **France**, thanks to the combination of these solutions, the Carrefour *market* supermarkets in Mondonville, Auterive, Sarlat and Mauriac not only consume less energy than other stores on a like-for-like basis in terms of sales area, but they also no longer use fossil fuels for heating.

In **Turkey**, 15 projects were created during the 2011-2012 period to promote the roll-out of this type of initiative. The total investment represents nearly 7 million euros and will save up to 12 million kilowatts. Achieving the energy efficiency goals established is a major factor in managers' evaluations.

Similarly, **Taiwan**, **China**, **India** and **Poland** are introducing more effective equipment in their stores and increasing their energy-consumption monitoring. Carrefour China won the Green Chinese Store award for its Hangzhou Yongjin site.

In **Spain**, the Edificios Eco-sostenibles energy-efficiency programme was launched in 2007. Thanks to this programme, for the third year in a row Carrefour Spain came out on top of the mass merchandising sector in the evaluation carried out by the Piensa en Clima NGO, which promotes approaches in favour of responsible consumption and the fight against climate change.

In 2012, **Carrefour Brazil** launched an inventory of the main improvement goals to reduce energy consumption, and plans to roll out an action plan in the next few years aimed at closing freezer units, installing energy meters in 400 stores and shopping areas and replacing lighting systems.

☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*
☑☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of reasonable assurance.*
☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

	2012	2011	2010	2009	% vs. 09
Energy consumption – electricity, Gas and fuel *(kWh/sq. m. of sales area)*	573	596	619	628	(8.7)%

Like-for-like BUs (scope: 83% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR/SM: BR.

	2012	2011	2010	2009	% vs. 09
Greenhouse gas (GHG) emissions linked to energy consumption *(in kg CO_2/sq. m. of sales area)*	187	192	205	208	(10.3)%

Like-for-like BUs (scope: 83% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR/SM: BR.

Key figures

A 24.6% decrease in energy consumption in kWh/sq. m. of sales area since 2004 across the Group.

A 10.3% reduction in greenhouse gas emissions linked to energy consumption at stores consolidated within the Group since 2009.

Promoting renewable energy sources

Depending on local contexts, the Carrefour Group takes every opportunity to develop its use of renewable energy sources. Certain countries like **Belgium** already use 100% renewable energy, by selecting their electricity supplier.

There are many examples throughout the Group of stores equipped to produce heat or electricity using renewable sources.

In **Turkey**, certain hypermarkets and supermarkets located in sunny regions are equipped with solar water-heaters.

In **France**, six wind turbines were installed at the Perpignan Claira site, and the Salaise shopping centre extension uses geothermal energy to heat and air-condition the mall and shops.

In **Spain**, Carrefour has installed over 109,000 kWh/year in photovoltaic cells at eight hypermarkets and rolled out over 11,000 solar panels at the Alovera warehouse, thus creating the largest array of this type in Europe. With this installation, Carrefour Spain reduced its emissions by over 500 t. of CO_2 equivalent.

In **Italy**, 12 hypermarkets are equipped with heat pumps for heating, bringing renewable energy's share of their consumption to 40%. The three warehouses in Massalengo, Pombia and Casella use solar energy.

Finally, in **Poland**, the rental of hypermarket roofs for the installation of solar panels is being studied.

Reducing refrigerant consumption

Refrigerants used to run the refrigeration systems represent the second largest source of greenhouse gas emissions generated by the stores' activity. To reduce greenhouse gas emissions caused by leaking refrigerants, the Carrefour Group launched a strategy composed of two phases:

- to identify leaks, with the goal of limiting them to 10% of the gas used in its facilities;
- to prioritise the use of alternative or natural fluids with a lower environmental impact; Carrefour also pledged to stop using hydrofluorocarbons (HFCs) in its new cooling facilities as of 2015.

In most of the countries where it operates, the Group has carried out a diagnostic analysis aimed at measuring fluid leak rates and identifying their causes, with a view to introducing corrective measures. Between 2009 and 2012, the quantity of refrigerant gas refilled in cooling facilities following leaks dropped by 34.3% per sq. m. of sales area.

Several types of gas may be used in refrigerator and freezer units. Their use is subject to increasing regulatory constraints.

At Carrefour stores in Europe, all food-chilling facilities that use hydrochlorofluorocarbons (HCFCs) will soon be phased out. Since January 1, 2010, the European Union has prohibited the use of virgin HCFCs to refill existing cooling facilities.

The use of HFCs (hydrofluorocarbons) will also be reduced, as legislation in this regard has been made considerably stricter.

Carrefour is thus testing various alternatives to traditional fluids, such as natural fluids like carbon dioxide (CO_2), which have a lower impact on climate change and ozone layer destruction ☑. Moreover, the CO_2 requires very tightly-sealed refrigeration facilities, which significantly reduce leak risks. The next-generation equipment also consumes less fluid and 10-20% less electricity, which limits greenhouse gas emissions as well.

After the first conclusive experiments carried out in 2011, in which carbon dioxide was tested for freezer units, various pilot operations were launched in 2012, including those for refrigeration. The Group is considering the possibility of converting those of its facilities operating on fluorinated fluids to the use of scalable mixed CO_2 solutions, or to 100% CO_2 solutions for facilities reaching their end-of-life, or for complete or partial renovation of certain sites. From this point on in new stores, completely renovated stores or stores whose cooling facilities are reaching their end-of-life, the Group will therefore use CO_2 for both freezing and refrigeration.

In 2012, **Turkey** took a series of measures to reduce the impact of refrigerant systems: the last facilities operating with HCFCs were replaced, certain facilities were removed or reduced in size and the compressors and capacitors at 49 supermarkets were replaced by equipment with anti-leak guarantees. Leak monitoring has been included in maintenance contracts for the facilities. In addition, carbon dioxide facilities are being tested at three stores.

Stores in **Taiwan** are gradually migrating toward the use of fluids with lower environmental impact and have all been equipped with leak-detection devices.

China improved its leak detection procedure, which is now carried out bimonthly with more reliable equipment.

Poland expects to replace the last of its equipment using HCFCs by 2013 at the latest. CO_2 refrigerant systems were tested at two hypermarkets and a supermarket in Poland in 2012; a decision was taken to gradually expand this practice.

Since 2012, **India** has been using gas that does not harm the ozone layer.

At the end of 2012, **Italy** had three CO_2 plants. This fluid is used systematically for all new store openings and renovations.

In **Brazil**, Carrefour has launched on-going improvement approaches. In 2012, for example, a map of refrigerant gas leaks was created and an action plan was developed to reduce them (equipment replacements and preventive maintenance).

	2012	2011	2010	2009	% vs. 09
Quantity of refrigerant refilled due to leakage *(in kg/1,000 sq. m. of sales area)*	38.1	40.0	47.4	58.6	(35.0)%

Like-for-like BUs (scope: 76% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR, AR, TW/SM: BR, AR, TR.

Key figures

A 35.0% reduction in the quantity of refrigerant fluid in cold-production facilities per sq. m. of sales area since 2009.

A 24.9% reduction in CO_2 emissions linked to refrigerant and energy consumption by stores in France, Spain, Belgium and Italy compared to 2009 levels (goal: 40% less by 2020).

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Reducing water consumption

Sources of water consumption vary with the size and operations of the different stores. The operations that use the most water are the food-preparation areas (meat, fish, bread, pastries and deli), the cleaning of equipment and floors, the production of ice for the fish displays, hand-washing and employee restrooms, and the watering of interior plants and outdoor green spaces.

From 2009 to 2012, water consumption dropped by 6.8% at Group level. This progress is the result of a long awareness-raising process.

In 2003, the Group adopted related management measures, including regular reporting and identification of consumption sources and stores that consume the most ☑. This monitoring and analysis work included a number of water-savings assessments. The stores have raised their employees' awareness of this issue and optimised equipment maintenance, in particular to prevent leaks. In **Turkey**, for example, water metres at hypermarkets are monitored daily.

Stores around the world are gradually adopting solutions designed to limit their consumption, such as water-saving taps, motion-detection taps and water-free urinals, systems for collecting and recycling rainwater for usages not requiring drinking water – a solution that could reduce a hypermarket's consumption by 10%. In **India**, for example, certain stores have set up rainwater collection schemes.

In **France, Italy, China, Taiwan and India**, Carrefour and cash & carry stores are equipped with a water recycling system that collects and treats wastewater for bacteriological pollution so that it can be reused in toilets, for car-washing and for watering green spaces. All stores in China are equipped with dry toilets, which save an average of 170,000 litres of water per year and per store.

	2012	2011	2010	2009	% vs. 09
Water consumed *(in cu.m/sq. m. of sales area)*	1.72	1.77	1.82	1.85	(6.8)%

Like-for-like BUs (scope: 92% of 2012 consolidated sales, excl. VAT) – excluding: HM: BE, AR/SM: BE, AR.

Key figures

A 6,8 % reduction in water consumption per sq. m. of sales area Group wide since 2009.

16.7 million cu.m consumed at Group stores in 2012.

Reducing waste production and promoting recovery

Store waste primarily consists of secondary packaging (such as packing boxes for product shipment) and, to a lesser extent, plastic, metal and organic waste from non-consumable food products. Reducing waste from operations is entirely in line with anti-wastage efforts launched by Carrefour at the end of 2012. The Group has long been implementing a strategy with two parts: reducing waste at the source and recovering waste, whether in financial or physical form or as energy ☑.

Reducing waste from operations

To limit its waste, the Group is, in particular, replacing the boxes and crates used for goods transport with reusable plastic trays, and is rolling out "ready-to-sell" units, which involve designing secondary packaging in such a way that it can be used to display the products on store shelves. If the packaging is well designed, this innovative method offers several environmental benefits. The packaging is smaller and lighter, which limits the volume and weight of the goods transported, fuel consumption and waste amounts. In **France,** the ready-to-sell method is used for 80% of hypermarket products and 72% of supermarket goods.

In **Turkey** in 2012, nearly 50% of single-use transport cases were replaced with reusable cases, and a new partnership was set up to test the use of pallets with a longer life span. Since 2009, **Spain** has been using 100% recyclable corrugated cardboard trays for fruit and vegetables that also help to save room during transport. **France** opted to give priority to reusable packaging, mainly made of plastic, for produce, meat and textiles.

Warehouses also actively participate in reducing waste at source. See page 63.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

In most of its countries, Carrefour stores work in partnership with charitable organisations, to which they donate food products and textiles (see pages 68-69).

Recycling and recovering waste from operations

Everywhere that it operates, the Group has also adopted a structured waste-management system to ensure that waste is recycled ☑. Cardboard, the primary source of waste in stores, is sorted in all countries.

Other types of waste (plastic, scrap metal, glass, organic waste etc.) are sorted according to the available local waste-recovery systems, which are becoming more common year-by-year. In all countries, Group stores have been increasing their efforts to find networks able to recycle their waste.

Recovery of organic waste has been underway for many years now. In **Belgium**, all stores sort waste from their grocery, bakery, fruit and vegetable sections and transform it into biomethane. In France, 11,131 tonnes of biowaste collected at Carrefour hypermarkets and supermarkets were treated in 2012 ☑. In **Spain**, an organic-waste management system is now in operation at 172 hypermarkets. Over the past year, 6,002 tonnes of organic waste were collected and recycled.

In 2007, Carrefour **Spain** introduced an ambitious programme, the Integrated Waste Management Plan, and opted to centralise waste management and entrust the collection and recycling of waste to two service suppliers. In 2012, this optimisation programme was still a success: 65% of hypermarkets' waste was recycled. Carrefour Spain is also a member of the Sigaus integrated manufacturing-oil management system and the Ambilamp integrated management system designed to facilitate the recovery and recycling of oils and lighting consumables – neon tubing, bulbs, glass, metal fragments and more.

At the same time, French hypermarkets sorted and recycled 81% of their waste (including *via* food donations).

In 2012, special efforts were made to step up waste collection at all stores in **Italy** (paper, cardboard, wood, food waste, oils, batteries, and electric and electronic equipment).

Significant progress was also made in **Argentina**, where Carrefour actively participated in the integrated recycling management programme (PGIR) of the municipality of Buenos Aires. This programme offers environmental, social and financial benefits, since it aims to reduce the overall amount of waste produced, develop recycling networks and professionalise the players already in the sector. In this framework, Argentina's Carrefour stores have set up a sorting and recovery system that covers organic waste, packaging waste (cardboard, plastic etc.), oils, fluorescent tubes, paint, freon cylinders, batteries and more, and have trained employees in sorting methods (a total of 542 employees trained in 2012).

In the same spirit, Carrefour **Brazil** intensified its waste management programmes to bring them up to national policy standards, in particular for the appropriate elimination of organic waste and recyclables. Employees in Brazil also actively participate in working groups that bring together the mass merchandise sector, government representatives and manufacturing decision-makers, with the goal of setting up sector-wide waste management agreements.

Encouraging customers to collect and recycle waste

Throughout the Group, stores offer bins to collect waste brought in by customers. Whether or not local waste legislation exists, waste flows are diverse and becoming more numerous each year; depending on local habits, flows may include batteries, electric and electronic waste, printer cartridges, light bulbs and other lighting consumables.

Carrefour has also launched many awareness campaigns targeting customers to encourage them to sort their waste.

RECYCLED WASTE BY REGION AND TYPE, INCLUDING DONATIONS TO CHARITABLE ORGANISATIONS (IN KG/SQ. M. OF SALES AREA)

Region	France	Europe (excluding France)	Latin America	Asia
Cardboard/paper waste	72%	72%	91%	93%
Donations	18%	1%	1%	0%
Organic waste	1%	11%	1%	1%
Other waste (including plastic)	9%	16%	7%	6%

	2012	2011	2010	% vs. 10
Proportion of waste recycled – including donations *(% of waste)*	63.9	61.5	60.5	5.5%

Like-for-like BUs (scope: 79% of 2012 consolidated sales, excl. VAT) – excluding: HM: BR, AR, TR/SM: BR, AR.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Reducing the impact of consumables

Limiting the environmental impact of commercial publications

Since 2005, the Carrefour Group has been implementing a comprehensive strategy involving all its commercial publications, in line with its responsible procurement approach (see pages 43-46). In particular, the Group committed to using only FSC- or PEFC-certified paper or recycled paper for its European commercial consumer publications by the end of 2012.

In 2012, 99% of the paper used Group-wide for its commercial publications was recycled or certified; for Europe, the figure was 100%. At the same time, Carrefour has been reducing the quantity of paper used for its publications by:

- reducing the grammage or size of catalogues;
- developing new technologies: electronic brochures and e-mail, loyalty-programme cheques and catalogues available on Carrefour's websites and on smartphones in Europe;
- optimising the distribution of its catalogues: Carrefour reduced its paper use by 20% in **Spain,** for example, by adjusting the number of catalogues distributed to the population density per neighbourhood and ensuring that only one catalogue is placed in each mailbox. A similar approach is underway in **France**. Carrefour hypermarkets began offering three catalogues per month rather than four, which saves 10,000 tonnes of paper per year.

Carrefour is also working with printers to reduce the impact of its commercial publications. All of Carrefour's printers are committed to an eco-friendly approach (Imprim'Vert, FSC, PEFC, ISO 14001 etc.).

	2012	2011	2010	2009	% vs. 09
Quantity of paper purchased for commercial publications *(in kg/sq. m. of sales area)*	17.8	19.9	19.7	20.1	(11.1)%

Like-for-like BUs (scope: 100% of 2012 consolidated sales, excl. VAT).

Phasing out disposable check-out bags

In all countries where it operates, the Group has committed to phasing out the free distribution of disposable plastic check-out bags by the end of 2012. In 2003, the Group carried out its first life-cycle analysis on different types of biodegradable and reusable plastic and paper check-out bags. Updated in 2010, the analysis showed that, past the fifth use, the reusable carrier bag was the most eco-friendly of all the solutions studied. The Group therefore decided to launch an ambitious strategy of eliminating disposable plastic check-out bags and promoting reusable bags.

As a result, the number of disposable plastic bags distributed free of charge at check-outs dropped by 50% (per sq. m. of sales area) from 2009 to 2012. Now, only **Argentina**, **Brazil** and **Turkey** still give out such bags. In these countries, Carrefour is committed to a progressive approach to raise customers' awareness on this point. Certain Carrefour stores in **Brazil** (Piracicaba, Jundiai and Belo Horizonte) have already stopped distributing disposable bags.

Carrefour has saved over 1,400 million free disposable plastic check-out bags at Group level since 2009.

	2012	2011	2010	2009	% vs. 09
Number of free disposable plastic check-out bags purchased for stores *(in kg/sq. m. of sales area)*	103	122	141	206	(50.0)%

Like-for-like BUs (scope: 100% of 2012 consolidated sales, excl. VAT).

Air, water and soil pollution

The Carrefour Group's commercial and retail operations release low levels of emissions into the air, water and soil, apart from greenhouse gas emissions. The initiatives aimed at reducing greenhouse gas emissions are described on the previous pages.

Equipment operating on fossil fuels that generate emissions into the air (dust or smoke) such as generators, compressors and condensers are equipped with recovery systems or filters.

Thanks to store efforts, the wastewater leaving sites is not laden with major pollutants. In certain countries, wastewater treatment and recycling systems have been introduced ☑.

Carrefour-managed service stations in **France** and **Spain,** for example, are equipped with facilities designed to prevent environmental risks and unpleasant odours, including:

- double-bottom tanks and concrete storage tanks;
- systems designed to recover vapour from gas storage tanks and deposits when tanks are completely filled;

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

- a braking system and fill valves to avoid overfilling and leaks, which contaminate soil;
- tight seals on the hose between tank and gas pump to avoid ground contamination;
- adaptors on gas hoses and leak-detection equipment on tanks;
- hard pavement around the filling area to avoid fuel infiltration into the ground;
- decanting systems to avoid contamination of the sanitation network, and a system designed to detect water contamination by hydrocarbons.

Preventing noise pollution

Carrefour store operations generate little to no major noise disturbances. Generators or compressors that cannot be installed underground are covered with anti-noise equipment or placed behind insulating walls. In all countries, maintenance teams ensure respect for noise regulations. In 2012, for example, Carrefour **Poland** took a number of measures to combat noise disturbances, including soundproof doors for technical rooms (compressors, coolers), noise-filter installation, repairs to compressors, replacement with quieter compressors and use of soundproofing materials.

However, operations linked to goods transport may generate noise disturbances, particularly for local residents during delivery periods. In 2012, Carrefour intensified its noise-reduction strategy, an approach for which Supply Chain France won the Gold Decibels award in December 2011. This award recognises companies that have made significant progress in this area. In 2012, in the context of its membership in the Demeter Club and together with the Certibruit organisation, Carrefour also participated in the development of a new "Respect for local residents during night deliveries" label ☑ which recognises shippers and retailers that significantly reduce the noise disturbances they generate, opening the way for the development of night deliveries. This label covers obligations regarding means and outcome: delivery points and roads designed to reduce disturbances, training and awareness-raising for employees and follow-up on complaints to ensure respect for local residents' comfort.

In concrete terms, Carrefour **France** has also doubled its number of silent lorries since 2010. At the end of 2012, its fleet included 140 vehicles that meet the PIEK standard, a label guaranteeing sound levels of under 60 decibels ☑.

2.5.3 A MORE ECO-FRIENDLY LOGISTICS CHAIN

In 2012, the Group continued to optimise its logistics chain to limit its impact on the environment and reduce its carbon footprint. As a part of an approach aimed at continuous, sustainable improvement of goods transport, Carrefour developed innovative initiatives together with its partners and continued its efforts to reduce and optimise the number of kilometres travelled in favour of more eco-friendly transport modes and improving warehouses' environmental performance.

2.5.3.1 REDUCING AND OPTIMISING THE NUMBER OF KILOMETRES TRAVELLED

Adapting logistics networks

Everywhere that it improves its efficiency, Carrefour redesigns or adapts its logistics network. The Group has rolled out consolidation centres for its European suppliers. By pooling inventories, these centres make it possible to save an average of 15-20% in distance travelled. Suppliers, mainly SMEs, deliver to a single point that is close to their production site. Full multi-supplier lorries supply Carrefour's regional delivery warehouses from this point. Over 400 suppliers in **France** supply these platforms. In **Turkey**, for example, the construction of a new warehouse will make it possible to serve the entire Black Sea region, reducing distances travelled by nearly 2 million kilometres. **Taiwan** ramped up negotiations with certain suppliers to avoid direct factory-store deliveries and achieve centralisation through the warehouse.

In a further effort to reduce empty kilometres, Carrefour also introduced an optimised return-logistics system in France: eight regional centres now accept returns of packaging and cultural products from hypermarkets. This new organisation saved 4.8 million empty kilometres and 4,100 tonnes of carbon emissions in 2012 (scope: French hypermarkets, from October 2011 to the end of September 2012) ☑.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Optimised lorry loading

At the same time, Carrefour is optimising lorry loading, with the goal of increasing the number of pallets per lorry and boxes per pallet. In **France**, 26 twin-deck lorries make it possible to double the volumes loaded into the trailers. In 2012, this represented 9,700 fewer lorries on the roads and 1,440 fewer tonnes of CO_2 emitted. Moreover, testing is underway on stackable shipping packaging to optimise lorry loading volumes. A twin-deck lorry is also in use in **Poland**. After a diagnostic phase in 2011, **Argentina** implemented a wide-reaching plan aimed at optimising the loading of its lorries. Over 2012, lorry-filling was optimised by 18%, 14% of which was accomplished by increasing the average size of pallets and 4% through better lorry filling. Other actions, such as optimising delivery frequency to 110 stores and improving suppliers' pallet preparation, also contribute to overall shipping optimisation.

The Group also encourages backhauling, wherein lorries that have delivered merchandise to stores are loaded at nearby suppliers to re-supply Carrefour warehouses. In **France** in 2012, nearly 400,000 pallets were transported using this method, or five times more than in 2010. Several colLabourative projects have been developed, including a very innovative platform initiated in France in partnership with Danone Eaux France and ID Logistics. This project has created a regional industrial inventory for Danone Eaux France at Carrefour's Grans Miramas site, which has the advantage of being connected to a railway. This site supplies over 120 Carrefour stores in the southeast, as well as the warehouses of other retailers operating in this region. With the volumes pooled in this way, the objective is to send trains fully loaded with goods from Danone Eaux France's plants. This pooling has already saved 415 tonnes of carbon emissions per year (with 1,000 fewer lorries on the roads).

Backhauling initiatives were also introduced in **Italy**, where an agreement promoting this practice was signed with some 30 suppliers. In **Argentina**, Carrefour also introduced backhauling in three provinces – La Pampa, Buenos Aires and Mendoza – in partnership with 45 suppliers. In **Belgium**, Carrefour continued its efforts, and uses backhauling for 10% of its upstream flows, in particular for beer products. **Taiwan** is also developing backhauling operations.

To support its optimisation efforts, Carrefour has invested in high-performance tools. A Transport Management System (TMS) aimed at better management of data and optimised delivery rounds is being implemented in France. Other countries, such as **Argentina**, **Italy** and **Poland**, also rolled out the TMS in 2012.

	2012	2011	2010	2009	% vs. 09
CO_2 emissions per shipping unit *(in kg CO_2/pallet)*	6.9	7.0	7.0	7.8	(12.5)%

Like-for-like BUs (scope: 82% of 2012 consolidated sales, excl. VAT) – excluding: HM/SM: BR/IN.

2.5.3.2 PROMOTING AND DEVELOPING MORE ECO-FRIENDLY TRANSPORT

Warehouse and store deliveries: multimodal solutions on the rise

In terms of alternative transport – waterway, rail and multimodal solutions combining rail/road or barge/road – Carrefour continued its efforts in the countries where the infrastructures made it possible.

In France, over 9.5 million kilometres were saved in 2012 by using multimodal transport, or the equivalent of 17,000 fewer lorries for a savings of 7,200 tonnes of carbon emissions. Upstream (deliveries from suppliers to warehouses), 43% of non-food import products were routed using a multimodal solution.

Downstream (deliveries from warehouses to stores), multimodal transport represented 12% of all **trans-France** flows, or 4.5 million kilometres of road transport saved.

In **Spain**, Carrefour continues to put its focus on rail transport; in 2011, 80% of its containers were routed by train.

In **Belgium**, Carrefour is strongly encouraging waterway transport. The routing of import containers between Antwerp and Vilvoorde is therefore handled by barge. In **Italy**, Carrefour uses a daily train to route some goods from its warehouse in northern Italy to the Rome area for delivery to stores in the centre and south of the country. This rail line is operated in collaboration with one of Carrefour's main suppliers. With some 3,000 trips per year, this line made it possible to achieve CO_2 emissions savings of 26%. In **Milan**, Carrefour is also developing the use of clean transport for home grocery deliveries using vans operating on LPG or zero-emissions electric vehicles. In **Brazil**, Carrefour launched a combined waterway/sea transport initiative *via* the Itapevi platform in Manaus for fresh and frozen products as a replacement for road transport.

Innovating for a more eco-friendly fleet that respects local residents

These efforts to optimise the fleet with cleaner, quieter lorries is a mechanism for progress and a key area for Carrefour's environmental approach. The Group favours the use of cleaner lorries:

- in Belgium, 100% of lorries are Euro 5-compliant;
- in France, 93% of the fleet meets Euro 4 and 5 standards (compared with 80% in 2010).

Compliant with the EEV (Enhanced Environmentally-Friendly Vehicles) standard – the strictest to date – France's fleet has now increased to 35 vehicles (*versus* 27 in 2011).

In **France**, Carrefour signed the CO_2 Objective Charter, covering its own fleet, with the ADEME. Moreover, Carrefour's shippers also commit to the efforts by signing this Charter: 127 service providers, who handle 67% of the transport, have already signed it. Through this charter, shippers commit to a concrete action plan over three years to reduce their fuel consumption and associated emissions. Specifically, this commitment involves installing accessories to improve vehicles' aerodynamics, choosing a highly energy-efficient system for refrigerated vehicles, improving consumption monitoring, carrying out eco-friendly driving training for drivers and raising awareness amongst shippers.

The Group also tests and promotes innovative solutions, particularly in terms of engines: in **France**, Carrefour acquired six hybrid delivery lorries (electric and silent), improving energy use by nearly 10%. In a world premier in Lyon, thanks to a technological partnership with Renault Trucks and the carrier Stef-TFE, the Group also launched the world's biggest electric lorry, a 16-tonne 100% electric Renault Midlum. This vehicle makes it possible to reduce CO_2 emissions by 89% in the Lyon region (third quarter of 2012).

Also in France, Carrefour is experimenting with a bio-ethanol lorry in collaboration with the manufacturer Scania and the carrier STAF. Since the beginning of 2013, Carrefour has been testing three lorries fueled by biomethane, which is generated by recycling organic waste from its hypermarkets. This scheme makes it possible to make deliveries to some 15 stores in the Lille area with a neutral carbon assessment. In addition to the reduction in greenhouse gas emissions, this goods transport solution emits no fine particles, reduces noise disturbances by half and represents a concrete experiment in energy independence for store deliveries.

Turkey uses lorries that meet the latest standards and is examining the possibility of introducing electric lorries into its fleet. Employees in **Taiwan** work continually toward the goal of reducing the number of lorries travelling between warehouses and stores.

2.5.3.3 ACTIONS TO IMPROVE THE ENVIRONMENTAL EFFICIENCY OF WAREHOUSES

Warehouses' environmental performance is steadily improving.

In **France**, in 2008, Carrefour introduced a set of sustainable development indicators, initially for consolidated warehouses and then for warehouses managed by service providers. Since 2005, an outside firm has been carrying out sustainable development audits of French warehouses to identify best practices and encourage improvements. These audits cover environmental and social criteria (energy consumption, CO_2 emissions and waste production).

56 audits were performed in 2012 in France, with an average 94.7% compliance with the reference system, compared to 91% in 2010.

In 2012, French warehouses continued to reduce their energy consumption by improving the energy efficiency of their heating facilities, refrigeration equipment and lighting systems (such as low-consumption lights and motion detectors that make it possible to activate lights only when needed). The result: electricity consumption has been reduced by 8% compared with 2010 levels.

In **Taiwan**, a warehouse roof was equipped with photovoltaic cells that supply part of the building's electricity needs.

In **France**, certain warehouses have begun using 100%-recyclable cardboard pallets. Weighing only 3.3 kg compared to the 20 kg of a wooden pallet, this recyclable cardboard version reduces waste quantities while improving handling conditions and significantly reducing the tonnages transported. In 2012, 2,410 tonnes in weight were saved in this way.

Logistics organises the collection of cardboard and plastic packaging for Group stores, in particular supermarkets and convenience stores, which do not have high-enough volumes for removal by a service provider. Over the entire logistics network, the waste-recovery rate is 55%.

2.6 Carrefour: a local financial player serving its communities

Although it operates in 12 countries, as it expands its operations the Carrefour Group never forgets the communities where its stores are located, where its employees live and where it connects with its financial partners, together with which it promotes the on-going creation of value for the benefit of all.

2.6.1 PLAYING A DYNAMIC ROLE IN EMPLOYMENT AND THE LOCAL ECONOMY

2.6.1.1 STORES DRIVING EMPLOYMENT

With nearly 10,000 stores, Carrefour is a major player in the socioeconomic development of the places in which it operates. Carrefour stores are significant centres of direct and indirect employment. In each Carrefour country and each district/region where it has a store, the banner follows a local recruitment policy ☑. In France, with over 106,000 employees, Carrefour represents one of the biggest private employers in the country.

Carrefour hypermarkets in France, for example, employ an average of 300 people. Every new store creates jobs, which mainly benefit people who live in its geographical area. In France, the Lyon Confluence and La Chapelle-Saint-Luc hypermarkets and the Audenge supermarket, all of which opened in 2012, are excellent examples. When the Lyon Confluence hypermarket opened, it hired 140 employees, 85% of them on permanent contracts. The opening of the La Chapelle-Saint-Luc hypermarket created 200 direct and 250 indirect jobs. As for the Audenge Carrefour *market*, 25 jobs were created in partnership with city hall and the local employment office; all these employees live in Audenge or neighbouring communities.

Its emphasis on local employment and recruitment has enabled Carrefour to play a key role in the professional integration of those in its employment pools, in particular with the 2004 signing of the Workplace Diversity Charter and by taking very concrete action to promote employment for young people and integration into the workforce for people experiencing employment difficulties.

Promoting youth employment

The Carrefour Group is committed to contributing to the local development of the communities in which it operates and has always focused on recruiting local young people through work-based learning schemes and/or by providing mentoring for new recruits. Carrefour retained its role as a key player in youth employment in 2012.

In France, the banner was the leading recruiter for work-based learning schemes in 2012, with 3,000 new recruits employed under a work/study contract. Working in partnership with local organisations, the Group has also signed a Commitment Charter for employment and work-based learning for young people with the Ministry for Apprenticeship and Vocational Training. In another exemplary initiative, Carrefour sponsored some 150 young people in 2012 in partnership with the *Nos Quartiers ont du Talent* association. One illustration of the success of the initiative was the forum on youth employment held at the end of the year, which attracted 700 applicants. Other countries have also launched wide-reaching programmes dedicated to helping young people integrate into society and the workplace. For example, Brazil's *Jeunes Apprentis* programme provided 1,400 young people with training in a store business line in 2011.

France's *École Carrefour* was created to promote the recruitment and qualification of young people as well as training and skills development for non-executive employees. Each year, it accepts candidates under professionalisation and apprenticeship contracts.

Carrefour also encourages business start-ups and a spirit of entrepreneurship by facilitating access to franchising. Becoming a young entrepreneur in business is an easy and realistic option thanks to the management rental scheme offered by Carrefour, the only banner that currently puts forward such a proposal in France. Since 2003, Carrefour convenience has been running a two-year training programme for the assistant store managers of certain stores with a view to helping them open a store under a lease management scheme without having to make a significant investment.

As a major player in franchising in France and the rest of Europe, Carrefour aims to expand the franchising concept in consolidated countries. It receives support for this concept from a network of partners, and creates financial value that brings benefits for all, including companies, zones, countries and cities.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Promoting access to employment for those who have difficulty finding work

In 2012, the Group continued its partnerships with key players in employment and social integration, in France in particular, including local organisations, the PLIE (*Plan Local pour l'Insertion et l'Emploi*), Cap Emploi, École de la Deuxième Chance and IMS-Entreprendre. In partnership with Pôle emploi, the French government employment service, Carrefour has continued to recruit employees for new stores using the MRS method, which aims to measure applicants' skills *via* a simulation model.

Carrefour has also recruited employees through the *Préparation Opérationnelle à l'Emploi* (POE – Getting Ready for Work) programme, again in partnership with Pôle emploi. Objective: To support new employees through training to get them ready for starting work. At the Lyon Confluence store, 72 employees took advantage of the programme offered by *École Carrefour*.

A similar success story can be found in **Spain**, where Carrefour continued its partnership with the Integra Foundation, which awarded it a special commendation for its efforts to support people who have difficulty finding work. Six such people were recruited for new stores in Brescia and Príncipe de Vergara. lso in Spain, Carrefour joined forces with the Red Cross and the regional employment service for Greater Madrid to hire unemployed people from the northern part of the city.

2.6.1.2 CARREFOUR AS A PARTNER IN LOCAL LIFE

The result of constructive cooperation with elected officials and local players, a Carrefour store is a centre of neighbourhood life, creating social ties and responding effectively to residents' everyday needs. The Chapelle-Saint-Luc hypermarket is a good example of Carrefour's dedication to coordinating its efforts with representatives of the communities where it operates. Completed in November 2012, the creation of a commercial area was carried out in conjunction with financial backers and on-going consultation with residents and users. The project is one of the largest in France and was undertaken by the city authorities in Troyes and the French National Urban Redevelopment Agency, which made economic growth and trade the dual focus of the challenge. It aims to reintegrate vulnerable neighbourhoods by creating new housing and public services. The dynamic needed for such a project was made possible by on-going committed dialogue amongst all stakeholders: the residents, the various communities, the private partners, the State and the economic development participants.

As another example of cooperation amongst the private sector, associations and town council, Carrefour **Argentina**, along with other businesses and the town council of Zarate (a Buenos Aires district) organised a discussion forum this year, for the second year running, as part of the AcercarRSE (Get Closer to CSR) programme. The aim was to boost ties amongst 35 local associations, the town council and businesses in the region to develop joint projects designed to support the community's economic and social development.

The cash & carry stores are designed to offer restaurant industry professionals, administrations and small local businesses a convenient place to shop. These stores play an active role in making Group regions dynamic. In **India**, for example, Carrefour has opened two new stores, and in **Argentina** it has introduced the Carrefour Maxi concept.

Similarly, Carrefour's neighbourhood stores are particularly beneficial for rural areas. In France, for example, the Group has entered into a partnership with La Poste (the French postal service): 79 Relais Poste (postal outlets) in Carrefour shopping centres have replaced local post offices that have permanently closed ☑. Customers can therefore continue to carry out everyday transactions (dropping off and fetching mail, buying stamps and ready-stamped envelopes and withdrawing money from post office accounts) and take advantage of longer opening hours (8 am to 8 pm).

2.6.1.3 STIMULATING THE LOCAL ECONOMY

Since the very beginning, the Group has given priority to local procurement of products, particularly food products, which is to say items produced in the same country where they are sold. In **Turkey**, **Argentina** and **Brazil**, the share of Carrefour's food products sourced from local suppliers is close to 100%. Carrefour thus supports the growth of thousands of SMEs and small producers in all the countries where it operates, while helping to lower CO_2 emissions created by the transport of imported goods. Carrefour develops long-term relationships with local businesses that improve their production quality and boost their growth.

In **Spain**, Carrefour invited over 720 SMEs to promote their products in its stores in 2012.

In **China**, the Direct Purchase programme launched in 2007 aims for intermediary-free procurement at national level, which is to say from one province to another, and at local level within a given province. This makes it possible to offer customers low prices for fruit and vegetables and to guarantee optimum revenues for farmers. To support this approach, Carrefour China launched an initiative that allowed customers to use their mobile telephones to access information on the traceability of these products, the origin of production and the date they were delivered to the stores. At the end of 2012, the Direct Purchase programme made it possible to buy over 300,000 tonnes of fruit and vegetables from over 500,000 farmers ☑.

In **Belgium**, Carrefour teams select regional products from artisans located within 50 km of the stores, and promote them in a dedicated store area and *via* special events.

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

At the same time, in **Taiwan**, Carrefour features local products by stamping them with “MIT: Made in Taiwan.” The development of local products being advertised within the stores draws upon the culture of quality and trust created by Carrefour, as well as the market knowledge acquired by store managers.

A number of local initiatives are also underpinning the Group’s commitment. In June 2012, for example, customers at the Lucques hypermarket in **Italy** had the opportunity to take part in a free guided tour of the 50 local fruit and vegetable producers who supply this store with fresh products on a daily basis.

Carrefour **Argentina** supports micro-entrepreneurs in the city of Tigre by distributing and promoting their products at three hypermarkets in Buenos Aires province. Since 2007, Carrefour has also been participating in the organisation of a fair in the municipality of Malvinas Argentinas, during which 30 micro-entrepreneurs are invited to promote their products.

Also in **Argentina**, through its Foundation and in collaboration with Planet Finance Argentina and the Pro Yungas organisation, Carrefour supports a programme aimed at preserving the Yungas region by providing technical and operational assistance to small, indigenous producers of such items as wool and honey. To this end, it helps market the products and facilitates access to loans to support the investment in and development of such micro-businesses. This pilot project has benefited a total of 2,600 people living in three communities since 2011.

The Carrefour Quality Lines: partnerships to promote participating suppliers

The 1992 launch of the first Carrefour Quality Line (CQL) products in France marked the beginning of Carrefour’s commitment to its customers and French producers ☑. With this initiative, Carrefour offers its customers a core range of high-quality fresh products. For the producers, each Carrefour Quality Line network has given rise to long-standing partnerships designed to develop a quality approach, from field to plate, together with all supply chain players. The Carrefour Quality Lines therefore help sustain and promote local business and regional expertise ☑. Carrefour works closely with all network players (agricultural producers, animal breeders and processors), taking into account their needs and helping them to stay abreast of regulatory developments, implement environmentally-friendly practices, reduce their pesticide use and improve animal welfare.

Key figures

75.2% of the food products sold by Carrefour in the various countries where it operates come from local suppliers.

10% of Group revenues from traditional fresh products are achieved through CQL networks.

Contracts for 27 new lines were signed in 2012.

430 ☑ CQL network contracts in Group countries in 2012.

Over 21,000 producer partners in France and nearly 25,000 throughout the world.

Carrefour also develops this partnership-based strategy by promoting shared best practices among its suppliers, organising commercial events dedicated to their products and promoting their expertise at such events as Paris’ International Agriculture Show. In February 2012, this event provided the Group with the opportunity to celebrate the Carrefour Quality Lines’ 20th anniversary.

For suppliers, it also ensures fair compensation for their quality approach. Through its networks, Carrefour commits to annual business volumes that guarantee an outlet for suppliers’ products.

☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

☑ *Qualitative statements verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

Promoting regional and local products and ensuring commercial outlets for thousands of producers

Among the regional product ranges that Carrefour develops, the Reflets de France brand involves 178 French partners, for whom it provides total turnover of over 317 million euros (excluding tax).

Created in 1996 with the aim of cooperating with SMEs in a common project, this brand allows customers to experience the traditional dishes of various French regions. By distributing and promoting various regional products throughout France, the brand gives suppliers the opportunity to develop their operations and allows a wider audience to explore the many products their region has to offer.

Key figures

In 2012, the Reflets de France range offered 450 products in France.

90 million Reflets de France items are sold each year at Carrefour stores.

In Italy, the **Terre d'Italia** range promotes traditional Italian food products and the expertise of the local SMEs that produce them. Over 90% of Terre d'Italia product suppliers have fewer than 50 employees. By working closely with 120 producers, Carrefour Italy puts a national range of over 300 regionally-produced products within everyone's reach. To promote this range, a wide-reaching development plan for new Terre d'Italia products was launched in 2012, a temporary store dedicated to the brand offering over 85 listings was opened and a dedicated online shop was also created.

Spain is developing the De Nuestra Tierra range based on the same model.

Another example: In **Turkey** in 2012, Carrefour opened a warehouse in Samsunen dedicated to local fruit and vegetable procurement.

Carrefour BIO: priority focus on French producers

In 1992, Carrefour launched its first organic product: the Boule BIO, a loaf of bread made from flour and yeast sourced from organic farms. In 2012, 20 years on, the Carrefour Group offered 2,000 ☑ organic food listings under its BIO brand. In France, the banner offers 825 organic food listings and 565 organic cotton textile products. When national brands distributed by the banner are included, the total number of organic listings offered at Carrefour hypermarkets comes to over 3,000.

More than 70% of the Carrefour BIO organic food products in French stores come from French production sites. Carrefour works with over 200 agricultural and industrial partners in various regions of France. The priority for organic produce is clearly focused on French procurement, with some 40 different suppliers involved in the sourcing. The share of imported products concerns mainly foreign products and citrus fruits not grown in France, as well as organic products from elsewhere in the European Union when French production is insufficient.

In **France**, in the context of its decentralisation strategy, each Carrefour store manager develops his or her own local-product offer. Since the beginning of 2012, the assortments have been expanded and the banner now offers over 50,000 regional products that closely reflect consumer expectations. Carrefour hopes to continue this approach and strengthen bonds between its stores and their local partners. To this end, it is examining ways of simplifying small companies' administrative and logistics approaches.

Key figures

321 million euros in turnover from Carrefour BIO product sales worldwide.

Over 2,000 organic product listings offered in the countries.

☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*

2.6.2 SERVING COMMUNITIES

Solidarity is a Carrefour value, shared by everyone at every level. The Group implements solidarity initiatives in every neighbourhood, city, region and country where it operates, at a national level through its stores and dedicated units and at an international level *via* the Carrefour Foundation.

2.6.2.1 INTERNATIONAL CORPORATE COMMUNITIES

The Group encourages its customers to help by making donations and buying products whose profits are used to finance assistance programmes for the disadvantaged.

Carrefour stores thus play a key role in collecting food supplies for the disadvantaged in all its countries. They not only supply food products to local charitable associations and social-welfare grocery stores, but also work alongside their customers and partners on local collection schemes (for example, *Restos du Cœur* and food banks). In all, the donations and food collected in France, Belgium, Spain, Poland and Taiwan represented a donation of over 1.1 million euros in 2012. In Italy, nearly 2.3 million meals equivalents were collected for food banks from 12 warehouses and 54 hypermarkets.

In 2012, Carrefour Spain renewed its Vuelta al Cole Solidaria (Back to School with Solidarity) initiative. It raised 197,843.37 euros in donations from customers thanks to the participation of 169 hypermarkets, which provided all the resources necessary for the success of the campaign, and 2,463 Red Cross volunteers. As part of this initiative, Carrefour Spain commits to matching its customers' donations. Nearly 400,000 euros has been donated to the Red Cross in the form of school supplies for over 16,169 disadvantaged boys and girls.

In France, Carrefour participates in numerous national events, such as the *Téléthon*, which received 200,000 euros in donations in 2012, and the *Pièces Jaunes* (Small Change) campaign for sick children and teenagers in hospital, with 7.5 tonnes of coins collected in stores. Carrefour has collected 72.5 tonnes of coins in France since 2003. A similar initiative is being run in Argentina to support Unicef, where customers are invited to donate their small change to support children's health and education projects. Since 2007, no fewer than 2 million Argentinean pesos (almost 360,000 euros) have been collected.

Carrefour Italy rallied around victims of the Emilia-Romagna region's earthquake and got its customers involved in the efforts. It offered customers the option of donating the points they had collected on their loyalty cards to help locals affected by the disaster. Carrefour matched its customers' donations, giving 1,473,730 euros to rebuild a school.

2.6.2.2 THE CARREFOUR FOUNDATION

Created in 2000, the Carrefour Foundation works with local communities to reduce poverty and exclusion by mobilising its teams' skills and the Group's resources. In 2012, it refocused its efforts on two main working areas: food aid and emergency aid.

1. Food solidarity

Providing food aid to the disadvantaged is a cornerstone of the Carrefour Foundation's work. This work, based upon Carrefour's core business as a retailer, takes the form of iconic initiatives in several key areas: donations and collection of consumer products, the development of social-welfare grocery stores, the expansion of agricultural networks, the promotion of food-industry careers and the implementation of nutritional programmes.

To help people in difficulty, the Carrefour Foundation also supports new grocery stores, which aim to combat exclusion while respecting the dignity of beneficiaries and promoting ways of reintegrating people into society over the long term. The Carrefour Foundation worked with Group employees to help create 19 groceries in three countries (Belgium, France and Greece) by providing logistical and practical support. In France, 10 PACTE (*Pour Agir Contre Toute Exclusion* – Taking Action Against All Exclusion) grocery stores now offer 4,500 families the opportunity to purchase goods at 20% below their normal selling price. To support the collection of fresh products without interrupting the cold chain in France, Spain, Belgium and Argentina, the Carrefour Foundation also finances the purchase of refrigerated vehicles and cold-storage areas, which are essential for maintaining the quality of fresh products.

The Carrefour Foundation also runs numerous initiatives to combat malnutrition and promote a healthy, balanced diet. Over four million people have benefited from nutritional advice thanks to the Foundation's involvement over the past 10 years. In particular, the Carrefour Foundation provides grants to Argentina's Fundacion Conin, which works to combat malnutrition. In Poland, the Carrefour Foundation supports the Caritas organisation, which provides daily meals to 42 centres for disadvantaged children in 30 cities. In 2012, thanks to efforts made by the employees of 32 Carrefour stores, the Foundation was able to distribute 234,000 meals to 1,200 children.

Ranking among the top private employers and offering a wide range of careers, the Carrefour Group also helps, through its Foundation, to develop talents and to boost the employability of those who have difficulty in finding work. To assist and support such people, in particular young people, the Foundation is dedicated to developing various programmes aimed at promoting such food-industry careers as baker, pastry chef, butcher, fish merchant and processed pork-product merchant. To this end, it finances subsidises programmes offering training and job-search assistance in these careers in several countries in collaboration with local Carrefour teams. The Carrefour Foundation lent special support to the Shanghai Young Bakers programme, which is a solid example of this approach. Launched in 2008 alongside the Chi Heng Foundation and Shanghai Economic Chamber members, this programme offers vocational job opportunities for young Chinese people aged 17-23 to learn French baking techniques. The Shanghai Young Bakers programme promotes the social integration of young people from disadvantaged backgrounds by offering them employment opportunities in a food-industry sector that is highly valued in China. Nearly 100 young people have already been trained thanks to the support of the Carrefour Foundation, the main sponsor of the programme since its creation. Each year, Carrefour hypermarkets in China also help to develop the programme by taking on trainees, giving them the opportunity to take up a high-quality career and helping them enter the business world.

Another iconic project, created in July 1991, is the *Réseau Cocagne (Cocagne network)* in France, which helps the disadvantaged re-enter society and the workforce by offering training in vegetable production, a social approach that also has environmental benefits. Every week, the *Réseau Cocagne* produces and distributes baskets of seasonal organic produce to its 20,000 members. In its 120 gardens, the organisation has over 3,500 gardeners, recruited from among participants in the re-integration programme, who learn to rebuild their future day-by-day. Enthusiastic about its work to promote both a balanced diet and professional integration for the disadvantaged, the Carrefour Foundation has been assisting the *Réseau Cocagne* since 2008 with equipment and the creation of new gardens. In 2012, it supported 20 gardens. Following the success of its programmes in France, the *Réseau Cocagne* aims to expand its work to Spain.

2. Emergency aid

Via the Foundation, Carrefour uses its retail logistics expertise to support international humanitarian assistance. It provides aid to victims of large-scale natural disasters, acting swiftly to supply them with food, hygiene kits and other items that are essential to their survival. To support this activity, the Carrefour Foundation provides assistance to the disadvantaged through aid programmes to which it contributes by donating school supplies and toys to NGOs and other organisations.

In July 2012, after Typhoon Vicente hit the Beijing area, the Carrefour Foundation helped transport essential food products (milk, rice, dry goods and water) and non-food items (hygiene products and antiseptics) and helped supply 25,000 victims with thermoses, water boilers and water purifiers.

In April 2012, the Carrefour Foundation took action in Argentina, where a violent storm with winds of up to 110 km/hour hit the province of Buenos Aires. The Foundation worked with teams from local Carrefour stores to distribute food, bottled water, candles and mattresses.

36 projects funded were subsidised by the Carrefour Foundation in 2012.

3.9 million euros in was allocated by the Carrefour Foundation in 2012.

2.7 Assessment of performance and indicators

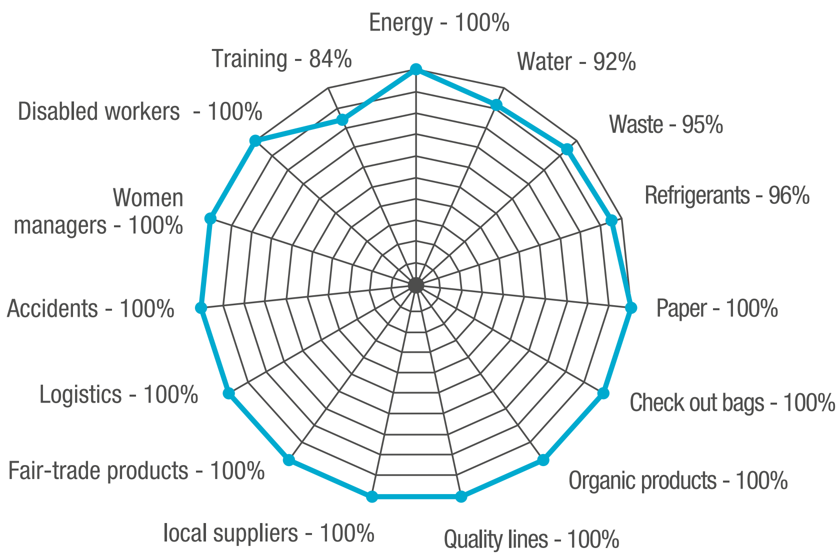
2.7.1 CARREFOUR GROUP'S PRESENCE IN THE MAIN SRI INDICES

SRI indices	Agency/organisation	Carrefour's presence in the indices in 2012
Aspi Eurozone	Vigeo – France	Since 2002
DJSI World	Dow Jones – USA	Since 2002
ECPI Ethical Index Euro	ECPI – Italy, Luxembourg	Since 2002
ECPI Ethical Index Global	ECPI – Italy, Luxembourg	Since 2002
Ethibel Excellence Europe	Ethibel – Belgium	Since 2005
Ethibel Excellence Global	Ethibel – Belgium	Since 2005
FTSE4 Good Global	FTSE – GB	Since 2004

2.7.2 PERFORMANCE INDICATORS

2.7.2.1 GLOBAL REPORTING INDICATOR

2012 scope of coverage



The average coverage of the 2012 reporting indicators is 97.7% of Group scope in terms of turnover, excluding tax.

The product, store and logistics indicators are calculated year-to-year, from October 2011 to September 2012.

The human resources indicators are calculated over the year 2012.

2.7.2.2 KEY INDICATORS BY FORMAT

	Hypermarket	Supermarket	Others	Definition of indicators
Revenue				
Number of controlled organic food product listings *(in units)* ☑		2004		Number of listed food products certified as organic or eco-friendly and developed as own-brands.
Sale of controlled organic food products *(in millions of euros)*	143	149	28	Amount of sales including VAT of food products certified as organic or eco-friendly and developed as own-brands.
Sales of Carrefour Quality Line products *(in millions of euros)*	643	279	18	Sales (including VAT) of Carrefour Quality Line products: agricultural products meeting specifications that ensure product traceability a nd include social and environmental requirements.
Sales (including VAT) of Carrefour brand fair trade products *(in millions of euros)*	14.2	9.0	2.3	Amount of sales, taxes included, of own-brand fair-trade products certified by an independent body (such as the FLO or ESR) according to recognised criteria. Outside Europe, a product is considered fair-trade if it meets the certification criteria.
Percentage of product sales for Carrefour brands purchased from local suppliers	75.3	74.1	75.2	Sales percentage for Carrefour food products produced in the country of sale.
Logistics				
CO_2 emissions per shipping unit *(kg/pallet)* ☑		6.9		Calculated on the basis of kilometres travelled (1 litre of fuel consumed = 2.6667 kg of CO_2 emitted) to transport merchandise from warehouse to store. Shipping unit: 120 x 80 cm pallet. *Excluding: Brazil logistics for emissions/pallet*
CO_2 emissions *(thousands of tonnes)* ☑		365		
Stores				
Energy consumption *(kWh/sq. m. of sales area)* ☑	530	739	709	Consumption of electricity, gas and fuel required to run consolidated stores.
Energy consumption (electricity, gas, fuel) *(in GWh)* ☑	4,489	1,564	74	
CO_2 emissions generated by fuel, gas and electricity consumption *(thousands of tonnes of CO_2 equivalent)* ☑☑	1,463	325	31	CO_2 eq. emissions linked to electricity, gas and fuel consumption required to run consolidated stores.
Water consumption *(in cubic m/sq. m of sales area)* ☑	1.8	1.3	1.6	Water consumption of consolidated stores. *Excluding: HM/AR, BE, SM/AR, BE*
Water consumption *(in millions of cubic m)* ☑	14.0	2.5	0.1	
Refrigerant consumption *(in kg/1,000 sq. m. of sales area)* ☑	45.1	69.2	79.5	Quantity of refrigerants used (CFCs, HCFCs, HFCs and others). Covered: food cold cabinets and air conditioning in consolidated stores. *Excluding: HM/AR, SM/AR*
Stores' CO_2 emissions (scopes 1 and 2) – *(1,000 t of CO_2 equivalent)* ☑☑	2,402	751	64	CO_2 eq. emissions linked to electricity, gas, fuel and refrigerant consumption required to run consolidated stores. *Excluding: HM/AR, SM/AR*
Percentage of recycled waste, including food donations *(as percentage of total waste)*	62.8	51.1	n/a	Recycled waste from consolidated stores: paper/cardboard, plastic, organic waste and other (batteries, cartridges, neon bulbs, cooking oil etc.) *Excluding: HM/AR, TR, SM/AR, TR*
Recycled waste – excluding donations *(in thousands of tonnes)* ☑	389		3	
Quantities of batteries collected *(in tonnes)*	1,012		0	
Quantity of paper purchased for commercial publications *(in kg/sq. m. of sales area)* ☑	23.9	8.9	2.1	Quantity of paper purchased for commercial publications, expressed in kg per sq. m. of sales area.

	Hypermarket	Supermarket	Others	Definition of indicators
Quantity of paper purchased for commercial publications *(in thousands of tonnes)* ☑	208	31	3	Quantity of paper purchased for commercial publications (flyers, brochures, newspapers etc.).
Percentage of paper certified or recycled	99	97	n/a	Percentage of paper purchased for commercial publications certified by a recognised body (FSC, PEFC, etc.) and/or recycled.
Number of disposable plastic bags distributed free-of-charge at check-out *(in millions of bags)* ☑	909	350	88	Number of disposable plastic bags purchased by stores and distributed free of charge at check-out.
Human resources				
Rate of absence due to accident *(as a %)*	0.40	0.69	0.45	Number of hours of absence due to workplace and commuting accidents/number of theoretical work hours in the period (excluding workplace illnesses).
Women in management positions *(as a %)* ☑	30.3	36.9	43.4	Proportion of women in management positions ("manager" defined as an independent employee with decision-making authority holding a supervisory position).
Percentage of employees declared as having disabilities	2.8	3.5	1.8	Status defined by the legislation in force in each country (by default, this is any person with at least a 10% physical disability). Average number of employees over the period.
Hours of training *(in thousands)* ☑	3,995	511	456	Number of training hours *Excluding: HM/BR, SM/BR*

☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of moderate assurance.*
☑☑ *2012 figures verified by Statutory Auditors KPMG Audit, with a result of reasonable assurance.*

2.7.3 REPORTING METHODOLOGY FOR SUSTAINABLE DEVELOPMENT INDICATORS

The Sustainability department relied on a multidisciplinary steering committee for the preparation of the social, societal and environmental information in the Registration Document/management report (RD/MR). This committee brought together all the relevant Group departments (Quality, Human Resources, Legal, Marketing, Assets, Sales and Merchandise and Logistics), plus representatives from the Sustainable Development network in key European countries.

PRINCIPLES APPLICABLE TO THE PREPARATION OF THE SUSTAINABLE DEVELOPMENT PORTION OF THE ANNUAL REPORT

Based on the GRI-G3 (Global Reporting Initiative) reporting principles, the Carrefour Group's Registration Document/management report (RD/MR) adheres to the following principles:

CSR (Corporate Social Responsibility)

Carrefour places its own performance within the context of the social, economic and environmental constraints that weigh upon the Group, and puts the resulting data into perspective.

Stakeholder involvement

By maintaining an on-going dialogue with stakeholders (customers, employees, franchisees, suppliers, local communities and shareholders), the Carrefour Group can anticipate and respond to the expectations of its various target audiences and prevent risks. Thanks to transparent commitments, and the involvement of stakeholders in carrying them out, together we can jointly envisage long-term solutions and ensure the involvement of all those concerned. This dialogue and these partnerships are maintained either at Group level by the Sustainable Development department, or at local level by the countries, the banners and the stores.

Materiality

The content of the CSR information published in the Registration Document/management report focuses on the social, economic and environmental issues that are most relevant to the Group's operations. The sections on balanced nutrition, labour rights and energy efficiency are just a few examples.

Timeliness

For the past 12 years, Carrefour has produced and published an annual sustainability report. For 2012, the sustainable development report is integrated into the Group's management report so as to meet the regulatory requirements of the Second Grenelle Round Table on the Environment.

Clarity

The Carrefour Group is mindful of the level of knowledge of each of its stakeholders and endeavours to present information that is clear to the greatest number of people, while retaining an appropriate level of detail.

SCOPE OF COVERAGE

Principles applied

Comprehensiveness: The Group strives to be as comprehensive as possible. Thus, its sustainable development report describes the implementation of its policy in 12 consolidated countries, and the key performance indicators (KPIs) cover 97.7% of the Group's consolidated pre-tax sales.

Comparability: the figures are presented over several years, and their development is calculated in like-for-like Business Units (BUs). The scope is made explicit in each case. BU's excluded from the scope are indicated next to each graph shown in the report.

Scope of coverage for fiscal 2012

The reporting on sustainable development KPIs applies to all of the Group's BUs. The chart below indicates the Group's BUs in 2012.

Country	Abbre.	HM	SM	PRX	C&C
France	FR				
Spain	ES				
Italy	IT				
Belgium	BE				
Poland	PL				
Romania	RO				
Turkey	TR				
Brazil	BR				
Argentina	AR				
China	CN				
Taïwan	TW				
India	IN				

Pays	Abbre.
Hypermarket	HM
Supermarket	SM
Convenience stores	PRX
Cash & Carry	C&C

Group BU

NA-format not present in the country

Scope variation

The variations in scope are related to creations, acquisitions, sales and closures of stores or BUs.

If a BU was created or acquired after January 1, 2012, it is not included in our reporting.

If a BU was sold or closed in 2012, it is excluded from our reporting for the year in its entirety.

For the year 2012, the consolidated operations in Greece, Cyprus, Colombia, Malaysia, Singapore and Indonesia were also sold or converted into franchises. They are therefore excluded from the reporting for the full fiscal year.

SUSTAINABLE DEVELOPMENT INDICATORS

Principles applied

Our sustainable development report adheres to the following principles:

Accuracy: the Carrefour Group strives to ensure the accuracy of its published data by conducting a great number of manual and automatic internal controls.

Comparability: the Group strives to maintain consistency throughout its reports. Figures presented for several years are calculated using like-for-like BUs.

Choice of indicators

Since 2003, the Carrefour Group has used 20 key performance indicators (KPIs) associated with its strategic sustainable development priorities. These indicators are designed to monitor the commitments made by the Group and its progress in environmental and social performance. Each KPI was chosen by the Group for its relevance to the Group's activities, but also with the intention of responding to stakeholder expectations and regulatory obligations.

References used

The 2012 Registration Document/management report adheres to the Global Compact's recommendations for "communication on progress", the guidelines of the G3 Global Reporting Initiative (Level B) and the guiding principles of the OECD (see the cross-reference tables on pages 316 to 320). As an addition to the annual report, it also complies with the requirements of Art. 225-105 of the French Commercial Code.

A sustainable development reporting protocol has been prepared by the Group's Sustainable Development department. It stipulates the Group's collection, calculation and consolidation rules.

Furthermore, through Enablon, a computerised reporting application, each reporting liaison has access to a data collection procedure, a user's guide for the Enablon reporting application, definitions for each KPI and a checklist of control points, which is distributed internally to the sustainable development reporting managers.

Since the 2009 fiscal year, the Group has compiled human resources indicators using the Group Human Resources reporting application. These indicators comply with the definitions drafted jointly by the Group Human Resources department and the Sustainable Development department.

It should be noted that, for the 2010 reporting year, the Group human resources reporting application was not available to every BU. Accordingly, an alternative means of reporting *via* spread sheet was used.

In 2011 and 2012, this application has continued to be implemented.

METHODOLOGICAL PARTICULARITIES

All of this information is indicated in the Group's sustainable development reporting protocol, and in the KPI definition sheets available within the Group's reporting application for environmental KPIs and from the Group Human Resources department for social KPIs.

Methodological information concerning environmental and social indicators

Scope of environmental indicators (energy, water, refrigerants, waste, check-out bags and commercial publications): the scope includes consolidated stores open from October 1 N-1 to September 30 N of the reporting period. Beginning with the 2012 fiscal year, the reporting for these indicators, as well as the product and logistics indicators, will be established on a year-on-year, 12-month basis.

The scope excludes consumption from non-Group activities, transport of people and refrigerated products (energy and refrigerants), warehouses, franchise stores, head offices and other administrative offices.

For check-out bags and commercial publications indicators, consumption of stores opened during the year may be included.

The number of square metres of sales area does not include inventory storage areas, food preparation rooms or the shopping centre, if applicable. The Group recommends that BUs use the sales area of stores open as of the first day of the reporting period for calculation purposes.

CO_2 emissions: to evaluate the CO_2 emissions related to our stores' energy consumption (electricity, gas and fuel oil) and refrigerants, we use conversion factors (of kWh and kg, expressed as kg of CO_2 equivalent). The factors employed derive from recognised international bodies, such as the IPCC (Intergovernmental Panel on Climate Change) and the IEA (International Energy Agency). When the BU's have specific national factors, they may enter them in Enablon. The associated CO_2 emissions are then calculated by the tool based on those factors.

The emissions factor related to French BUs' electricity consumption is updated annually based on changes made to the electricity supply agreement (50% regulated market/50% open market).

Concerning CO_2 emissions regarding our logistics activity, CO_2 emissions related to downstream transport (shipping of merchandise between warehouses and stores) are taken into account. We use a conversion rate equal to 2.6667 kg of emitted CO_2 per litre of fuel consumed, established with the ADEME (the French Environment and Energy Management Agency). This indicator counts CO_2 emissions related to the transport of merchandise between warehouses and stores. The following CO_2 emissions are not taken into account:

- emissions generated by spotters;
- emissions generated during inbound transport of goods to the warehouse;
- emissions related to direct deliveries (direct "producer-to-store" transport of goods without going through a warehouse);
- emissions related to customer and employee travel;
- emissions related to outbound rail transport (mainly in France) and maritime transport (mainly in Indonesia).

Note that "store/warehouse" return trips are only taken into account for fleets hired for Carrefour's exclusive use.

Paper weight: the definition used by the Group is the quantity of paper purchased for commercial publications reduced to the surface area of paper purchased for commercial publications (in g/sq. m.).

The number of listed organic products: the number of listed organic or eco-friendly products reported pertains to the number of identified organic items, labelled by outside third parties, among own-brand products whose sales during the year were not zero. The number of Group listed products corresponds to the sum of the listed products sold in each country. With regard to fabrics, colours are differentiated but not sizes.

Employees at the end of the period: those employed by the Company under an employment contract (excluding interns and suspended contracts) as of December 31.

Arrivals/departures: the internal movements from one Business Unit to another are included in the number of hires and departures communicated by most countries.

Number of workplace accidents: workplace accidents are defined with reference to the laws in effect in each country. If no definition exists in the country, the definition used by the Group is "an accident that occurred during working time and gave rise to a work stoppage."

Absence rate: the calculation method used by the countries is based on business days; however, different methods may still exist in some countries.

Seriousness level: the ratio calculated from "number of days of absence due to workplace accidents/1,000 theoretical work hours." The number of days of absence caused by a workplace accident is calculated in business days, estimated using the number of hours of absence caused by a workplace accident divided by eight.

Employees declared to be disabled workers: a "person with a disability" is defined by local regulations in each country.

Fair trade products: since the fair trade product label does not exist in all countries where the Group operates, this indicator includes unlabelled products for which the procedure used is similar to that required for labelling. This applies in particular to products sold in China that are considered fair trade products.

Carrefour Quality Line (CQL) contracts: contracts that meet the CQL criteria defined by Carrefour for its suppliers. CQL contracts cover fresh products (fruit and vegetables, meat, fish, processed pork and cheese) meeting the requirements of specifications that ensure product traceability and include social and environmental requirements.

Local suppliers: suppliers whose products are manufactured in the country where they are sold; in other words, the production and/or processing of the product takes place in the same country.

In some cases, the KPIs may involve an estimation (as with the energy and water consumption indicators, which are calculated on the amount billed at an average price per kWh or cubic metre). In other cases, the BUs must specify and justify the relevance of the assumptions used in making estimates.

Methodological limitations of the indicators

The environmental and social indicators may have methodological limitations arising from a lack of uniformity amongst national and international laws and definitions (e.g. regarding workplace accidents) and/or from the qualitative, and therefore subjective, nature of certain data (such as indicators related to purchasing quality, the logistics process, stakeholders and consumer awareness).

For the refrigerant KPI, any leaks that may have occurred prior to a change of equipment are not quantified in the reporting. They correspond to emissions generated between the last maintenance operation and replacement of the unit. The impact is insignificant at Group level thanks to both regular monitoring of the units and the staggered timetable for their replacement. Note that the mass balances are not systematically carried out each time the fluid is reloaded or at year-end. Therefore, some BUs' reports on year-N consumption include fluid still stored in containers.

For the logistics KPI (CO_2 emissions per unit of transport), in the vast majority of cases CO_2 emissions related to the transport of goods are calculated on the basis of distance travelled, since there is no actual data on service providers' fuel consumption and average consumption by type of vehicle. Countries where logistics are handled mainly by suppliers are also excluded from the reporting scope.

In addition, pallets (transport units) used for backhauls are not included in the total number of pallets used in downstream transport.

For the energy KPI, the published quantity of energy corresponds to the quantity purchased and not the quantity actually consumed for fuel oil and natural gas (13% of the energy consumed by stores).

For the water KPI, the published quantity of water corresponds to the quantity of water purchased. Water collected by some stores through drilling may not be counted when there is no charge for its withdrawal. In addition, when water consumption attributable to the shopping centre is not identified separately from the store's water consumption, it is included in the published quantity of water. When the billing amounts include costs other than those related to water consumption, and such costs cannot be separated out, the quantity of water reported, though not significant, is overestimated.

For the check-out bag KPI, the quantity of check-out bags published corresponds to the number of bags purchased during the reporting period.

For the waste KPI, the chosen reporting scope included BUs that use waste collection companies, which provide information about the tonnage of waste removed. Generally speaking, when waste is collected directly by local communities, no information is available. When waste is collected and grouped at the warehouses, the corresponding quantities are not systematically included in the reporting.

With regard to the Carrefour Quality and organic product KPIs, it is not always possible to separate the portion of sales related to the hypermarket format from that related to the supermarket format. In this case, Carrefour has chosen to report all the sales in the hypermarket format.

For the KPI on sales of products purchased from local suppliers, when the supplier-managed product monitoring systems do not allow for a precise monitoring of the production site, the value taken into consideration corresponds to the products that are not imported.

With regard to the workplace accident KPI, for some BUs for which data is obtained based on the payroll tool the number of workplace accidents with stoppage is estimated according to the number of hours of absence due to a workplace accident. Similarly, in these cases, the days of absence due to a workplace accident are estimated on the basis of the number of hours of absence (calculated according to the daily work time in the country in question).

With regard to the training KPI, for some BUs for which data is obtained based on the payroll tool the number of training hours is estimated according to the number of hours of absence reported per training session.

Considering the methodological limitations outlined above and the difficulties in gathering data, the reporting scope may vary depending on the indicator. For each indicator that pertains to a limited scope, the scope is specified. For analysing any changes in the indicators, we factor out all BUs for which we lack data for one of the comparison years.

METHODS OF DATA COLLECTION, CONSOLIDATION AND CONTROL

Reporting period

Reporting is performed four times annually: annual reporting is conducted for the management report, which is published each year for the Shareholders' Meeting, and quarterly reporting is performed three times per year using indicators that are limited in scope.

The period used for the annual reporting is the calendar year (January 1 to December 31) for human resources indicators.

To meet the requirements of the publication deadlines imposed by the management report, the indicators on store performance, logistics and merchandise are now calculated on a year-on-year basis from October N-1 to September N.

Data collection methods

The system in place is based on dual information reporting that allows for rigorous collection of qualitative and quantitative data from the various countries and banners. For qualitative information, the best practices applied in the countries are submitted *via* e-mail on the basis of a questionnaire provided by the Group Sustainability department. For quantitative information, the Enablon application was deployed in 2005 for reporting key environmental performance indicators. With regard to key social performance indicators, they have been reported through the Group's human resources reporting tool since 2009. Reporting liaisons identified in each country are responsible for coordinating environmental and social reporting for their respective countries.

Data consolidation methods

Consolidation of the sustainable development indicators at Group level is performed by the Sustainability department for all indicators, using our Enablon application.

Environmental data control methods

Enablon, our computerised reporting application, features automatic consistency checks to prevent errors in the data reported by BUs; it also offers the ability to attach source files and insert explanatory comments, which makes auditing and internal control easier. Each reporting manager verifies the data entered before it is consolidated at the Group level, with the help of a check-list and control tips that are explained in the definition sheet for each indicator. The Group's Sustainable Development department carries out a second level of data control. Any inconsistencies and errors are reviewed together with the countries and corrected as needed before the figures are consolidated and approved.

Social data control methods

Human resources data are checked locally before being exported or manually entered in the Group human resources tool. The Group's Human Resources department carries out a second level of data control. Any inconsistencies and errors are reviewed together with the countries and corrected as needed before the figures are consolidated and approved.

EXTERNAL AUDIT

Principle applied

Reliability: quantified data are produced, consolidated, analysed and published. Selected data are subject to verification by an outside third party.

External audit

The reporting procedures for some of the main 2012 environmental and social indicators have been verified by our external Statutory Auditor, KPMG Audit. These indicators are marked with the ☑☑ symbol on page 55 and the ☑ symbol in the table on pages 72-73. The nature of the work carried out and the findings of this work are presented on pages 79-81.

The 2012 assurance report indicates reasonable assurance with regard to the "Greenhouse gas emissions (scopes 1 and 2)" indicator and a moderate level of assurance for the other verified information.

CONTINUOUS IMPROVEMENT

In 2012, to meet the requirements of Article 225 of Grenelle II, the indicators corresponding to the stores, merchandise and logistics were calculated over a 12-month, year-on-year period running from October 2011 to September 2012. In the analyses, these figures are considered comparable with the data presented over a calendar year for previous years.

2.7.4 STATEMENT ATTESTING TO DISCLOSURE OF THE SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION AND ASSURANCE REPORT OF ONE OF THE STATUTORY AUDITORS ON A SELECTION OF THIS INFORMATION»

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2012

Following the request made of us and in our capacity as Statutory Auditors for Carrefour SA, we present our report on the consolidated social, societal and environmental information included in the management report drawn up for the year ended December 31, 2012 in accordance with Article L. 225-102-1 of the French Commercial Code.

COMPANY'S RESPONSIBILITY

It is the responsibility of the Board of Directors to draw up a management report covering the consolidated social, societal and environmental information mentioned in Article R. 225-105-1 of the French Commercial Code (hereafter the "Information"), established in accordance with the reporting procedure used (the "Reporting Procedure") by the Company and available upon request from the Group Sustainability department and Human Resources department, of which a summary appears in the management report (chapter 2 – "The Carrefour Group's societal responsibility" in the Registration Document).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the regulatory texts, the profession's Code of Ethics and the provisions of Article L. 822-11 of the French Commercial Code. In addition, we have introduced a quality control system that covers the policies and procedures documented and aimed to ensure compliance with the deontological rules, professional standards and applicable laws and regulations.

RESPONSIBILITY OF ONE OF THE STATUTORY AUDITORS

It is our responsibility, on the basis of our work to:

- attest that the required information is present in the management report or, in the event of omission, is explained in application of the third paragraph of Article R. 225-105 of the French Commercial Code and decree no. 2012-557 of April 24, 2012 (Statement attesting to disclosure);
- express a limited assurance conclusion on the fact that the qualitative assertions underscored in the text and identified by the ☑ symbol, as well as the selection of environmental and social indicators (the "Data"), chosen by the Carrefour Group and identified with the ☑ symbol in the 2012 management report are presented, in all material respects, in a sincere manner in accordance with the selected Reporting Procedure (Limited Assurance Report);
- express a reasonable assurance conclusion that the indicator on CO_2 emissions (scopes 1 and 2) [1], selected by the Carrefour Group and identified with the ☑☑ symbol in the 2012 management report, presents no significant anomalies (reasonable assurance report).

We were assisted in our work the Climate Change and Sustainability Services professionals of our firm.

1. Statement attesting to disclosure

We conducted our work in accordance with professional standards applicable in France:

- we compared the information presented in the management report with the list mentioned in Article R. 225-105-1 of the French Commercial Code;
- we verified that the information covered the consolidated scope, which is to say the Company and its subsidiaries as defined in Article L. 233-1 of the French Commercial Code, and the companies it controls, as defined in Article L. 233-3 of the French Commercial Code, with limitation specified in the "Methodology for reporting the sustainable development indicators" methodology note presented in the "Corporate Responsibility" chapter of the management report (chapter 2 – "The Carrefour Group's societal responsibility" of the Registration Document);
- in the event of omission of certain consolidated information, we verified that explanations were supplied in compliance with the provisions of decree no. 2012-557 of April 24, 2012.

Based on this work, we attest to the presence in the management report of the information required.

(1) Definition established by the Group – Scope 1: Emissions attributable to the Group's consumption of natural gas, fuel and refrigerants. Scope 2: Emissions attributable to the Group's electricity consumption.

2. Assurance report on a selection of information

Nature and scope of the work

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 standard and professional standards applicable in France. We took the following actions in order to obtain:

- a limited assurance that the qualitative assertions underscored in the text and indicated by the ☑ symbol and the Data identified with the ☑ symbol do not contain any material misstatements that would give us reason to doubt their sincerity, in all material respects, in accordance with the aforementioned Reporting Procedure.

  A higher level of assurance would have required more extensive verifications;
- a reasonable assurance that the CO_2 emissions (scopes 1 and 2) (1) indicator identified by the ☑☑ symbol has been established in all material respects in accordance with the aforementioned Reporting Procedure.

We performed the following work:

- we assessed the appropriateness of the Reporting Procedure in terms of relevance, exhaustiveness, neutrality, clearness and reliability, taking into consideration the best practices of the sector, where appropriate;
- we verified the implementation in the Carrefour Group of a process of collection, compilation, treatment and control aimed at achieving exhaustiveness and consistency of the qualitative assertions underscored and identified by the ☑ symbol and the Data identified by the ☑ symbol; We reviewed the internal control procedure and the risk-management procedures relative to its development; We interviewed those responsible for the social and environmental reports;
- we selected the consolidated qualitative information to be tested and determined the nature and scope of the tests, taking into consideration their significance with regard to the social and environmental consequences associated with the Group's operations and characteristics, as well as its societal commitments:
  - concerning the selected consolidated qualitative Data:
    - for both the consolidating entity and the entities consolidated, we used analytic procedures and performed tests to verify the calculations and the consolidation of this information. Our tests were more extensive for the indicator with reasonable assurance,
    - in the Business Units that were selected (2). According to their business, their contribution to the consolidated indicators, location and risk analysis, we have:
      - carried out interviews to ensure the correct application of the procedures,
      - implemented detailed tests on the basis of tests verifying the calculations made and supporting the data with documents. Our tests were more extensive for the indicator with reasonable assurance.

  The sample selected in this way represents on average 30% of the employees of the Carrefour Group and between 13% and 65% of the quantitative environmental information tested (55% for the CO_2 emissions (scopes 1 and 2) (1) indicator);
  - concerning the qualitative assertions underscored and identified by the symbol ☑, we carried out interviews and reviewed the associated documents to corroborate them and assess their sincerity;
- finally, we weighed the relevance of the explanations where applicable the absence of certain information.

Conclusion

Reasonable assurance

In our opinion, the CO_2 emissions (scopes 1 and 2) (1) indicator, identified by the ☑☑ symbol in the 2012 management report, was established in all material respects in accordance with the aforementioned Reporting Procedure.

Limited assurance

On the basis of our work, we did not identify any material misstatement that could call into question the fact that the qualitative assertions underscored and identified with the symbol ☑ and the data identified with the ☑ symbol examined in the 2012 management report are presented, in all material respects, in a sincere manner and in compliance with the Reporting Procedure.

(1) Defintion established by the Group: Scope 1: emissions attributable to the Group's consumption of natural gas, fuel and refrigerants.
Scope 2: emissions attributable to the Group's electricity consumption.

*(2) Hypermarkets France BU, Supermarkets France BU, Hypermarkets Argentina BU, Supermarkets Argentina BU, Hypermarkets Italy BU *, Supermarkets Italy BU *, Hypermarkets Poland BU *, Supermarkets Poland BU *, Hypermarkets Belgium BU **, Hypermarkets China BU *** and Supermarkets Turkey BU ****.*

** Business Units for which the work was held only on the CO_2 emissions (scopes 1 and 2) indicator.*

*** Business Unit for which the work was held only on the Number of lost-time workplace accidents indicator.*

**** Business Unit for which the work was held only on the following indicators: Energy consumption, CO_2 emissions linked to energy consumption, Number of lost-time workplace accidents.*

***** Business Unitfor which the work was held only on the Number of disposable plastic bags distributed free of charge at check-outs indicator.*

Comments on the data

We have the following comments to make on the data:

- users of the social indicator monitoring tool were trained to ensure correct use. Nevertheless, monitoring should be increased in certain Business Units, in particular for the workplace accident and training indicators;
- this year again, some Business Units are excluded from the scope of consolidation for the indicators published, as the information-collection process is not yet fully reliable. Attention must be paid in 2013 to these Business Units to achieve the widest possible scope of "store" and "training" data communication.

Paris La Défense, March 6, 2013

French original signed by

KPMG Audit
Department of KPMG S.A.

Eric Ropert	Philippe Arnaud
Partner	Partner In charge of the Climate Change and Sustainability Services

3

CORPORATE GOVERNANCE

3.1 Corporate Governance Code

Since November 12, 2008, the Company has been committed to the AFEP-MEDEF Corporate Governance Code for listed companies. The AFEP-MEDEF Code may be consulted at the Company's head office.

3.2 Composition and operation of the Board of Directors

3.2.1 COMPOSITION OF THE BOARD OF DIRECTORS

By decision of the Shareholders' Meeting of April 20, 2005, the Company adopted the form of a public limited company (*société anonyme*) with a Management Board and Supervisory Board. By decision of the Shareholders' Meeting of July 28, 2008, the Company adopted the form of a public limited company with a Board of Directors. The positions of Chairman and Chief Executive Officer were separated.

By its decision of June 21, 2011, the Board of Directors consolidated the duties of Chairman and Chief Executive Officer. The Board's decision to consolidate the duties of Chairman of the Board of Directors and Chief Executive Officer is designed to simplify the decision-making process and enhance the efficiency and responsiveness of the Company's governance.

The Board of Directors comprises 14 members: Georges Plassat (Chairman and Chief Executive Officer), Sébastien Bazin (Vice-Chairman), Amaury de Seze (senior independent director), Mathilde Lemoine, Anne-Claire Taittinger, Diane Labruyère, Georges Ralli, Bernard Arnault, Nicolas Bazire, Jean-Laurent Bonnafé, Thierry Breton, René Brillet, Charles Edelstenne and Bertrand de Montesquiou.

Between January 1, 2012 and May 23, 2012, the Board had only 12 members.

René Abate's term of office was not proposed to be renewed. Georges Plassat's candidacy as Director to replace Lars Olofsson was approved. Diane Labruyère, Georges Ralli and Bertrand de Montesquiou were appointed as directors.

The members of the Board of Directors were appointed for a term of three fiscal years. Pursuant to the provisions of the Nineteenth Resolution adopted by the Shareholders' Meeting of July 28, 2008, and so that the terms of one-third of the members of the Board are renewed each year, the Board of Directors drew lots to determine the names of those directors whose terms would be subject to early expiration in the first and second years.

The directors whose terms will expire at the end of the 2012 fiscal year are Anne-Claire Taittinger, Sébastien Bazin, Thierry Breton and Charles Edelstenne.

The terms of office of Mathilde Lemoine, Georges Plassat and Nicolas Bazire were renewed for a period of three years by the Shareholders' Meeting of June 18, 2012.

The terms of office of Bernard Arnault, Jean-Laurent Bonnafé, René Brillet and Amaury de Seze were renewed for a period of three years by the Shareholders' Meeting of June 21, 2011.

Three women sit on the Board of Directors. The Board is therefore early in applying the law of January 27, 2011 regarding balanced representation of women and men, which sets the proportion of women at 20%.

In 2012, the Board reviewed the status of the new independent directors, particularly in light of the independence criteria set forth in the AFEP-MEDEF Code.

Directors are independent if they have no relationship of any kind to the Company, its group or its management that might compromise their freedom of judgement.

Given these criteria, the Board does not believe that Diane Labruyère's qualification as a new independent director presents any problems.

The Board does not view Georges Ralli's affiliation with Banque Lazard as an obstacle to his qualification as independent director, since his activities mainly involve asset management and private banking.

On the date on which he became a candidate, Bertrand de Montesquiou was Chairman of the Management Board of Guyenne et Gascogne, in which Carrefour held no equity interest. Following Carrefour's tender offer to acquire shares of Guyenne & Gascogne, Bertrand de Montesquiou did not continue to serve as a corporate officer within that company.

In addition, Bertrand de Montesquiou was a corporate officer of two companies, Sogara and Centros Comerciales Carrefour, which were joint subsidiaries of Carrefour and Guyenne & Gascogne. The Board noted that Bertrand de Montesquiou carried out these duties as a private individual as a result of his position at Guyenne & Gascogne, with the result that the existence of these appointments did not give any reason to doubt his independence with respect to Carrefour or its management. Following Carrefour's tender offer to acquire shares of Guyenne & Gascogne, Bertrand de Montesquiou did not continue to perform his duties at these two companies.

At the recommendation of the Appointments Committee, the Board of Directors re-examined the status of Thierry Breton, Charles Edelstenne and Anne-Claire Taittinger, whose reappointment was proposed, as independent directors.

On the basis of public information in which reference was made to Thierry Breton's strictly potential role, in the future, as a member of a committee of experts that would be formed only in case of Mr. Bernard Arnault's unavailability in order to ensure the proper implementation of his personal recommendations, the Board of Directors followed the recommendations of the Appointments Committee. This committee unanimously decided that such an event would in no way compromise Thierry Breton's independence in completing his current term as director of the Company. It also noted that Thierry Breton holds no corporate appointments, in France or abroad, other than those of director of the Company and Chief Executive Officer of Atos SE. After discussing the matter, the Board of Directors unanimously agreed with the findings of the Appointments Committee regarding Thierry Breton's independence.

In accordance with the AFEP-MEDEF Corporate Governance Code, the Board of Directors decided that these three members could continue to be considered independent directors.

In accordance with the Corporate Governance Code and at the recommendation of the Appointments Committee, on March 6, 2013 the Board of Directors decided that nine of its members could be considered independent directors. Thus, Mathilde Lemoine, Anne-Claire Taittinger, Diane Labruyère, Georges Ralli, Thierry Breton, René Brillet, Charles Edelstenne, Bertrand de Montesquiou and Amaury de Seze are considered independent directors.

During its meeting of June 21, 2011, the Board of Directors appointed Amaury de Seze as senior independent director. His term of office was renewed by decision of the Shareholders' Meeting on June 18, 2012. Accordingly, he is responsible for monitoring any situations involving conflicts of interest.

CORPORATE OFFICERS' STATEMENT

For purposes of their corporate positions, members of the Board of Directors are domiciled at the Company's head office.

There are no family relationships between the Company's corporate officers.

To the Company's knowledge and as of the date this Registration Document was prepared, during the past five years no corporate officers (members of the Board of Directors and the Chief Executive Officers) have:

- been convicted of fraud;
- been involved in a bankruptcy, receivership or liquidation;
- been subject to official public incrimination or sanctions by statutory or regulatory authorities;
- has been prevented by a court from acting as a member of an administrative, management or supervisory body or from being involved in an issuer's management or business operations.

To the Company's knowledge and as of the date this Registration Document was prepared, no conflict of interest has been identified between the duties of any corporate officers (members of the Board of Directors and the Chief Executive Officer) with respect to the Company and their private interests or other duties.

To the Company's knowledge and as of the date this Registration Document was prepared, there are no arrangements or agreements concluded with the main shareholders, customers, suppliers or other parties whereby one of the Company's corporate officers (members of the Board of Directors and the Chief Executive Officer) has been selected as a member of one of their administrative, management or supervisory bodies or as a member of their general management.

There are no contractual relations between the Company and the members of the Board of Directors.

At its meeting on August 30, 2011, the Board of Directors assigned an assistance project to René Brillet for the purpose of conducting a complete analysis of the situation in France.

The project assigned by the Board of Directors involved two key areas of focus: (i) coaching hypermarket managers and (ii) assessing and providing assistance to underperforming stores (points of sale with a negative activity contribution) by proposing turnaround plans.

The assignment was entrusted for a six-month period starting in September 2011 in return for a monthly compensation of 20,000 euros and the provision of a car and driver as well as the communication devices (telephone, computer) needed to complete the assignment.

René Brillet chose not to accept the proposed compensation.

This project was completed in 2012.

LIST OF CORPORATE OFFICERS' DUTIES

Georges Plassat

Chairman and Chief Executive Officer

Born in March 25, 1949. French.

Number of Company shares owned: 30,000

Date of appointment to the Board: May 23, 2012

Ratification and renewal date: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014.

Georges Plassat was co-opted as a director and appointed Chairman and Chief Executive Officer by resolution of the Board of Directors on May 23, 2012. Ratification of the cooptation of his term of office as director and renewal of his term of office were approved by the Shareholders' Meeting of June 18, 2012.

Experience:

Casino Group (1983-1997): Marketing Director then Chief Executive of the Group's catering division (1988-1990), Chief Executive of Casino France (1990-1992), Managing Director (1992-1994), Vice-Chairman of the Management Board (1994-1996), then Chairman of the Management Board of the Casino Group (1996-1997). Executive Director, Spain, of the Carrefour group and Deputy Director of Pryca (1997-1999). Chairman of the Management Board of the Vivarte group (formerly the André group) (2000) then its Chairman and Chief Executive Officer (2004-2012).

Positions held outside the Group expiring in 2012:

Chairman and Chief Executive Officer (2004-2012) of the Vivarte Group (formerly Groupe André)

Sébastien Bazin

Vice-Chairman

Born on November 9, 1961. French.

Number of Company shares owned: 1,000

Date of appointment to the Board: July 28, 2008

Renewal date: May 4, 2010

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2012

Experience:

From 1985 to 1990, Sébastien Bazin worked for the Clore Group and then the Painewebber Group in New York, San Francisco, and London. Between 1990 and 1992, he held the post of Deputy Director of Hottinguer Rivaud Finances (Paris). Between 1992 and 1997, he was Chief Executive Officer of Immobilière Hôtelière SA, and Chairman-CEO of Colony Capital SAS from 1997 to 1999. He has been Executive Deputy Chairman of Colony Europe since 1999.

Positions held outside the Group:

CEO of Colony Europe

Chairman and CEO of SESE (Société d'Exploitation Sports et Événements) and HSE (Holding Sports et Événements)

Director of Accor, Edenred, La Tour Réseau de Soins (Switzerland) and Permanence de la Clinique de Carouge (Switzerland)

Managing director of Sisters Soparfi SA (Luxembourg)

Member of the Supervisory Board of ANF (Les Ateliers du Nord de la France)

Chairman of Colillkirch France SAS, Colfilm SAS, Bazeo Europe SAS and Colony Capital SAS, Managing director of Toulouse Canceropole and Colspa SAS

Manager of CC Europe Invest SARL, Managing Partner of Nina (SCI) and La Tour SARL (Switzerland)

Permanent representative of Colony Capital SAS, which chairs Colpsa SAS

Chairman of Colyzeo Investment Ltd

Chairman of Data 4 SAS

Manager of Société du Savoy à Méribel SARL

Manager of Colmed SARL

Managing Partner of Haute Roche civil partnership

Managing Partner of Madeleine Michelis civil partnership

Managing Partner of Ranelagh civil partnership

Legal representative of Colony Capital SAS, which manages SC George V

Amaury de Seze

Senior independent director

(independent member)

Born on May 7, 1946. French.

Number of Company shares owned: 12,500

Date of appointment to the Board: July 28, 2008

Renewal date: June 21, 2011

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2013

Experience:

Amaury de Seze began his career in 1968 with Bull General Electric. In 1978, he joined the Volvo Group, where he held the posts of Chief Executive Officer, Chairman-CEO of Volvo France, Chairman of Volvo Corporate Europe, member of the Executive Committee of the Volvo Group and member of the Strategic Committee of Renault Volvo. He joined the Paribas Group in 1993 as member of the Executive Board of the Compagnie Financière de Paribas and Banque Paribas, in charge of equity holdings and industrial affairs, and as head of the Equity Holdings Division of BNP-Paribas. He served as Chairman of PAI Partners from 1998 to December 2007.

Positions held outside the Group:

Vice-Chairman of Power Financial Corporation of Canada (Canada)

Director of BW Group (Singapore)

Director of Groupe Bruxelles Lambert (Belgium)

Director of Erbe SA (Belgium)

Director of Pargesa Holding SA (Switzerland)

Director of Suez Environnement

Chairman of the Supervisory Board of PAI Partners SA

Member of the Supervisory Board of Publicis Groupe

Director of Imerys SA

Director of Thales SA

Bernard Arnault

Born on March 5, 1949. French.

Number of Company shares owned: 1,000

Date of appointment to the Board: July 28, 2008

Renewal date: June 21, 2011

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2013

Experience:

Bernard Arnault began his career as an engineer at Ferret-Savinel.

In 1974, he became the company's Head of Construction, and then Chief Executive Officer in 1977 and finally Chairman-CEO in 1978. He remained there until 1984, when he became Chairman-CEO of Financière Agache SA and Christian Dior SA.

He embarked on the restructuring of the Financière Agache Group as part of a development strategy based on prestige brands, making Christian Dior the cornerstone of the organization. In 1989, he became the majority shareholder of LVMH Moët Hennessy-Louis Vuitton, thus creating the world's first luxury goods group. He became Chairman in January 1989.

Positions held outside the Group:

Chairman and Chief Executive Officer of LVMH Moët Hennessy-Louis Vuitton SA

Chairman of the Board of Directors of Christian Dior SA

Chairman of the Board of Directors of Louis Vuitton pour la Création (corporate foundation)

Chairman of Groupe Arnault SAS

Director of Christian Dior Couture SA

Chairman of the Board of Directors of Château Cheval Blanc

Director of LVMH Moët Hennessy-Louis Vuitton Inc. (United States)

Director of LVMH Moët Hennessy-Louis Vuitton Japan KK (Japan)

Member of the Supervisory Board of Lagardère SCA*

Member of the Supervisory Committee of Financière Jean Goujon SAS

Director of LVMH International SA (Belgium)

Nicolas Bazire

Born on July 13, 1957. French.

Number of Company shares owned: 1,000

Date of appointment to the Board: July 28, 2008

Renewal date: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014

Experience:

Nicolas Bazire was an auditor and then senior public auditor with the Court of Auditors. In 1993 he became Chief of Staff to French Prime Minister Edouard Balladur. He served as a Managing Partner at Rothschild & Cie Banque from 1995 to 1999, when he was appointed to the Supervisory Board. He has been CEO of Groupe Arnault SAS since 1999.

Positions held outside the Group:

Chief Executive Officer of Groupe Arnault SAS

Director of LVMH – Moët Hennessy Louis Vuitton SA

Director of Atos SE

Chairman of the Appointments and Remuneration Committee of Atos SE

Director of Suez Environnement Company SA

Member of the Supervisory Board of Rothschild & Cie Banque SCS

Director of Agache Développement SA

Director of Europatweb SA

Director of Financière Agache SA

Director of Financière Agache Private Equity SA

Director of Les Echos SA

Vice-Chairman of the Supervisory Board of Les Echos SAS

Director of LVMH Fashion Group SA

Member of the Supervisory Committee of Montaigne Finance SAS

Member of the Supervisory Committee of Semyrhamis SAS

Director of Fondation Louis Vuitton pour la Création (corporate foundation)

Manager of Les Chevaux de Malmain SARL

Jean-Laurent Bonnafé

Born on July 14, 1961. French.

Number of Company shares owned: 1,000

Date of appointment to the Board: July 28, 2008

Renewal date: June 21, 2011

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2013

Experience:

An engineering graduate of the École Polytechnique and École des Mines, Jean-Laurent Bonnafé joined the BNP Group in 1993 in the Major Accounts Division. After serving as Head of Strategy and Development from 1997, he oversaw the merger process between BNP and Paribas. Since 2002, he has been Head of French Retail

* *Term of office expired in 2012.*

Banking, Director of Networks for French Retail Banking and a member of the BNP Paribas Executive Committee. Mr. Bonnafé has been appointed Deputy Chief Executive Officer and has been managing the Group's retail banking business.

Positions held outside the Group:

Director and Chief Executive Officer of BNP Paribas

Director of BNP Paribas Personal Finance*

Director of BNL – Banca Nazionale del Lavoro (Italy)

Director of BNP Paribas Fortis (Belgium)

Director of Erbe SA (Belgium)

Thierry Breton

(independent member)

Born on January 15, 1955. French.

Number of Company shares owned: 1,000

Date of appointment to the Board: July 28, 2008

Renewal date: May 4, 2010

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2012

Experience:

Thierry Breton graduated from the Paris École Supérieure d'Électricité (Supelec) and the Institut des Hautes Études de Défense Nationale (IHEDN, 46th class). In 1986, Mr. Breton became Project Manager of the Poitiers Futuroscope theme park, then headed its teleport operations. He later served as an advisor to Education Minister René Monory in the field of new information technologies. Mr. Breton also sat on the Poitou-Charentes Regional Council from 1986 to 1992, serving as Vice-Chairman from 1988. He then joined Bull as Head of Strategy & Development, before being appointed as Deputy Chief Executive Officer. Appointed to the Group's Board of Directors in February 1996, he was later made Deputy Chairman of the Board of Directors and then Chief Executive Officer of the Group.

Chairman-CEO of Thomson (1997-2002) and then Chairman-CEO of France Telecom (2002-2005), he was France's Minister of the Economy, Finance, and Industry between February 25, 2005 and May 16, 2007, before becoming a professor at Harvard University (USA) in "Leadership, Corporate Accountability", then Chairman of the Management Board of Atos Origin in November 2008.

Positions held outside the Group:

Chairman of the Board of Directors and Chief Executive Officer of Atos SE

Chief Executive Officer of Atos International SAS

René Brillet

(independent member)

Born on August 1, 1941. French.

Number of Company shares owned: 270,250

Date of appointment to the Board: July 28, 2008

Renewal date: June 21, 2011

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2013

Experience:

Carrefour's former Chief Executive Officer Asia, René Brillet began his career as a radio officer in the merchant navy in 1968. In 1972 he joined Carrefour and held a series of posts, ranging from Senior Accountant in Italy and Brazil, to Store Manager and Head of Organization and Procedures, also while he was in Brazil. In 1981, he moved to Argentina as Executive Director, and then to Spain, where he was in charge of operations from 1982 to 1985, and finally to France, which he managed from 1986 to 1995. In 1996, he was appointed Chief Executive Officer for Europe and then Chief Executive Officer for Asia in 1998, a position he held until February 28, 2004.

Positions held outside the Group:

Director of Électricité et Eaux de Madagascar

Charles Edelstenne

(independent member)

Born on January 9, 1938. French.

Number of Company shares owned: 1,000

Date of appointment to the Board: July 28, 2008

Renewal date: May 4, 2010

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2012

Experience:

A qualified chartered accountant (IFEC graduate), Charles Edelstenne joined Dassault Aviation in 1960 as Head of the Financial Analysis Unit. He went on to hold posts such as Deputy Secretary-General and Executive Deputy Chairman, Economic and Financial Affairs, before being appointed to the Board in 1989. He was elected as Chairman-CEO in 2000, a role he has held ever since.

Positions held outside the Group:

Chairman and Chief Executive Officer of Dassault Aviation SA

Chairman of the Board of Directors of Dassault Systèmes SA

Member of the Supervisory Board of GIMD (Groupe Industriel Marcel Dassault) SAS

Director of Thales SA

Director of Sogitec Industries SA

Director of SABCA (Société Anonyme Belge de Constructions Aéronautiques) (Belgium)

Chairman of Dassault Falcon Jet Corporation (United States)

Chairman of Dassault International Inc. (United States)

Manager of ARIE civil partnership

Manager of ARIE 2 civil partnership

Manager of NILI civil partnership

Manager of NILI 2 civil partnership

* *Term of office expired in 2012.*

Diane Labruyère-Cuilleret

(independent member)

Born on November 27, 1968. French.

Number of Company shares owned: 34,580

Date of appointment to the Board: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014

Experience:

A graduate of HEC Paris, UC Berkeley and the Fondaçao Getulio Vargas in Sao Paulo, she began her career in the French Development Agency managing agro-industrial projects in Portuguese-speaking Africa.

She was then recruited by the PARIDOC central buying office, where she set up the Research and Marketing department. In 1997 she joined Carrefour as Director of Purchasing and Product Marketing. In 2002, she founded the Institut Robin des Bois (Robin Hood Institute) in Geneva, a private foundation financing projects, primarily in Africa, in the fields of healthcare, education and microfinance. In 2007, she joined the family business - Labruyère & Eberlé - and continues to expand its food distribution activities.

Positions held outside the Group:

Chairman of the Institut Robin des Bois (Switzerland)

Director of the Fondation Antenna Technologies (Geneva, Switzerland)

Member of the Executive Committee of Labruyère & Eberle

Mathilde Lemoine

(independent member)

Born on September 27, 1969. French.

Number of Company shares owned: 2,000

Date of appointment to the Board: May 20, 2011

Renewal date: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014

Experience:

After obtaining a PhD in Economics, Mathilde Lemoine began her career as a post-graduate researcher and then teaching assistant for the Healthcare Economics and Management Chair at the French Political Science Foundation (between 1996 and 1999). In 2000, she was the economist and general secretary for the French Economic Observatory (OFCE) before serving as technical advisor for macroeconomic and globalization issues for the Foreign Trade Minister from 2002 to 2005. She was also the foreign trade and globalization advisor for the ministers of the Economy, Finance, and Industry (2004-2005). She then served as the advisor on macroeconomics and taxation for the Prime Minister (2005-2006). Since 2006 she has been the Economist and Director of Economic Research and Market Strategy at HSBC France and Economist for the HSBC Group. She is also a member of the French Council of Economic Analysis (CAE) and the French National Economic Commission (CEN) and Professor at the *Institut d'Études Politiques* in Paris.

Member of the second "Commission pour la libération de la croissance" and rapporteur of the Climate and Energy Conference, Mathilde Lemoine has published numerous articles on national and international economic trends as well as on structural transformations.

Bertrand de Montesquiou

(independent member)

Born on July 1, 1947. French.

Number of Company shares owned: 191,368

Date of appointment to the Board: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014

Experience:

Bertrand de Montesquiou graduated from the École des Hautes Études Commerciales (HEC) business school in 1969. He continued his training at the Faculté des Lettres et Sciences Humaines in Nanterre and the University of Paris-Dauphine. From 1972 to 1980, he worked at the Paris Stock Exchange as portfolio manager for Roth le Gentil-Varangot, then for Sellier (for which he became proxy holder in 1976) and was certified as a professional stockbroker in 1977.

In 1980, he joined the family-owned retail group Guyenne et Gascogne, Carrefour's partner in southwest France and Spain, as an attaché to general management. He was appointed Chief Executive Officer in 1983, Chairman and Chief Executive Officer in 1986 and Chairman of the Management Board in 1996. He is also Vice-Chairman and Chief Executive Officer of Sogara SAS and Vice-Chairman of Centros Comerciales Carrefour (Spain).

Positions held outside the Group:

Chairman of the Management Board of Guyenne et Gascogne since 1996*. Vice-Chairman and CEO of Sogara SAS and Vice-Chairman of Centros Comerciales Carrefour (Spain)*

Georges Ralli

(independent member)

Born on July 23, 1948. French.

Number of Company shares owned: 5,000

Date of appointment to the Board: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014

Experience:

Georges Ralli holds a DESS (post graduate diploma) in banking and finance from the University of Paris-V, and is a graduate of the Paris Institut d'Études Politiques (economics and finance option) and the Institut Commercial in Nancy.

He joined Crédit Lyonnais in 1970 where he served in a number of management positions until 1981 (General Accounting Research Department responsible for monitoring statutory ratios and consolidation procedures for the Group's Alsace Regional Department for corporate customers - Financial Affairs Department responsible for the primary equity market business). In 1982, he became Secretary to the Commission for Savings Development and Protection, then, from 1982 to 1985, managed the Financial Negotiations Department of Crédit du Nord (primary equity and bond markets, mergers and acquisitions, proprietary investment).

He joined Lazard in 1986 to develop its primary equity market business. In 1989 he moved to the mergers and acquisitions department. He became managing partner in 1993 and was appointed as co-head of the firm's mergers and acquisitions from 1999. In 2000, Georges Ralli was appointed Managing Director and Deputy Chairman of the Lazard LLC Executive Committee (USA). In 2006, he became co-chairman of Lazard's European Investment Banking Committee and simultaneously headed up its French branch (Maison Française) until 2010. As Chairman of Maison Lazard SAS*, he managed European mergers and acquisitions until this year; he continues to manage the European asset management and private banking businesses (Chairman of Lazard Frères Gestion and Lazard Wealth Management Europe).

Positions held outside the Group:

Chairman of Maison Lazard SAS*

Chairman of Lazard Frères Gestion SAS*

Managing Partner of Compagnie Financière Lazard Frères SAS*

Managing Partner of Lazard Frères SAS*

Managing Partner of Lazard Frères Gestion SAS*

Member of the Supervisory Board of VLGI SAS*

Deputy Chairman and Managing director of Lazard Group LLC (United States)*

Chief Executive of the European Investment Banking Business of Lazard (United States)*

Co-Chairman of the European Investment Banking Committee of Lazard (United States)*

Chairman of the Board of Managers of Lazard Wealth Management Europe SARL (Luxembourg)*

Chairman of the Advisory Board of Lazard GmbH (Switzerland)*

Member of LFCM Holdings LLC (United States)*

Member of the Advisory Committee of Lazard BV (Belgium)*

Member of the European Advisory Board of Lazard (United States)*

Director of Lazard Wealth Management Holding SL (Spain)*

Director of LAZ-MD Holding LLC (United States)*

Director of Lazard Aserores Financieros SA (Spain)*

Director of Lazard AB (Sweden)*

Director of Lazard & Co Srl (Italy)*

Director of Lazard Investments Srl (Italy)*

Anne-Claire Taittinger

(independent member)

Born on November 3, 1949. French.

Number of Company shares owned: 3,901

Date of appointment to the Board: July 28, 2008

Renewal date: May 4, 2010

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2012

Experience:

Anne-Claire Taittinger graduated from the Institut d'Études Politiques de Paris, and holds a Master's degree in urban sociology and an advanced degree in urban development from the Centre de Perfectionnement aux Affaires. She began her career in 1976 at the *Caisse des Dépôts et Consignations* as head of urban development operations at the Société Centrale d'Équipement du Territoire. She joined the Louvre Group in 1979 as Corporate Secretary and then became Chairman-CEO of the Compagnie Financière Deville. She later became Chairman-CEO of Compagnie Financière Leblanc and of ELM-LEBLANC, Deputy Chairman-CEO of the industrial division of DEVILLE, Chairman-CEO of Parfums Annick Goutal France USA, and then of Baccarat. She became Chief Executive Officer and subsequently Chairman of the Executive Committee of the Société du Louvre in 1997. In 2002 she became Chairman of the Executive Board of the Taittinger Group and Chief Executive Officer of its subsidiary Groupe du Louvre when the functions of Chairman of the Board and Chief Executive Officer were separated. She left these posts in July 2006 following a change in ownership at the Taittinger Group.

Positions held outside the Group:

Director and Chairman of the Appointments, Remuneration and Corporate Governance Committee of Club Méditerranée

Director of Financités

Director of IFA (Institut Français des Administrateurs)

Member of the Supervisory Board of Planet Finance

Chairman of Le Riffray SAS

Chief Executive Officer of DFT Immobilier SAS*

Director and Chairman of the Accounts and Internal Audit Committee of Thales SA

Robert Halley

Honory Chairman

* *Term of office expired in 2012.*

DIRECTOR APPOINTMENTS FROM 2008 TO 2012

Members of the Board

Georges Plassat ***Chairman and Chief Executive Officer***	**2008**	■ Chairman and Chief Executive Officer of the Vivarte Group (formerly Groupe André)
	2009	■ Chairman and Chief Executive Officer of the Vivarte Group (formerly Groupe André)
	2010	■ Chairman and Chief Executive Officer of the Vivarte Group (formerly Groupe André)
	2011	■ Chairman and Chief Executive Officer of the Vivarte Group (formerly Groupe André)
	2012	**Positions held within the Group** ■ Chairman and Chief Executive Officer of Carrefour SA **Positions held outside the Group** ■ Chairman and Chief Executive Officer of the Vivarte Group (formerly Groupe André)*
Sébastien Bazin ***Vice-President***	**2008**	■ Chairman of the Board of Directors and CEO of Société d'exploitation sports et événements, Holding Sport et événements ■ Director of Accor and of France Animation (appointment accepted 03/16/2007) ■ Member of the Supervisory Board of the ANF and of CARREFOUR ■ Chairman of Cowine SAS, Colbison SAS, SAIP, Colfilm, SAS Spazio ■ Chief Executive Officer of Toulouse Canceropole ■ Manager of Colony Le Chalet EURL (resigned in December 2007), CC Europe Invest, Colmassy ■ Director of Moonscoop SAS (appointment accepted 03/16/2007) ■ Member of the Supervisory Board of an SAS of Group Lucien Barrière SAS ■ Chairman of RSI SA (Belgian company) ■ Director of Sisters SA (Luxembourg company) ■ Vice-President and Member of the Supervisory board of Buffalo Grill (resignation 07/27/2007) ■ Chairman of the board (not CEO) of the Château Lascombes (resignation 07/31/2007) ■ Chairman of the Front de seine participations et Coladria SAS ■ Director of Moonscoop SAS ■ Chairman of the board and Chief Executive Officer of LUCIA (resignation 05/11/2007) ■ Manager of Colony Santa Maria EURL (resigned 06/29/2007) and Colony Pinta SNC (resigned 06/29/2007) ■ Permanent representative of: Front de seine participations SAS, which is the Managing Partner of Front de Seine Hôtel, Fineurogest SA, which is director or France Animation, LUCIA (resigned 05/11/2007) ■ General Partner of SNC Immobilière Lucia et compagnie, SNC Lucia 92 et compagnie, SNC Immobiloisir serre chevalier ■ Chairman of: Lucia Club CH, Lucia Investimmo, Lucia Invest Adria ■ Non-managing partner of Lusi Danton and Lusi Danton 2
	2009	■ Executive Managing director of Colony Europe ■ Chairman and CEO of SESE (Société d'Exploitation Sports et Événements) and HSE (Holding Sports et Événements) ■ Chairman of the Supervisory Board of PSG Football Club ■ Director of Accor and Moonscoop IP ■ Member of the Supervisory Board of ANF (Les Ateliers du Nord de la France) ■ Chairman (SAS) of Colwine, Colfilm, Bazeo Europe SAS and Colony Capital SAS ■ Chief Executive Officer (SAS) of Toulouse Canceropole and COLSPA SAS ■ Manager of CC Europe Invest SARL ■ Director (SAS) of Moonscoop SAS ■ Member of the Supervisory Board (SAS) of Group Lucien Barrière

* *Term of office expired in 2012.*

Members of the Board		
Sébastien Bazin ***Vice-President***	**2010**	■ Executive Managing director of Colony Europe ■ Chairman and CEO of SESE (Société d'Exploitation Sports et Événements) and HSE (Holding Sports et Événements) ■ Chairman of the Supervisory Board of PSG Football Club ■ Director of Accor, Edenred and Moonscoop IP ■ Member of the Supervisory Board of ANF (Les Ateliers du Nord de la France) ■ Chairman (SAS) of Colwine, Colfilm, Bazeo Europe SAS and Colony Capital SAS ■ Chief Executive Officer (SAS) of Toulouse Canceropole and COLSPA SAS ■ Manager of CC Europe Invest SARL ■ Manager of Nina SCI
	2011	■ Executive Managing director of Colony Europe ■ Chairman and CEO of SESE (Société d'Exploitation Sports et Événements) and HSE (Holding Sports et Événements) ■ Director of Accor, Edenred and Moonscoop IP, La Tour Réseau de Soins (Switzerland) and Permanence de la Clinique de Carouge (Switzerland) Managing director of Sisters Soparfi SA (Luxembourg) ■ Member of the Supervisory Board of ANF (Les Ateliers du Nord de la France) ■ Chairman (SAS) of Colillkirch France SAS, Colfilm, Bazeo Europe SAS and Colony Capital SAS ■ Chief Executive Officer (SAS) of Toulouse Canceropole and COLSPA SAS ■ Manager (SARL) of CC Europe Invest and La Tour SARL (Switzerland) ■ Manager (SCI) of Nina
	2012	**Positions held outside the Group** ■ Executive Managing director of Colony Europe ■ Chairman and CEO of SESE SA (Société d'Exploitation Sports et Événements) ■ Chairman and CEO of HSE SA (Holding Sports et Événements) ■ Director of Accor SA ■ Director of Edenred SA ■ Director of La Tour Réseau de Soins SA (Switzerland) ■ Director of Permanence de la Clinique de Carouge (Switzerland) ■ Managing director of Sisters Soparfi SA (Luxembourg) ■ Member of the Supervisory Board of ANF Immobilier SA (Les Ateliers du Nord de la France) ■ Chairman of Colillkirch France SAS ■ Chairman of Colfilm SAS ■ Chairman of Bazeo Europe SAS ■ Chairman of Colony Capital SAS ■ Chief Executive Officer of Toulouse Canceropole SAS ■ Chief Executive Officer of ColSpa SAS ■ Manager of CC Europe Invest SARL ■ Manager of La Tour SARL (Switzerland) ■ Managing Partner of Nina SC ■ Legal representative of Colony Capital SAS, which chairs ColSpa SAS ■ Chairman of Colyzeo Investment Ltd (United Kingdom) ■ Chairman of Data 4 SAS ■ Manager of Société du Savoy à Méribel SARL ■ Manager of Colmed SARL ■ Managing Partner of Haute Roche civil partnership ■ Managing Partner of Madeleine Michelis civil partnership ■ Managing Partner of Ranelagh civil partnership ■ Legal representative of Colony Capital SAS, which manages SC George V 302
Amaury de Seze ***Senior independant Director***	**2008**	■ Chairman of the Supervisory Board of PAI partners SAS (until December 3, 2007) ■ Chairman of PAI Partners UK Ltd ■ Vice-Chairman of the Supervisory Board of Carrefour SA ■ Director of Eiffage SA, Erbe SA, Groupe Industriel Marcel Dassault SA, PAI Europe III General Partner NC, PAI Europe IV General Partner NC, PAI Europe IV UK General Partner Ltd, PAI Partners Srl, Pargesa Holding SA, Power Corporation of Canada, ■ Member of the Supervisory Board of Gras Savoye SCA and Publicis Groupe

Members of the Board		
Amaury de Seze ***Senior independant Director***	**2009**	■ Vice-Chairman of Power Corporation of Canada ■ Director of Groupe Industriel Marcel-Dassault S.A.S. ■ Director of BW Group ■ Director of Groupe Bruxelles Lambert ■ Director of Erbe ■ Director of Pargesa Holding S.A ■ Director of Suez Environnement ■ Director of Imerys ■ Director of Publicis Groupe
	2010	■ Vice-Chairman of Power Corporation of Canada ■ Director of BW Group ■ Director of Groupe Bruxelles Lambert ■ Director of Erbe ■ Director of Pargesa Holding S.A ■ Director of Suez Environnement ■ Director of Imerys and PAI Supervisory Boards ■ Director of Publicis Groupe
	2011	■ Vice-Chairman of Power Corporation of Canada ■ Director of BW Group ■ Director of Groupe Bruxelles Lambert ■ Director of Erbe ■ Director of Pargesa Holding S.A ■ Director of Suez Environnement ■ Director of Imerys and PAI Supervisory Boards ■ Director of Publicis Groupe
	2012	**Positions held outside the Group** ■ Vice-Chairman of Power Financial Corporation of Canada (Canada)* ■ Director of BW Group (Singapore) ■ Director of Groupe Bruxelles Lambert (Belgium) ■ Director of Erbe SA (Belgium) ■ Director of Pargesa Holding SA (Switzerland) ■ Director of Suez Environnement* ■ Chairman of the Supervisory Board of PAI Partners SA ■ Member of the Supervisory Board of Publicis Groupe ■ Director of Imerys SA* ■ Director of Thales SA*
Bernard Arnault	**2008**	■ Chairman and CEO of LVMH Moet Hennessy Louis Vuitton ■ Chairman of the Board of Christian Dior SA, the Louis Vuitton Foundation for Creation (corporate foundation) ■ Groupe Arnault SAS ■ Member of the Board of Christian Dior Couture SA, Raspail Investissements SA, Cheval Blanc civil partnership, LVMH Moët Hennessy-Louis Vuitton Inc. (USA), LVMH Moët Hennessy-Louis Vuitton Japan KK ■ Member of the Supervisory Board of Lagardère SCA and Métropole Télévision “M6” SA
	2009	■ Chairman and Chief Executive Officer of LVMH Moët Hennessy-Louis Vuitton SA ■ Chairman of the Board of Directors of Christian Dior SA, ■ Chairman of the Board of Directors of Louis Vuitton pour la Création (corporate foundation) ■ Chairman of Groupe Arnault SAS ■ Director of Christian Dior Couture SA ■ Director of Cheval Blanc civil partnership ■ Director of LVMH Moët Hennessy-Louis Vuitton Inc. (United States) ■ Director of LVMH Moët Hennessy-Louis Vuitton Japan KK (Japan) ■ Member of the Supervisory Board of Lagardère SCA

Members of the Board		
Bernard Arnault	**2010**	■ Chairman and Chief Executive Officer of LVMH Moët Hennessy-Louis Vuitton SA ■ Chairman of the Board of Directors of Christian Dior SA, ■ Chairman of the Board of Directors of Louis Vuitton pour la Création (corporate foundation) ■ Chairman of Groupe Arnault SAS ■ Director of Christian Dior Couture SA ■ Director of Cheval Blanc civil partnership ■ Director of LVMH Moët Hennessy-Louis Vuitton Inc. (United States) ■ Director of LVMH Moët Hennessy-Louis Vuitton Japan KK (Japan) ■ Member of the Supervisory Board of Lagardère SCA
	2011	■ Chairman and Chief Executive Officer of LVMH Moët Hennessy-Louis Vuitton SA ■ Chairman of the Board of Directors of Christian Dior SA ■ Chairman of the Board of Directors of Louis Vuitton pour la Création (corporate foundation) ■ Chairman of Groupe Arnault SAS ■ Director of Christian Dior Couture SA ■ Director of Cheval Blanc civil partnership ■ Director of LVMH Moët Hennessy-Louis Vuitton Inc. (United States) ■ Director of LVMH Moët Hennessy-Louis Vuitton Japan KK (Japan) ■ Member of the Supervisory Board of Lagardère SCA
	2012	**Positions held outside the Group** ■ Chairman and Chief Executive Officer of LVMH Moët Hennessy-Louis Vuitton SA ■ Chairman of the Board of Directors of Christian Dior SA ■ Chairman of the Board of Directors of Louis Vuitton pour la Création (corporate foundation) ■ Chairman of Groupe Arnault SAS ■ Director of Christian Dior Couture SA ■ Chairman of the Board of Directors of Château Cheval Blanc ■ Director of LVMH Moët Hennessy-Louis Vuitton Inc. (United States) ■ Director of LVMH Moët Hennessy-Louis Vuitton Japan KK (Japan) ■ Member of the Supervisory Board of Lagardère SCA* ■ Member of the Supervisory Committee of Financière Jean Goujon SAS ■ Director of LVMH International SA (Belgium)
Nicolas Bazire	**2008**	■ Member of the Supervisory Board of Carrefour ■ Director of LVMH – Moët Hennessy Louis Vuitton ■ Member of the Supervisory Board of Rothschild & Cie Banque SCS France. ■ Director of IPSOS
	2009	■ Chief Executive Officer of Groupe Arnault SAS ■ Director of LVMH – Moët Hennessy Louis Vuitton ■ Director of LVMH Fashion Group ■ Director of Atos Origin ■ Director of Suez Environnement ■ Member of the Supervisory Board of Rothschild & Cie Banque SCS
	2010	■ Chief Executive Officer of Groupe Arnault SAS ■ Director of LVMH – Moët Hennessy Louis Vuitton ■ Director of Atos Origin ■ Director of Suez Environnement ■ Member of the Supervisory Board of Rothschild & Cie Banque SCS
	2011	■ Chief Executive Officer of Groupe Arnault SAS ■ Director of LVMH – Moët Hennessy Louis Vuitton ■ Director of Atos Origin ■ Director of Suez Environnement ■ Member of the Supervisory Board of Rothschild & Cie Banque SCS

* *Term of office expired in 2012.*

Members of the Board		
Nicolas Bazire	**2012**	**Positions held outside the Group** ■ Chief Executive Officer of Groupe Arnault SAS ■ Director of LVMH – Moët Hennessy Louis Vuitton SA ■ Director of Atos SE* ■ Chairman of the Appointments and Remuneration Committee of Atos SE ■ Director of Suez Environnement Company SA ■ Member of the Supervisory Board of Rothschild & Cie Banque SCS ■ Director of Agache Développement SA ■ Director of Europatweb SA ■ Director of Financière Agache SA ■ Director of Financière Agache Private Equity SA ■ Director of Les Echos SA ■ Vice-Chairman of the Supervisory Board of Les Echos SAS ■ Director of LVMH Fashion Group SA ■ Member of the Supervisory Committee of Montaigne Finance SAS ■ Member of the Supervisory Committee of Semyrhamis SAS ■ Director of Fondation Louis Vuitton pour la Création (corporate foundation) ■ Manager of Les Chevaux de Malmain SARL
Jean-Laurent Bonnafé	**2008**	■ Chief Operating Officer of BNP Paribas ■ Director of BNP Paribas Personal Finance and BNL – Banca Nazionale del Lavoro (Italy) ■ Chairman of BNP Paribas Development (until December 17, 2008)
	2009	■ Chief Operating Officer of BNP Paribas ■ Director of BNP Paribas Personal Finance ■ Director of BNL-Banca Nazionale del Lavoro (Italy) ■ Chairman of the Management Committee ■ Chairman of the Executive Committee ■ Chief Executive Officer of BNP Paribas Fortis (since May 2009)
	2010	■ Chief Operating Officer and director of BNP Paribas ■ Director of BNP Paribas Personal Finance ■ Director of BNL -Banca Nazionale del Lavoro (Italy) ■ Director of BNP Paribas Fortis
	2011	■ Director and Chief Executive Officer of BNP Paribas ■ Director of BNP Paribas Personal Finance ■ Director of BNL -Banca Nazionale del Lavoro (Italy) ■ Director of BNP Paribas Fortis
	2012	**Positions held outside the Group** ■ Director and Chief Executive Officer of BNP Paribas ■ Director of BNP Paribas Personal Finance* ■ Director of BNL -Banca Nazionale del Lavoro (Italy) ■ Director of BNP Paribas Fortis (Belgium) ■ Director of Erbe SA (Belgium)
Thierry Breton	**2008**	■ Chairman and Chief Executive Officer of Atos Origin
	2009	■ Chairman and Chief Executive Officer of Atos Origin
	2010	■ Chairman and Chief Executive Officer of Atos Origin
	2011	■ Chairman and Chief Executive Officer of Atos Origin
	2012	**Positions held outside the Group** ■ Chairman of the Board of Directors and Chief Executive Officer of Atos SE ■ Chief Executive Officer of Atos International SAS

* *Term of office expired in 2012.*

Members of the Board

René Brillet	**2008**	■ Member of the Supervisory Board of Carrefour
	2009	■ Member of the Board of Directors of Carrefour
	2010	■ Member of the Board of Directors of Carrefour
	2011	■ Director of Electricité et Eaux de Madagascar
	2012	**Positions held outside the Group** ■ Director of Electricité et Eaux de Madagascar
Charles Edelstenne	**2008**	■ Chairman and Chief Executive Officer of Dassault Aviation SA ■ Chairman of the Board of Directors of Dassault Systèmes SA ■ Member of the Supervisory Board of Groupe Industriel Marcel Dassault SAS ■ Director of Carrefour SA (since July 2008), Sogitec Industries SA, SABCA (Belgium) ■ Chairman of Dassault Falcon Jet Corporation (United States), ■ Chairman of Dassault International Inc. (United States), ■ Manager of ARIE and ARIE 2, NILI and NILI 2 civil partnerships ■ Chairman of GIFAS (Groupement des Industries Françaises Aéronautiques et Spatiales) ■ Chairman of CIDEF (Conseil des Industries de Défense Françaises) (until February 2008)
	2009	■ Chairman and Chief Executive Officer of Dassault Aviation SA ■ Chairman of the Board of Directors of Dassault Systèmes SA ■ Member of the Supervisory Board of Groupe Industriel Marcel Dassault SAS ■ Director of Thales SA (since May 19, 2009) ■ Director of Sogitec Industries SA ■ Director of SABCA (Belgium) ■ Chairman of Dassault Falcon Jet Corporation (United States) ■ Chairman of Dassault International Inc. (United States) ■ Manager of ARIE civil partnership ■ Manager of ARIE 2 civil partnership ■ Manager of NILI civil partnership ■ Manager of NILI 2 civil partnership
	2010	■ Chairman and Chief Executive Officer of Dassault Aviation SA ■ Chairman of the Board of Directors of Dassault Systèmes SA ■ Member of the Supervisory Board of Groupe Industriel Marcel Dassault SAS ■ Director of Thales SA ■ Director of Sogitec Industries SA ■ Director of SABCA (Belgium) ■ Chairman of Dassault Falcon Jet Corporation (United States) ■ Chairman of Dassault International Inc. (United States) ■ Manager of ARIE civil partnership ■ Manager of ARIE 2 civil partnership ■ Manager of NILI civil partnership ■ Manager of NILI 2 civil partnership
	2011	■ Chairman and Chief Executive Officer of Dassault Aviation SA ■ Chairman of the Board of Directors of Dassault Systèmes SA ■ Member of the Supervisory Board of Groupe Industriel Marcel Dassault SAS ■ Director of Thales SA ■ Director of Sogitec Industries SA ■ Director of SABCA (Belgium) ■ Chairman of Dassault Falcon Jet Corporation (United States) ■ Chairman of Dassault International Inc. (United States) ■ Manager of ARIE civil partnership ■ Manager of ARIE 2 civil partnership ■ Manager of NILI civil partnership ■ Manager of NILI 2 civil partnership

Members of the Board		
Charles Edelstenne	**2012**	**Positions held outside the Group** ■ Chairman and Chief Executive Officer of Dassault Aviation SA ■ Chairman of the Board of Directors of Dassault Systèmes SA ■ Member of the Supervisory Board of GIMD SAS (Groupe Industriel Marcel Dassault SAS) ■ Director of Thales SA ■ Director of Sogitec Industries SA ■ Director of SABCA (Société Anonyme Belge de Constructions Aéronautiques) (Belgium) ■ Chairman of Dassault Falcon Jet Corporation (United States) ■ Chairman of Dassault International Inc. (United States) ■ Manager of ARIE civil partnership ■ Manager of ARIE 2 civil partnership ■ Manager of NILI civil partnership ■ Manager of NILI 2 civil partnership
Diane Labruyère	**2008**	■ Chairman of the Institut Robin des Bois (Switzerland) ■ Director of the Fondation Antenna Technologies (Geneva, Switzerland) ■ Member of the Executive Committee of Labruyère & Eberle
	2009	■ Chairman of the Institut Robin des Bois (Switzerland) ■ Director of the Fondation Antenna Technologies (Geneva, Switzerland) ■ Member of the Executive Committee of Labruyère & Eberle
	2010	■ Chairman of the Institut Robin des Bois (Switzerland) ■ Director of the Fondation Antenna Technologies (Geneva, Switzerland) ■ Member of the Executive Committee of Labruyère & Eberle
	2011	■ Chairman of the Institut Robin des Bois (Switzerland) ■ Director of the Fondation Antenna Technologies (Geneva, Switzerland) ■ Member of the Executive Committee of Labruyère & Eberle
	2012	**Positions held outside the Group** ■ Chairman of the Institut Robin des Bois (Switzerland) ■ Director of the Fondation Antenna Technologies (Geneva, Switzerland) ■ Member of the Executive Committee of Labruyère & Eberle
Mathilde Lemoine	**2010**	■ Member of the Board of Directors of Carrefour ■ Member of the Conseil d'Analyse Economique (CAE) ■ Member of the Commission Economique de la Nation (CEN) ■ Director of Economic Research and Market Strategy at HSBC France and the Economist for the HSBC Group
	2011	■ Member of the Board of Directors of Carrefour ■ Member of the Conseil d'Analyse Economique (CAE) ■ Member of the Commission Economique de la Nation (CEN) ■ Director of Economic Research and Market Strategy at HSBC France and the Economist for the HSBC Group
Bertrand de Montesquiou	**2008**	■ Chairman of the Management Board of Guyenne et Gascogne ■ Vice-Chairman and Chief Executive Officer of Sogara SAS ■ Vice-Chairman of Centros Comerciales Carrefour (Spain)
	2009	■ Chairman of the Management Board of Guyenne et Gascogne ■ Vice-Chairman and Chief Executive Officer of Sogara SAS ■ Vice-Chairman of Centros Comerciales Carrefour (Spain)
	2010	■ Chairman of the Management Board of Guyenne et Gascogne ■ Vice-Chairman and Chief Executive Officer of Sogara SAS ■ Vice-Chairman of Centros Comerciales Carrefour (Spain)
	2011	■ Chairman of the Management Board of Guyenne et Gascogne ■ Vice-Chairman and Chief Executive Officer of Sogara SAS ■ Vice-Chairman of Centros Comerciales Carrefour (Spain)

Members of the Board		
Bertrand de Montesquiou	**2012**	**Positions held outside the Group** ■ Chairman of the Management Board of Guyenne et Gascogne* ■ Vice-Chairman and Chief Executive Officer of Sogara SAS* ■ Vice-Chairman of Centros Comerciales Carrefour (Spain)*
Georges Ralli	**2008**	■ Chairman of Maison Lazard SAS ■ Chairman of Lazard Frères Gestion SAS ■ Managing Partner of Compagnie Financière Lazard Frères SAS ■ Managing Partner of Lazard Frères SAS ■ Managing Partner of Lazard Frères Gestion SAS ■ Director of Chargeurs SA ■ Director of SILIC SA ■ Member of the Supervisory Board of VLGI SAS ■ Deputy Chairman and Managing director of Lazard Group LLC (United States) ■ Chief Executive of the European Investment Banking Business of Lazard (United States) ■ Co-Chairman of the European Investment Banking Committee of Lazard (United States) ■ Chairman of the Board of Managers of Lazard Wealth Management Europe SARL (Luxembourg) ■ Chairman of the Advisory Board of Lazard GmbH (Switzerland) ■ Member of LFCM Holdings LLC (United States) ■ Member of the Advisory Committee of Lazard BV (Belgium) ■ Member of the European Advisory Board of Lazard (United States) ■ Director of Lazard Wealth Management Holding SL (Spain) ■ Director of LAZ-MD Holding LLC (United States) ■ Director of Lazard Aserores Financieros SA (Spain) ■ Director of Lazard AB (Sweden) ■ Director of Lazard & Co Srl (Italy) ■ Director of Lazard Investments Srl (Italy) ■ Chairman and Chief Executive Officer of Lazard Frères Banque SA ■ Vice-Chairman and Executive director of Lazard Frères SAS ■ Vice-Chairman and Executive director of Lazard Frères Gestion SAS ■ Director of Lazard Frères Banque SA ■ Director of Fonds Partenaires Gestion ■ Director of VLGI ■ Non-voting Board member of Eurazeo ■ Member of the Executive Committee of Lazard Strategic Coordination Company LLC (United States) ■ Member of the Supervisory Board of Bazile Telecom
	2009	■ Chairman of Maison Lazard SAS ■ Chairman of Lazard Frères Gestion SAS ■ Managing Partner of Compagnie Financière Lazard Frères SAS ■ Managing Partner of Lazard Frères SAS ■ Managing Partner of Lazard Frères Gestion SAS ■ Director of Chargeurs SA ■ Director of SILIC SA ■ Member of the Supervisory Board of VLGI SAS ■ Deputy Chairman and Managing director of Lazard Group LLC (United States) ■ Chief Executive of the European Investment Banking Business of Lazard (United States) ■ Co-Chairman of the European Investment Banking Committee of Lazard (United States) ■ Chairman of the Board of Managers of Lazard Wealth Management Europe SARL (Luxembourg) ■ Chairman of the Advisory Board of Lazard GmbH (Switzerland) ■ Member of LFCM Holdings LLC (United States) ■ Member of the Advisory Committee of Lazard BV (Belgium) ■ Member of the European Advisory Board of Lazard (United States) ■ Director of Lazard Wealth Management Holding SL (Spain) ■ Director of LAZ-MD Holding LLC (United States) ■ Director of Lazard Aserores Financieros SA (Spain) ■ Director of Lazard AB (Sweden) ■ Director of Lazard & Co Srl (Italy) ■ Director of Lazard Investments Srl (Italy) ■ Non-voting Board member of Eurazeo ■ Member of the Supervisory Board of Bazile Telecom

* *Term of office expired in 2012.*

Members of the Board		
Georges Ralli	**2010**	■ Chairman of Maison Lazard SAS ■ Chairman of Lazard Frères Gestion SAS ■ Managing Partner of Compagnie Financière Lazard Frères SAS ■ Managing Partner of Lazard Frères SAS ■ Managing Partner of Lazard Frères Gestion SAS ■ Director of Chargeurs SA ■ Director of SILIC SA ■ Member of the Supervisory Board of VLGI SAS ■ Deputy Chairman and Managing director of Lazard Group LLC (United States) ■ Chief Executive of the European Investment Banking Business of Lazard (United States) ■ Co-Chairman of the European Investment Banking Committee of Lazard (United States) ■ Chairman of the Board of Managers of Lazard Wealth Management Europe SARL (Luxembourg) ■ Chairman of the Advisory Board of Lazard GmbH (Switzerland) ■ Member of LFCM Holdings LLC (United States) ■ Member of the Advisory Committee of Lazard BV (Belgium) ■ Member of the European Advisory Board of Lazard (United States) ■ Director of Lazard Wealth Management Holding SL (Spain) ■ Director of LAZ-MD Holding LLC (United States) ■ Director of Lazard Aserores Financieros SA (Spain) ■ Director of Lazard AB (Sweden) ■ Director of Lazard & Co Srl (Italy) ■ Director of Lazard Investments Srl (Italy)
	2011	■ Chairman of Maison Lazard SAS ■ Chairman of Lazard Frères Gestion SAS ■ Managing Partner of Compagnie Financière Lazard Frères SAS ■ Managing Partner of Lazard Frères SAS ■ Managing Partner of Lazard Frères Gestion SAS ■ Director of Chargeurs SA ■ Director of SILIC SA ■ Member of the Supervisory Board of VLGI SAS ■ Deputy Chairman and Managing director of Lazard Group LLC (United States) ■ Chief Executive of the European Investment Banking Business of Lazard (United States) ■ Co-Chairman of the European Investment Banking Committee of Lazard (United States) ■ Chairman of the Board of Managers of Lazard Wealth Management Europe SARL (Luxembourg) ■ Chairman of the Advisory Board of Lazard GmbH (Switzerland) ■ Member of LFCM Holdings LLC (United States) ■ Member of the Advisory Committee of Lazard BV (Belgium) ■ Member of the European Advisory Board of Lazard (United States) ■ Director of Lazard Wealth Management Holding SL (Spain) ■ Director of LAZ-MD Holding LLC (United States) ■ Director of Lazard Aserores Financieros SA (Spain) ■ Director of Lazard AB (Sweden) ■ Director of Lazard & Co Srl (Italy) ■ Director of Lazard Investments Srl (Italy)

Members of the Board

Georges Ralli	**2012**	**Positions held outside the Group** ■ Director of Chargeurs SA ■ Director of SILIC SA ■ Permanent representative of Groupama which is director of Veolia Environnement (start of appointment = May 2012) ■ Chairman of Maison Lazard SAS* ■ Chairman of Lazard Frères Gestion SAS* ■ Managing Partner of Compagnie Financière Lazard Frères SAS* ■ Managing Partner of Lazard Frères SAS* ■ Managing Partner of Lazard Frères Gestion SAS* ■ Member of the Supervisory Board of VLGI SAS* ■ Deputy Chairman and Managing director of Lazard Group LLC (United States)* ■ Chief Executive of the European Investment Banking Business of Lazard (United States)* ■ Co-Chairman of the European Investment Banking Committee of Lazard (United States)* ■ Chairman of the Board of Managers of Lazard Wealth Management Europe SARL (Luxembourg)* ■ Chairman of the Advisory Board of Lazard GmbH (Switzerland)* ■ Member of LFCM Holdings LLC (United States)* ■ Member of the Advisory Committee of Lazard BV (Belgium)* ■ Member of the European Advisory Board of Lazard (United States)* ■ Director of Lazard Wealth Management Holding SL (Spain)* ■ Director of LAZ-MD Holding LLC (United States)* ■ Director of Lazard Aserores Financieros SA (Spain)* ■ Director of Lazard AB (Sweden)* ■ Director of Lazard & Co Srl (Italy)* ■ Director of Lazard Investments Srl (Italy)*
Anne-Claire Taittinger	**2008**	■ Director of Dexia, Club Méditerranée and Baccarat ■ Member of the Supervisory Board of Carrefour
	2009	■ Director and member of the Audit Committee and the Appointments, Remuneration and Corporate Governance Committee of Club Méditerranée ■ Director of Financités, Tocqueville Finance Holding and Tocqueville Finances SA ■ Member of the Supervisory Board of Planet Finance ■ Chairman of Le Riffray SAS ■ Manager of Eurl Le Riffray I ■ Chief Executive Officer of DFT Immobilier SAS.
	2010	■ Director and member of the Audit Committee and the Appointments, Remuneration and Corporate Governance Committee of Club Méditerranée ■ Director of Financités, ■ Member of the Supervisory Board of Planet Finance ■ Chairman of Le Riffray SAS ■ Chief Executive Officer of DFT Immobilier SAS
	2011	■ Director and member of the Appointments, Remuneration and Corporate Governance Committee of Club Méditerranée ■ Director of Financités and IFA (Institut Français des Administrateurs) ■ Member of the Supervisory Board of Planet Finance ■ Chairman of Le Riffray SAS ■ Chief Executive Officer of DFT Immobilier SAS
	2012	**Positions held outside the Group** ■ Director and Chairman of the Appointments, Remuneration and Corporate Governance Committee of Club Méditerranée* ■ Director of Financités ■ Director of IFA (Institut Français des Administrateurs) ■ Member of the Supervisory Board of Planet Finance ■ Chairman of Le Riffray SAS ■ Chief Executive Officer of DFT Immobilier SAS* ■ Director and Chairman of the Accounts and Internal Audit Committee of Thales SA*

* *Term of office expired in 2012.*

Members of the Board		
Lars Olofsson	**2009**	■ Chief Executive Officer of the Carrefour Group ■ Chairman of the Carrefour Corporate Foundation ■ Director of Finiper (Italy) ■ Permanent representative of Carrefour Nederland BV on the Board of Directors of Carrefour Marinopoulos (Greece)
	2010	■ Chief Executive Officer of the Carrefour Group ■ Chairman of the Carrefour Corporate Foundation ■ Permanent representative of Carrefour Nederland BV on the Board of Directors of Carrefour Marinopoulos (Greece)
	2011	■ Chief Executive Officer of the Carrefour Group ■ Chairman of the Carrefour Corporate Foundation ■ Permanent representative of Carrefour Nederland BV on the Board of Directors of Carrefour Marinopoulos (Greece)
	2012	**Positions held within the Group** ■ Chief Executive Officer of the Carrefour Group* ■ Chairman of the Carrefour Corporate Foundation* ■ Permanent representative of Carrefour Nederland BV on the Board of Directors of Carrefour Marinopoulos (Greece)*
René Abate	**2008**	■ Member of the Supervisory Board of the Carrefour ■ Managing Partner of Delphen SARL ■ Member of the Board of Directors and Vice-Chairman of the ENVOL pour l'enfant européen association ■ Member of the Board of Directors of the Laboratoire Français du Fractionnement et des Biotechnologies
	2009	■ Managing Partner of Delphen SARL ■ Director of Atos Origin ■ Director of the Laboratoire Français du Fractionnement et des Biotechnologies
	2010	■ Managing Partner of Delphen SARL ■ Director of Atos Origin ■ Director of the Laboratoire Français du Fractionnement et des Biotechnologies
	2011	■ Managing Partner of Delphen SARL ■ Director of Atos Origin ■ Director of the Laboratoire Français du Fractionnement et des Biotechnologies
	2012	**Positions held outside the Group** ■ Managing Partner of Delphen SARL ■ Director of Atos SE ■ Director of the Laboratoire Français du Fractionnement et des Biotechnologies

* *Term of office expired in 2012.*

3.2.2 OPERATION OF THE BOARD OF DIRECTORS

During the course of the 2012 fiscal year, the Board of Directors met 16 times, with an average attendance rate of 85%.

In accordance with the Board's by-laws, as part of its duties and without this list being exhaustive:

- on the proposal of the Chairman and Chief Executive Officer, the Board approves the Company's strategy and ensures its implementation;
- it sets any necessary limits on the Chief Executive Officer's powers;
- it approves the Chairman's draft report, attached to the management report;
- in particular, it:
  - conducts any controls and audits it deems appropriate,
  - conducts audits of Company management and the fairness of the financial statements,
  - reviews and approves the financial statements,
  - ensures that quality financial information is provided to shareholders and markets;
- each year, on the proposal of the Appointments Committee and together with the Chairman and Chief Executive Officer, it draws up the list of directors considered independent, based on the Company's governance criteria;
- at least once per year, the Chairman and Chief Executive Officer submits the draft budgets, management report and drafts of the various statutory and regulatory reports to it.

During its meeting of July 28, 2008, the Board of Directors adopted internal rules, divided into six chapters, whose main provisions are as follows:

- the first chapter sets forth the mission of the Board of Directors and describes Board meeting procedures, director notification and the Board's assessment of its operations and ability to carry out its missions;
- the second and third chapters describe the role and authority of the Chairman and Chief Executive Officer;
- the fourth chapter is dedicated to the Board's committees: The Accounts and Internal Audit Committee, the Remuneration Committee and the Appointments Committee (composition, missions and operations);
- the final two chapters mainly address director compensation and the Code of Conduct that all Board members must follow in carrying out their duties.

CONFLICT OF INTERESTS

In accordance with the Board of Directors' internal rules, directors must inform the Board of Directors of any situation involving a real or potential conflict of interest with the Company or the Group's companies as soon as they become aware of such a situation and must refrain from participating in discussions and voting relating to the respective proceedings.

In case of a proven conflict of interest that cannot be resolved to the Board of Directors' satisfaction, the director must submit his or her resignation.

The Chairman and Chief Executive Officer may ask the directors at any time to sign a statement certifying that they do not have a conflict of interest.

ASSESSMENT

In accordance with the Board of Directors' internal rules, the Board of Directors conducts regular assessments of its operations and ability to carry out its missions. Accordingly, it reviews its operating procedures and the quality of the information published and of its decision-making and discussions, as well as each person's actual contribution to the work of the Board of Directors and the committees.

In addition, a formal assessment of the Board of Directors is carried out every three years, if necessary with the help of the Appointments Committee and an external consultant. The aim of this assessment is to ensure observance of the Board of Directors' detailed operating principles and compliance with the governance rules, and to identify proposals aimed at improving its operations and effectiveness.

3.2.3 THE BOARD OF DIRECTORS' COMMITTEES

To help the Company's directors fulfil their duties, specialised committees are set up within the Board of Directors.

To take into account the nature and specific characteristics of the Company's activities, the Board of Directors' committees are as follows:

- the Accounts Committee;
- the Remuneration Committee;
- the Appointments Committee.

In certain areas, the Board of Directors' work and discussions are prepared by specialised committees, comprised of directors appointed by the Board of Directors for the duration of their term of office, which deal with matters that come under their authority or, where applicable, matters entrusted to them by the Chairman and Chief Executive Officer.

These committees report on their work to the Board of Directors on a regular basis and share with it their observations, opinions, proposals and recommendations.

These committees meet, as necessary, upon invitation by the Chairman and Chief Executive Officer or their Chairman, or at the request of one-half of their members. They may call upon outside experts as necessary. The committee Chairman may ask the Chairman and Chief Executive Officer to interview any Group executive regarding issues that fall within the committee's purview, as defined by these by-laws.

They also issue advice to the Board of Directors. The committee Chairmen (or, if they are unavailable, another member of the same committee) present oral summaries of their work to the Board of Directors at its next meeting.

3.2.3.1 THE ACCOUNTS COMMITTEE

This committee meets at least four times per year.

Composition

At least two-thirds of the committee members must be independent, as decided by the Board of Directors in accordance with the AFEP-MEDEF Corporate Governance Code, with which the Company complies. Pursuant to the provisions (i) of Article 823-19 of the French Commercial Code, at least one member of the committee must have special expertise in financial or accounting matters.

From May 31, 2011 to June 18, 2012, the members of the committee were as follows:

- Chairman: Mathilde Lemoine (independent director);
- Members: René Brillet (independent director),
  Sébastien Bazin.

Since June 18, 2012, the members of the committee are as follows:

- Chairman: Georges Ralli (independent director);
- Members: Mathilde Lemoine (independent director), René Brillet (independent director), Sébastien Bazin.

Duties

One of the committee's specific responsibilities is to oversee (i) the process by which financial information is prepared, (ii) the efficacy of the internal-control and risk-management systems, (iii) the legal audit of the annual and Consolidated Financial Statements by the Statutory Auditors, and (iv) the independence of the Statutory Auditors.

The committee reviews all issues relating to financial statements and other documents, including the selection of accounting standards, provisions, management accounting data, capital sufficiency requirements, profitability indicators and any accounting issues that raise methodological concerns or give rise to potential risk.

The committee also analyses internal-control reports.

In addition, the committee examines any issue relating to the compliance policy, notably with regard to reputation risk or professional ethics.

During the 2012 fiscal year, the committee met five times (twice under the chairmanship of Mathilde Lemoine and three times under that of Georges Ralli), with an attendance rate of 90%. Among other things, the committee reviewed the financial statements at December 31, 2011 and June 30, 2012, the presentation of the pre-closing process at September 30, 2012 and the new organisation of the Internal Audit department, and reviewed and assessed the effectiveness of the backup procedures and crisis-management plans.

The committee reviewed the labour and tax disputes in Brazil as well as methods for improving internal control.

It also studied the report by the Chairman of the Board of Directors on the conditions governing the preparation and organisation of the Board's work and internal-control and risk-management procedures.

At each meeting, the committee analysed a summary of work performed by the internal auditors. The committee oversees the independence of the internal auditors and ensures that the resources allocated to internal auditing are adequate to accomplish the assignment.

Relations with the Statutory Auditors

The committee oversees the process of selecting Statutory Auditors, formulates an opinion on the appropriate fee levels for legal work pertaining to internal control and submits the results of this selection to the Board.

It also ensures the Statutory Auditors' independence. It issues a recommendation on the Statutory Auditors whose appointment is proposed by the Shareholders' Meeting.

It reviews the Statutory Auditors' audit plan, their recommendations and the implementation of these recommendations.

It is annually notified of the amount and breakdown of fees paid by the Carrefour Group to the Statutory Auditors and the networks to which they belong, calculated according to a model approved by the committee. It ensures that the amount or share of the Statutory Auditors' revenues represented by the Group is not likely to compromise the Statutory Auditors' independence.

It gives its prior consent for any undertaking whose fees (excluding tax) exceed 1 million euros. The committee approves other undertakings after the fact, based on submissions from the Group Finance department. Each year, the committee receives a report from the Group Finance department on all non-audit undertakings carried out by networks to which the Group's Statutory Auditors belong.

The Statutory Auditors each provide an annual presentation to the committee on the procedures within their internal-control system for ensuring independence, and annually certify in writing their independence in fulfilling their audit responsibilities.

At least twice per year, the committee devotes part of its meeting to a discussion with the Statutory Auditors' teams without the presence of the Company's general management, after first informing the Chairman and Chief Executive Officer.

The committee meets in the presence of the Statutory Auditors' teams to review the half-yearly and annual financial statements.

However, the Statutory Auditors do not attend any or all of the meeting dealing with their fees and renewal of their terms of office.

The Statutory Auditors do not attend any or all of the meeting at which the committee deals with specific issues relating to any of them.

Where questions of interpretation of accounting standards arise in connection with the half-yearly and annual results, involving choices that have a material impact, the Statutory Auditors and the Group Finance department present a memorandum to the committee analysing the nature and significance of the issue, presenting the pros and cons of various possible solutions and explaining the reasons for the choice made.

Report by the Chairman

The committee reviews the draft report by the Chairman on internal-control procedures relating to the preparation and processing of accounting and financial information.

Interviews

On all issues within its purview, the committee may – as it sees fit and outside the presence of any other general management members, if it deems this appropriate – interview the Group's financial and accounting managers as well as the audit and internal-control manager. The Chairman and Chief Executive Officer must be informed of this in advance.

It presents its assessment of the methods and procedures used by the Board of Directors.

It expresses its opinion regarding the organisation of these functions within the Group and is kept informed of their work programmes.

Twice per year, it receives a summary of the Internal Audit department's activity and reports.

3.2.3.2 THE REMUNERATION COMMITTEE

The committee meets as often as necessary.

Composition

A majority of the Remuneration Committee members must be independent, as decided by the Board of Directors in accordance with the AFEP-MEDEF Corporate Governance Code, with which the Company complies.

The Commission Recommendation of April 30, 2009 stipulates that at least one member of the Remuneration Committee must have knowledge of and experience in remuneration policy.

The members of the committee are as follows:

- Chairman: Thierry Breton (independent director);
- Members: René Brillet (independent director),
  Sébastien Bazin.

Duties

This committee is responsible for reviewing all issues relating to the personal status of corporate officers, including remuneration, pension benefits, grants of Company share subscription or purchase options and free shares, and provisions governing the departure of members of the Company's management and representative bodies.

It reviews the terms, amounts and allocation basis of share subscription or purchase options and free share plans.

It is informed of the remuneration policy for top executives who are not corporate officers.

During the course of fiscal year 2012, the committee met five times, with an attendance rate of 100%.

During these meetings, the Remuneration Committee:

- reviewed the Chairmen and Chief Executive Officer's terms of arrival and remuneration;
- reviewed the principle and terms of the long-term profit-sharing plan for the Group's employees and corporate officer.

3.2.3.3 THE APPOINTMENTS COMMITTEE

The committee meets as often as necessary.

Composition

A majority of Appointments Committee members must be independent, as decided by the Board of Directors in accordance with the AFEP-MEDEF Corporate Governance Code, with which the Company complies.

From May 31, 2011 to June 18, 2012, the members of the committee were as follows:

- Chairman: Anne-Claire Taittinger (independent director);
- Members: René Abate (independent director), Nicolas Bazire.

Since June 18, 2012, the members of the committee are as follows:

- Chairman: Bertrand de Montesquiou (independent director);
- Members: Anne-Claire Taittinger (independent director), Diane Labruyère (independent director), Nicolas Bazire.

Duties

In the event of the Chairman and Chief Executive Officer's resignation or death or non-renewal of his term of office, the committee is responsible for making proposals to the Board of Directors regarding the Chairman's appointment.

Acting jointly with the Chairman, it submits recommendations to the Board of Directors for the position of Chief Executive Officer and, if applicable, for deputy managing directors.

Together with the Chairman and Chief Executive Officer, it is also responsible for reviewing preparatory measures for the transition to the corporate officers' new term of office and the selection of new directors.

Together with the Chairman and Chief Executive Officer, it makes recommendations to the Board of Directors on the appointment of committee Chairmen and members.

It is also charged with assessing directors' independence and reporting its findings to the Board of Directors. If necessary, the committee reviews situations that result from a director's repeated absence.

It also assists the Board of Directors in adapting the Company's corporate governance practices and assessing their operation.

It tracks developments in corporate governance at both global and national levels, and presents a summary of such developments to the Board of Directors at least once per year. It selects the measures best suited to the Group with the aim of bringing its procedures, organisation and conduct in line with best practices.

It examines the Chairman's draft report on corporate governance and any other document required by law or regulations.

Together with the Chairman and Chief Executive Officer, it prepares discussions regarding proposals for director appointments that will be submitted to the Board of Directors and the Shareholders' Meeting for approval.

During the course of fiscal year 2012, the committee met three times, with an attendance rate of 90%.

During these meetings, the committee reviewed the terms of arrival of the Chairman and Chief Executive Officer, the Chairman's draft report on internal-control procedures and the candidacy of independent directors.

3.3 Executive Management

Mr Georges Plassat has been the Company's Chairman and Chief Executive Officer since May 23, 2012.

At its meeting on January 29, 2012, the Board of Directors decided to appoint Georges Plassat:

- as Chief Executive Officer of the Company for a period of three years, as of the June 18, 2012 meeting of the Board of Directors to be convened at the close of the Shareholders' Meeting; and
- as temporary deputy managing director of the Company, as of April 2, 2012.

At this meeting, the Board also decided to maintain the Company's current management procedures, which are based on combining the duties of Chairman of the Board of Directors and Chief Executive Officer, and, therefore, to present Mr Georges Plassat to the June 18, 2012 Ordinary Shareholders' Meeting as a candidate for the position of director of the Company so that he could then be appointed Chairman of the Board of Directors.

At its meeting on May 23, the Board of Directors noted the resignation of Mr Lars Olofsson from his position as director and from his duties as Chairman and Chief Executive Officer of the Company, effective immediately.

The Board of Directors appointed Mr Georges Plassat as director, replacing Mr Lars Olofsson, for the remainder of the latter's term of office.

The Board of Directors appointed Mr Georges Plassat as Chairman and Chief Executive Officer, effective May 23, 2012.

The June 18, 2012 Shareholders' Meeting confirmed the appointment of Mr Georges Plassat as director for three years.

At its meeting of June 18, 2012, the Board of Directors appointed Mr Georges Plassat as Chairman and Chief Executive Officer.

Chairman and Chief Executive Officer power's limits

During its meetings of July 28, 2008, October 6, 2009 and April 13, 2010, the Board of Directors decided that the Chief Executive Officer could not carry out the following transactions or actions in the name and on behalf of the Company without the Board's prior consent:

- commitments for any bond, security or guarantee in the name of the Company greater than 500 million euros (no limit for commitments concerning tax and customs authorities);
- disposals of buildings exceeding a value of 50 million euros, the full or partial disposal of equity interests exceeding a value of 10 million euros or the granting of security interests on Company property;
- direct establishment of overseas sites by forming a company or a direct or indirect subsidiary, or by acquiring an interest, or deciding to withdraw from these sites;
- any merger, spin-off or contribution of assets;
- acquisition, in any form (particularly through investment, subscription to a capital increase or borrowing) of fixed assets for an enterprise value (including assumed debt) greater than or equal to 100 million euros or related sales greater than or equal to 150 million euros;
- any entry by minority shareholders into the current or potential capital of any controlled entity;
- the transfer, in any form including a contribution of assets, of fixed assets in an amount greater than 100 million euros;
- the total or partial disposal of non-financial assets not valued on the balance sheet that involve brands or customer data;
- any decision to borrow (excluding the EMTN programme) beyond a cumulative amount greater than 500 million euros in a single fiscal year;
- in the event of a dispute, any settlement or compromise in an amount greater than the values established by the Board, which the Board may update;
- any contractual mechanism to establish any share-subscription or purchase-option plans or free share allocation plans;
- any change to the Company's organisation;
- the remuneration policy for the Company's main executives;
- any hire within Carrefour of an individual whose gross annual remuneration (fixed and variable) is to exceed 16 times the French social-security ceiling or is likely to exceed this ceiling within the near future. The same applies to the transfer or promotion of any individual into a position that offers equivalent remuneration;
- the definition of performance criteria (quantitative and/or qualitative) that are used to determine the variable portion of the remuneration of any employee, if, on the basis of these criteria, that employee's gross remuneration (fixed and variable) may exceed 16 times the French social-security ceiling.

3.4 Remuneration and benefits granted to corporate officers

3.4.1 REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Shareholders' Meeting of July 28, 2008 established the amount of directors' fees allocated to the Board of Directors at 900,000 euros.

Based on discussions held on July 11, 2012, the Board of Directors decided to allocate directors' fees annually, as follows:

- Chairman of the Board of Directors: 10,000 euros;
- Vice-Chairman of the Board of Directors: 40,000 euros;
- Senior independent director: 40,000 euros;
- Committee Chairman: 10,000 euros;
- Committee member: 10,000 euros;
- Members of the Board of Directors: 45,000 euros.

It being specified that:

- 10,000 euros for membership in one or more committees will be based on the committee member's regular attendance at its meetings;
- 45,000 euros for membership in the Board will be comprised of a fixed portion of 35,000 euros and a variable portion of 10,000 euros based on the Board member's regular attendance at its meetings.

The variable portion of the directors' fees is paid in proportion to the number of Board and/or committee meetings attended by the directors (100% of the variable portion will be allocated for attendance at all meetings).

Directors' fees are paid once per year, in July.

During 2011 and 2012 fiscal years, the members of the board of directors obtained director's fee as detailed in page 110 and 111 (Table 2 and 3).

3.4.2 REMUNERATION OF THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

At its meeting on January 29, 2012, the Board of Directors decided that Mr Georges Plassat would receive the same compensation as Deputy Managing director, then subsequently as Chief Executive Officer.

Remuneration of the Chief Executive Officer was established by the Board during its meetings held on January 29, February 8 and March 7, 2012.

He receives:

- fixed annual gross compensation of one million five hundred thousand (1,500,000) euros;
- variable remuneration based on the fulfilment of objectives. This variable remuneration can rise to 100% of fixed compensation if performance objectives are met and more if they are exceeded, capped at 150% of fixed compensation.

Over the course of the 2012 fiscal year, Mr Georges Plassat will receive from the Company's Board of Directors four hundred thousand (400,000) stock options in the Company.

Mr Georges Plassat will also be eligible for the defined-benefit pension scheme intended for Carrefour Group's main executives whose annual gross compensation is more than 16 times France's social security ceiling.

In the event of termination of his term as Chief Executive Officer prior to April 2, 2015, except in the event of non-renewal, resignation, retirement or dismissal for serious misconduct or wrongful act, Mr Georges Plassat will be entitled to receive, as part of a transaction that involves full waiver of recourse, a settlement payment equal to one (1) year of fixed and variable remuneration.

As provided by law, the above commitments relating to retirement and terms of departure were submitted to the Shareholders' Meeting of June 18, 2012.

Mr Lars Olofsson benefited:

- gross fixed annual remuneration of 1,350,000 euros (one million, three hundred and fifty thousand euros gross);
- variable remuneration based on the fulfilment of objectives. This variable remuneration could rise to 100% of fixed compensation if performance objectives were met and more if they were exceeded, capped at 200% of fixed compensation.

The Board of Directors, in agreement with Mr Lars Olofsson, decided to adopt the terms of his departure as specified below:

- Mr Lars Olofsson did not receive any severance compensation for the cessation of his positions within the Carrefour Group;
- Mr Lars Olofsson was exempted from the continued employment requirement stipulated in the Performance Stock Option Plans of June 17, 2009 and July 16, 2010 and the Performance-Based Share Plan of July 16, 2010, with all other terms and conditions of the aforementioned plans, specifically those related to performance, remaining in full force.

Furthermore, upon request by the Board of Directors, Mr Lars Olofsson is required, for a 12-month period as of his departure from the Group, to comply with a non-competition obligation, barring him in particular from taking on management or consulting responsibilities and, more generally, acting as a corporate officer for competing companies. In exchange, Mr Lars Olofsson received a severance payment of 1,500,000 euros gross.

Lastly, Mr Lars Olofsson benefits from a supplemental pension plan.

Mr Lars Olofsson's term of office ended on May 23, 2012. Mr Lars Olofsson exercised his pension rights effective August 1, 2012.

3.4.3 AFEP-MEDEF RECOMMANDATIONS: TABLE ON REMUNERATION AND BENEFITS GRANTED TO CORPORATE OFFICERS

TABLE 1 – SUMMARY TABLE OF REMUNERATION, OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE OFFICER

	Fiscal year N-1	Fiscal year N	Fiscal year N-1	Fiscal year N	Fiscal year N-1	Fiscal year N
Name and position of executive officer	**Georges Plassat** Temporary deputy managing Director (since April 2, 2012) Chairman and Chief Executive Officer (since May 23, 2012)		**Lars Olofsson** Chairman and Chief Executive Officer (until May 23, 2012)		**Amaury de Seze** Chairman of the Board of Directors (until June 21, 2011)	
Remuneration owed for the fiscal year (set forth in Table 2)		€2,681,839	€1,820,938	€2,478,994	€392,083	€92,188
Pricing of options granted during the fiscal year (set forth in Table 4)						
Pricing of performance-based shares granted during the fiscal year (set forth in Table 6)						
TOTAL		**€2,681,839**	**€1,820,938**	**€2,478,994**	**€392,083**	**€92,188**

TABLE 2 – SUMMARY TABLE OF REMUNERATION FOR EACH EXECUTIVE OFFICER

	Amounts for fiscal year N-1 *(in euros)*		Amounts for fiscal year N *(in euros)*		Amounts for fiscal year N-1 *(in euros)*		Amounts for fiscal year N *(in euros)*		Amounts for fiscal year N-1 *(in euros)*		Amounts for fiscal year N *(in euros)*	
	owed	paid	owed	paid	owed	paid	owed	paid	owed	paid	owed	paid
Name and position of executive officer	**Georges Plassat** Chairman and Chief Executive Officer (starting May 23, 2012)				**Lars Olofsson** Chairman and Chief Executive Officer (until May 23, 2012)				**Amaury de Seze** Chairman of the Board of Directors (until June 21, 2011)			
■ fixed remuneration			1,125,000	1,125,000	1,350,000	1,350,000	532,895	532,895	329,583	329,583		
■ variable remuneration			1,543,500	0	413,438	1,087,702	769,301	413,438				
■ exceptional remuneration						0	1,125,000*	1,125,000				
■ directors' fees			13,339	13,339	57,500	57,500	51,798	51,798	62,500	62,500	92,188	92,188
TOTAL			**2,681,839**	**1,138,339**	**1,820,938**	**2,495,202**	**2,478,994**	**2,123,131**	**392,083**	**392,083**	**92,188 ,**	**92,188,**

* *Mr Lars OLOFSSON is required for a 12-month period as of his departure from the Group to comply with a non-competition obligation. In exchange, he received a severance payment of 1,500,000 euros payable by trimestrer as from June 18,2012 and until June 17,2013.*

TABLE 3 – TABLE OF DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY NON-MANAGEMENT CORPORATE OFFICERS

	Amount paid during fiscal year N-1	Amount paid during fiscal year N
Sébastien Bazin	€64,250.00	€114,062.50
René Brillet	€71,000.00	€75,000.00
Thierry Breton	€52,000.00	€73,125.00
Anne-Claire Taittinger	€74,250.00	€72,884.50
Mathilde Lemoine	€13,140.00	€71,009.50
Amaury de Sèze	€62,500.00	€92,187.50
Nicolas Bazire	€65,000.00	€60,000.00
René Abate	€62,250.00	€54,422.50
Charles Edelstenne	€51,250.00	€53,125.00
Bernard Arnault	€46,000.00	€44,687.50
Jean-Laurent Bonnafé	€52,000.00	€43,750.00
Bertrand de Montesquiou	-	€9,107.00
Georges Ralli	-	€9,107.00
Diane Labruyere	-	€7,902.00
Jean-Martin Foltz	€58,483.00	-
TOTAL	**€672,123.00**	**€780,370.00**

TABLE 4 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FISCAL YEAR TO EACH EXECUTIVE OFFICER

Name of executive officer	Number and date of plan	Type of options (purchase or subscription)	Pricing of options according to the method used for the Consolidated Financial Statements	Number of options awarded during the fiscal year	Exercise price	Exercise period
None.						

TABLE 5 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR BY EACH EXECUTIVE OFFICER

Name of executive officer	Number and date of plan	Number of options exercised during the fiscal year	Exercise price
None.			

TABLE 6 – PERFORMANCE-BASED SHARES GRANTED TO EACH EXECUTIVE OFFICER

Name of executive officer	Number and date of plan	Number of shares allocated during the fiscal year	Pricing of shares according to the method used for the Consolidated Financial Statements	Vesting date	Date available for trading	Performance conditions
None.						

TABLE 7 – PERFORMANCE-BASED SHARES WHICH BECAME AVAILABLE FOR TRADING DURING THE FISCAL YEAR FOR EACH EXECUTIVE OFFICER

Name of executive officer	Number and date of plan	Number of shares which became available for trading during the fiscal year	Vesting conditions
None.			

TABLE 8 – SUMMARY OF GRANTED SHARE SUBSCRIPTION OR PURCHASE OPTIONS – INFORMATION ON SUBSCRIPTION OR PURCHASE OPTIONS

Data December 31, 2012	Plan 04/20/2005	Plan 04/25/2006	Plan 05/15/2007	Plan 06/06/2008	Plan 07/07/2008	Performance Option Plan 06/17/2009	Présence Option Plan 06/17/2009	Présence Option Plan 05/04/2010	Performance Option Plan 07/16/2010	Présence Option Plan 07/16/2010
Date of the Shareholders' Meeting	04/27/2004	04/27/2004	04/30/2007	04/30/2007	04/30/2007	04/30/2007	04/30/2007	05/04/2010	05/04/2010	05/04/2010
Date of the Board of Directors or Management Board meeting	04/20/2005	04/25/2006	05/15/2007	06/06/2008	07/07/2008	06/17/2009	06/17/2009	05/04/2010	07/16/2010	07/16/2010
Total number of shares which may be subscribed for or purchased, including the number which may be subscribed for or purchased by the corporate officers:	4,982,917	7,580,898	4,354,667	4,545,183	17,109	1,252,994	6,974,861	60,000	1,439,017	1,941,610
José-Luis DURAN	136,872	114,060	148,278	148,278						
Jacques BEAUCHET	85,545	74,139	96,951	85,000						
Javier CAMPO	85,545	74,139	96,951	96,951						
José-Maria FOLACHE	85,545	74,139	96,951	85,000						
Guy YRAETA	75,000	74,139	93,964	90,976						
Thierry GARNIER				96,951						
Gilles PETIT				90,976						
Lars OLOFSSON						139,139			171,090	

Data December 31, 2012	Plan 04/20/2005	Plan 04/25/2006	Plan 05/15/2007	Plan 06/06/2008	Plan 07/07/2008	Performance Option Plan 06/17/2009	Présence Option Plan 06/17/2009	Présence Option Plan 05/04/2010	Performance Option Plan 07/16/2010	Présence Option Plan 07/16/2010
Date from which options may be exercised	04/20/2009	04/25/2008	05/15/2009	06/06/2010	07/07/2010	06/17/2011	06/17/2011	05/04/2012	07/17/2012	07/17/2012
Expiry date	04/19/2012	03/24/2013	05/14/2014	06/05/2015	07/06/2015	06/16/2016	06/16/2016	05/03/2017	07/16/2017	07/16/2017
Price of subscription or purchase	€35.78	€38.50	€49.45	€39.68	€39.68	€29.55	€29.55	€32.84	€29.91	€29.91
Exercise procedure (when the plan has several phases)	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years
Number of shares subscribed for as of December 31, 2012	7,500	5,000	0	0	0	0	0	0	0	0
Cumulative number of cancelled or void share subscription or purchase options	4,975,417	861,462	562,310	976,899	0	820,195	1,441,688	60,000	904,653	410,062
Share subscription or purchase options remaining at the end of the fiscal year	0	6,714,436	3,792,357	3,568,284	17,109	432,799	5,533,173	0	534,364	1,531,548

Data restated following the DIA spin-off in 2011.

TABLE 9 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO THE TEN NON-EXECUTIVE EMPLOYEES WHO RECEIVED THE LARGEST ALLOCATIONS, AND OPTIONS EXERCISED BY SUCH EMPLOYEES

Share subscription or purchase options granted to the ten non-executive employees who received the largest allocations, and options exercised by such employees	Options granted during the fiscal year by the issuer and all companies within the scope of the stock option plan, to the ten employees of the issuer and these companies who were awarded the highest number of options (aggregate information)	Options held on the issuer and the companies described above, exercised during the year by the ten employees of the issuer and these companies who purchased or subscribed for the highest number of options (aggregate information)
Total number of options granted/actions subscribed for or purchased	0	0
Average weighted price	-	-
Plan 04/20/2005	-	0
Plan 04/25/2006	-	0
Plan 05/15/2007	-	0
Plan 06/06/2008	-	0
Plan 07/07/2008	-	0
Performance Option Plan 06/17/2009	-	0
Présence Option Plan 06/17/2009	-	0
Présence Option Plan 05/04/2010	-	0
Performance Option Plan 07/16/2010	-	0
Présence Option Plan 07/16/2010	-	0

Data restated following the DIA spin-off in 2011.

TABLE 10

	Employment contract		Supplemental pension plan		Compensation or benefits owed or likely to be owed due to termination or change in duties		Compensation related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Georges Plassat: Temporary deputy managing Director (since April 2, 2012) Chairman and Chief Executive Officer (since May 23, 2012) Start of term: 05/23/2012		X	X		X			X
Lars Olofsson: Chairman and Chief Executive Officer Start of term: 01/01/2009 Term of office expires: 05/23/2012		X	X		X		X	

3.4.4 TRANSACTIONS CARRIED OUT BY CORPORATE OFFICERS WITH REGARD TO COMPANY SHARES

In accordance with Article 223-26 of the General Regulations of the AMF, we hereby inform you that, during transactions carried out during the 2012 fiscal year by persons described in Article L. 621-18-2 of the French Monetary and Financial Code:

- 10,254 shares were purchased due to the optional dividend payment in shares for 2011;
- 1,302,966 shares were purchased due to the optional dividend payment in shares for 2011 and were sold;
- 5,000 shares were purchased;
- 1,302,965 share purchase options were sold.

3.5 Risk management

In an uncertain, constantly changing environment, proactive risk management is an essential part of sustainable development for our business, and is an aim shared by all of our employees. This approach also enables the review of all processes within the Company and identification of opportunities and areas for improvement.

The risk management system implemented by the Group is primarily based on identifying and accounting for risk factors which may have a significant impact on its activities, its financial position and its image (3.5.1).

For the past several years, the Group has been committed to a coordinated risk management policy based on risk mapping, rules and communication of best practices, with a focus on prevention (3.5.2.). The risk management system is also presented in the section entitled “Chairman’s report on internal control and risk management procedures” starting on page 124 of this Registration Document.

As part of a regular analysis and review of insurable risks, the Group also implements solutions to transfer risks to the insurance market (3.5.3).

To manage difficult situations that may significantly impact its activities or its image, the Group has also developed a comprehensive crisis management system (3.5.4.).

3.5.1 RISK FACTORS

The principal risk factors identified by the Group are presented below, grouped into four themes: business environment, strategy and governance, operations, and financial.

All listed risks may have an impact on the Group’s activities or its ability to fulfil its objectives. There may also be other risks of which the Group is unaware as of the date of this Document, or which may evolve with significant negative consequences.

The system presented in 3.5.2 aims for comprehensive risk management in order to avoid the occurrence of risks or limit their impact, through a customized protection and prevention policy.

The management and oversight systems for each risk factor are briefly stated.

BUSINESS ENVIRONMENT

Political and social environment

Some of the Group’s activities are exposed to risk and uncertainty in countries which have experienced or may experience a period of political or social instability or weak governance.

During the past several years the Group has developed country-specific risk mapping which takes into account a number of indicators, is updated annually and provides forward-looking monthly tracking, in order to support decision making in the context of the Group’s international growth.

Economic environment and market volatility

The economic situation in countries where the Group operates may affect demand, spending levels and the purchasing habits of our customers, increased by the instability and unpredictability of the global, national or regional economic climate. Volatility in asset prices and the cost prices of assets and products related to raw materials (agriculture, metals, fuel, energy costs, etc.) may also impact sales, costs and balance sheet values.

Due to the nature of its activities, the Group pays particular attention to monitoring and taking into account the changing economic climate and future outlooks in the countries where it operates, specifically through a number of studies and exchanges. Given the interdependence of activities and the price sensitivity of Group customers, changes in market prices are also taken into consideration at various levels, especially purchases of merchandise and general and administrative expenses.

Environment, pressure and regulatory changes

Regulations applicable to the Group in countries where it operates, along with regulatory changes and actions taken by local, national and international regulators, are likely to impact our activities and the Group’s financial performance.

The local Legal department in each country is responsible for monitoring regulations and taking them into consideration, under the coordination and supervision of the Group Legal department.

With a focus on anticipation and optimal allocation of resources, the Group Legal department has also developed and implemented a legal risk mapping process, specifically taking into account the environment, pressure and regulatory developments.

Changes in the sector and the competitive environment

Highly exposed to changes in consumer behaviour in a world of changing technology, the retail sector is characterised by strong competitive dynamics with saturated markets in Europe and relatively low margins. This drives constant rapid changes within the sector, which could impact the Group's activity and performance.

The changing competitive environment is monitored and addressed at country level, and handled at Group level by the Strategy department, in an effort to anticipate and identify growth opportunities or decisions to be made.

Natural disasters and climate change

In most countries where it operates, the Group may be exposed to natural disasters, with direct or indirect impacts on its activities, its assets and its employees, and consequences for its financial position. In a context of climate change, changing meteorological conditions may also impact its operations, especially with regard to customer behaviour.

Since 2008, the Group has undertaken extensive work to better improve the management of natural risks in its operations, in order to develop knowledge, improve assessment, adapt preventive measures and adjust insurance coverage. This work was carried out in all countries where the Group operates, either directly or through franchises, with a forward-looking exercise related to climate change, specifically through a mapping of natural risks, assessments by risk and by country to identify 'sensitive' sites, and prevention fact sheets.

Terrorism and crime

Due to a multitude of counterparts, the vast number of sites and its activity involving considerable human, product and financial flows, the mass retail sector is particularly exposed to risks of crime and terrorism, with significant direct and indirect impacts, especially in stores.

Preventive and protection measures for each site are determined based on risk exposure, with regular review of the systems and adjustments made based on the development of threats.

STRATEGY AND GOVERNANCE

Strategy definition, adjustment and implementation

As with project management or restructuring problems, in an uncertain and complex political, economic, social and competitive environment, the ineffective or unsuitable design, communication and execution of the Group's vision and strategy may damage its reputation and its financial and operational performance.

Under the coordination of general management and as part of overseeing activities and the principal action plans, extensive work is underway at the country level to develop the strategy, with a regular review of objectives and commitments enabling optimal allocation of resources.

Compliance and fair practices

In an increasingly litigious world, with regulatory authorities having broad power, the failure to comply with regulations and contractual commitments, within the scope of the Group's operational activities and in its relations with its employees, can have a significant impact on its financial performance and its reputation.

As part of its preventive approach at the Group and country level, the Legal department has created and implemented information and training programmes involving all employees concerned. The top fundamental principle of the Carrefour Code of Business Conduct, which applies to all employees, emphasises strict compliance with regulations wherever the Group operates and in all of its activities. The Company's ethics system is presented in section 2.1.1.2 (page 16).

Corporate responsibility

Looking beyond regulatory compliance, given consumers' growing concerns about responsible and sustainable trade and the nature and reality of commitments, sustainable development policies and actions may impact the Company's reputation and its financial performance.

For a number of years, the Group has maintained a proactive and committed sustainable development policy, described in detail in the section on Corporate Responsibility (Page 15), with a wide range of concrete actions taken in every country in which the Group operates.

Environment

In the scope of its activities, the Group may be exposed to a wide range of environmental risks (water, air and ground pollution, noise pollution or visual pollution) mainly with respect to its large number of operated sites.

While environmental regulations have been developing in many countries, along with increased consumer awareness of the stakes, certain activities and processes are especially sensitive (waste treatment, recycling of own-brand product packaging, consumption of refrigerants and energy, explosive atmospheres, service stations, alternative transport, etc.) with particular attention paid to natural resource management (water, fish stocks, wood, etc.).

Environmental protection and preservation is naturally considered by the Group along with industrial risks, with a focus on prevention through study and analysis, but also through the operational implementation of prevention or treatment systems, such as for risks related to service stations. All actions intended to reduce the environmental footprint of our business activities are presented in Section 2.5 of the Registration Document (page 52).

Disputes/Litigation

In the scope of its normal activities, the Group is involved in various legal and administrative proceedings and is subject to administrative audits, whose outcomes are uncertain with potentially significant impacts on our financial position or reputation.

The Legal department manages and oversees disputes at the country level and at Group level.

OPERATIONS

Relevance and performance of economic and business models

In a highly competitive environment with very unstable markets, the relevance of economic and business models and their rapid adjustment to changing consumption habits and patterns, as well as efficient and effective purchasing, can have a significant impact on the Group's operational and financial performance, in its organisation and design as well as in the ability to deploy in stores.

Adapting business models to customer expectations is a major challenge for the teams in charge of development and concepts, using a forward-looking approach and constant oversight. Careful oversight and numerous pre-deployment studies are also used to fully account for all factors and effects involved in establishing the economic models.

Operational and financial control of growth and expansion

In a significant competitive environment with cost pressure and increasingly scarce high-quality locations in certain countries, the Group faces the inability or difficulties in identifying, obtaining or developing the best sites, in a constant search for higher profitability based on valid and reliable assumptions while taking into account all risk factors. This may impact its financial performance and fulfilment of its objectives, along with inadequate identification, assessment and integration of new assets or companies.

All of these elements are considered in the dossiers analysed by the country-level Financial departments, in connection with the Development department and, where applicable, with the Carrefour Property teams. The most significant dossiers are reviewed and approved by the Group Investment Committee (CIG).

Partnerships and franchising

Since most of the Group's stores under banner are operated as franchises and the Group's growth relies on partnerships in several countries, the evaluation, selection, support and oversight of these various franchisees and partners may have a positive or negative impact on financial and operational performance, and on its reputation in the event the partners' practices do not comply with regulations or with the Group's standards and values.

Looking beyond the contractual framework and the well-controlled process of awarding banners under franchise, relations with our partners and franchisees are maintained and developed through numerous regular exchanges, with oversight by franchise advisers and support by business experts. Establishment of standards and regular inspections enable us to effectively support our partners and franchisees.

Control of the supply chain

In an interdependent global market with a large number of suppliers and increased cross-docking, the performance of logistical processes and continuity of supply to the Group's stores are essential to customer satisfaction and the fulfilment of operational and financial objectives, with greater risk in emerging markets and multinational corporations' growing responsibility for their supply chains.

Although purchasing is a key aspect of standing out from the competition, the Group's organisation is adapted to its international scope (delete) while capitalising on its knowledge of local markets and relying on entities dedicated to sourcing new products.

Over a number of years, the Group has developed expertise which ensures that its stores are supplied, relying on integrated logistics platforms and service providers, along with business continuity plans in the event of an unusual situation.

Product quality, compliance and safety

With regulatory authorities and customers increasingly attentive to health and quality issues, ensuring product safety and complying with health standards in stores is a major issue which can significantly impact reputation and financial performance, and which may in some cases result in liability for the Group.

The Group Quality department has developed a number of standards and tools which are deployed in all countries where the Group operates. The country-level Quality departments are also part of the Quality network, with regular meetings and discussions aimed at increased sharing of best practices and ensuring a consistent approach. The Group also launched a significant employee training programme and regularly communicates with customers about food safety.

In addition, the system includes a procedure for the rapid withdrawal of any potentially dangerous product inventory.

Carrefour brand products are subject to more stringent procedures and controls, from design to marketing, as part of a comprehensive approach presented in detail in Section 2.4 (Page 43).

Safety of people and property

Compliance with health and safety regulations and the protection of Group assets are important factors. Insufficient consideration of these issues could negatively impact the Group's reputation, activities and financial performance, and may also have legal consequences.

An appropriate crisis management system in case of a major event is an important part of limiting its potentially significant negative consequences, especially with regard to business continuity.

The Group's risk prevention organisation ensures the safety of people and property at all Group sites by using human, technical and organisational resources which are appropriate to the risks.

Coordinated by general management, each country has an organisation which enables rapid information reporting in the event of an incident, and utilises the appropriate resources. The crisis management system is briefly presented in section 3.5.4.

Human resource management

As the largest private employer in many countries where the Group operates, the retail profession is based on human relations and employee commitment. In a highly competitive market for talent with major demographic changes, the Group faces a challenge in attracting, retaining, training, motivating, compensating and developing employees and the top candidates.

As a responsible employer, the Group has implemented an important system adapted to the challenges of human resources, presented in Section 2.2 (Page 23).

Continuity, integrity and confidentiality of information systems

While most of the Group's activities and a number of its functions largely depend on information systems developed or administered by internal resources or outside service providers, weakness in these systems could noticeably disrupt operations. This could result in significant impacts on financial and operational performance, especially with regard to the ordering, cash handling and financial reporting systems.

With information systems that are constantly changing and difficult to grasp as a whole, along with the development of nomadic computing and cybercrime, information systems security is also a challenge, especially the protection of data concerning our customers and employees.

The Group Information Systems department handles the development and consistency of all computer applications within the Group, as part of a coordinated effort to promote synergies while taking a forward-looking approach to incorporating technological developments.

A dedicated team, which relies on a network in all countries where the Group operates, works to ensure information systems security through tailored governance, shared standards and regular controls.

Control and valuation of assets

Site quality and control of the Group's assets are key factors in terms of competitiveness and success. This involves determining and maintaining an optimal level of property holdings, while remaining attentive to the maintenance, management and value of the Group's assets.

With a significant portion of stores operated under commercial leases, the Group's inability to renew them under favourable terms could impact performance. The same applies to inefficient or sub-optimal management of tenant relations at sites owned by the Group.

Under the responsibility and coordination of the Group Property director, who is also in charge of all Carrefour Property activities, each country implements an asset control and valuation policy which is tailored to its strategy.

Under the direction of the Group Legal department, the Group has also established an active and committed policy to protect all of its brands.

FINANCIAL

Market risk

Within the scope of its activities, the Group is exposed to financial risk, namely liquidity, credit, foreign exchange and interest rate risk. The Carrefour Group's financial risk management policy addresses three primary objectives: security, liquidity and profitability. It is described in detail in Note 36 to the Consolidated Financial Statements.

Risk is managed centrally by the Group's cash and cash equivalent and Financing Operations department (DTFG).

With regard to credit activities (banking and insurance), risk management and oversight is directly managed by the concerned entity, with DTFG ensuring proper application or rules applicable to credit activities, together with its capital partners where applicable.

Liquidity risk

Distribution of borrowings by maturity and detailed information on liquidity risk appear in Note 36 to the Consolidated Financial Statements.

Cash and cash equivalent available at the end of 2012 (6.75 billion euros) covers bond maturities for the upcoming year.

As of the same date, the Group also had a commercial paper programme with the capacity to issue 5 billion euros, and 4.35 billion euros in available and undrawn syndicated loans (maturity 2015 and 2016), leading to the conclusion that its liquidity is strong.

In 2012 the Group carried out two bond issues (500 million euros in January with maturity in 2016, and 1 billion euros in December with maturity in 2017).

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 3 years 11 months.

Since 2007, issues under the Euro Medium Term Notes (EMTN) programme have been subject to a soft change of control clause. This clause would apply in the event that a change of control led to Carrefour losing its long-term investment grade rating. In such case, the debt would not become immediately repayable but the interest rate would increase.

Loan agreements for syndicated lines of credit held by the Group include the usual commitments and default clauses, including *pari passu*, negative pledge, change of control, a clause restricting sales of substantial assets and cross-default clauses. There is no default clause in the event of a change in the long-term rating. On the other hand, the drawdown margin may change in the event of a long-term rating upgrade or downgrade ("pricing grid"). The contracts do not include an acceleration clause in the event of a material adverse change, nor is there any acceleration clause based on financial covenants.

Carrefour Banque's liquidity risk is monitored under a 'liquidity policy' approved by general management with the following objectives:

- refinancing security;
- gradual compliance with the new Basel III liquidity ratios;
- diversification of refinancing sources.

During 2012, Carrefour Banque completed two major public transactions to finance and expand its activities:

- an inaugural bond issue in September 2012 (600 million euros for three years) supplemented by 110 million euros in early November;
- a securitisation transaction in September 2012, raising 500 million euros.

This total refinancing of 1.21 billion euros is fully in line with the goal of complying with the Basel III liquidity ratios through a significant lengthening of the original term and a perfect match of asset and liability cash flows.

Interest-rate risk

Interest rate risk management is centrally handled by the DTFG, which reports on its operations each month, reviewed by a rate committee which establishes a hedging strategy and methods of application in an effort to limit interest rate risk exposure and optimise financing costs.

Long-term debt is primarily incurred at fixed rates, protecting the Group against rate increases.

However, Carrefour holds various financial instruments which are intended to hedge the Group's financial debt against the risk of interest rate changes. They are primarily swaps (vanilla) and interest rate options (vanilla caps and floors).

When issued at a variable rate, long-term debt is hedged through financial instruments which cap interest rate increases for some or all of the period.

A sensitivity analysis of rate changes is presented in Note 36 to the Consolidated Financial Statements.

Foreign-exchange risk

The Group's operations throughout the world are conducted by subsidiaries operating primarily in their own countries (with purchases and sales in local currencies). As a result, the Group's exposure to exchange-rate risk in commercial operations is naturally limited and primarily concerns imports. Risk related to fixed import transactions (purchase of goods in foreign currency) is hedged *via* forward currency purchases.

Translation risk which burdens transactions conducted in countries outside the euro zone has a marginal effect on the consolidated income statement. For example, the impact of average exchange rate fluctuations used in 2012 as compared with 2011 affected Group sales by -528 million euros (0.7% of 2012 sales) and operating income by 10 million euros.

Finally, when local financing is used, transactions are generally conducted in the local currency.

Equity risk

Detailed information on equity risk appears in Note 36 of the notes to the Consolidated Financial Statements.

Within the context of the stock option and free share allocation plans, the Group purchases its own shares and stock options. A breakdown of these plans is provided in Note 28.1 to the Consolidated Financial Statements.

Quality of financial management, budgets and reporting

The organisation and procedures for financial and accounting matters are set forth in the Group's Reference Guide to Corporate Rules, which applies to all subsidiaries.

Procedures and tools used are intended to control financial flows in all countries where the Group operates, to verify that budgets and forecasts best reflect observed trends, to constitute a realistic estimate of future performance, and to ensure that the Consolidated Financial Statements provide a true and fair view of the Group's financial position and its results.

FINANCIAL SERVICES

Financial services distribute consumer credit, savings products, insurance products and payment services, exposing them to classic financial risks (risks of providing financing and insurance, risk related to financial ratios, liquidity risk) along with regulatory obligations to which financial and banking institutions are subject, specifically systems to fight money laundering and terrorism financing.

Since 2009, Carrefour Banque has initiated a project to map processes and operational risks and, since April 2012, has defined the principles and outline for grouping and pooling operational risk management tools for France and for entities in other countries.

In accordance with Article 17 of CRBF 97-02, Carrefour Banque has defined materiality thresholds for incidents uncovered through internal control procedures.

Credit risk

To address the risk of borrower insolvency, the Group's financial companies have systems to check debtor quality and solvency (scoring tools, budget and past references which attest to the counterparty's quality, searches on positive and negative credit files, active management of debt collection and legal actions, etc.).

Consumer receivables are classified as bad debts as soon as they show a risk of total or partial non-recovery (late payment, etc.). Impairment models are established based on current regulations applicable to credit companies in each country (classification of out standings into homogeneous risk categories, in terms of the likelihood of recovery and modelling loss probabilities on a historical basis).

Detailed information on the Group's exposure to credit risk appears in Note 36 to the Consolidated Financial Statements.

3.5.2 RISK PREVENTION

Effective risk management relies on a shared vision of challenges and optimal coordination.

The Group incorporates risk management into its day-to-day business practices. Risk management is a job shared by all employees with the aim of developing a risk management culture.

Risk management within the Group is decentralised to the country executive directors, who are tasked with identifying, analysing and handling the main risks with which they are faced.

They are supported in this by the Group Risk & Compliance department, which coordinates the deployment of a guidance and mapping tool for major risks, while mapping operational risks and developing tools deployed in the countries.

The Risk & Compliance department also worked on country-by-country mapping of health risks, natural risks, risk of crime and terrorism and legal risk, while conducting studies on emerging risks and supporting certain operational departments. It also supports the Purchasing departments in their knowledge and evaluation of supplier risk.

In operational terms, the Group Risk and Compliance department coordinates and leads a network of risk prevention directors present in all Group countries. During 2011, Carrefour communicated a Risk Prevention Charter which defines the scope of action, the role and responsibilities of the country-level Risk Prevention units, and the ethical rules they must follow.

In each country where the Group operates, a Risk Prevention department is responsible for the security of the Company's tangible and intangible assets and ensures the safety of persons present on its sites. It is tasked with implementing the human, organisational and technical resources necessary to manage both accidental and intentional risks (natural disasters, malicious acts, theft etc.).

The prevention policy relies on risk mapping, loss analysis and identification of emerging risks as part of its on-going oversight and specific studies.

The Risk and Compliance department prepares a consolidated annual report on the risk prevention function at Group level, with benchmarks between management and performance indicators for the function in each country, in terms of loss, workforce, resources and action plans.

Fundamental risk management principles are set forth in the Group's Reference Guide to Corporate Rules, which contains all principles and standards applicable to stores, the supplier chain and all the Group's support functions.

Each year, the Group evaluates the compliance of its risk management practices with the Group's Reference Guide to Corporate Rules and implements action plans.

Control activities organized by the Group Internal Audit department have been implemented and aim to reduce risks identified by each entity's management and at Group level, which, if they came about, could prevent fulfilment of corporate objectives.

This system is based on regular decompartmentalised discussions between Group level participants (specifically the Internal Audit, Insurance, Risks & Compliance, Quality and Communication departments) as well as on-going interaction with operational entities.

3.5.3 INSURANCE

For the past several years, the Group's insurance strategy has focused on providing the best possible protection for people and property.

GROUP INSURANCE POLICY

The Group's insurance strategy is primarily based on identifying insurable risks through a regular review of existing and emerging risks, in close collaboration with operational managers, the various Carrefour Group departments involved and outside specialists.

Worldwide programmes

The Group has implemented comprehensive, worldwide programmes (especially for Property Damage and Business Interruption, Civil Liability and Construction policies) that provide uniformity of coverage for all formats (consolidated stores only), wherever the stores are located (except in countries where regulations prohibit this type of arrangement).

Thus, the Group has a solid understanding of the limits of coverage in place, and the certainty that its insurance programmes have been taken out with insurers having an international reputation.

Acquisitions during the year

The Carrefour Group (delete) ensures that acquisitions over the course of the insurance year quickly obtain this comprehensive coverage, or, where applicable, benefit from its DIC/DIL (difference in conditions/difference in limits) coverage policies, in order to ensure solid control over existing coverage and benefits.

Prevention policy

The Carrefour group's (delete) insurance policy requires that risk prevention measures be monitored by the Risk and Compliance department in coordination with local Group liaisons in each country, as well as with the Group's insurers.

Transfer of risk to the insurance market

The Group transfers identified insurable risks to the insurance market or self-insures, in accordance with the Group insurance policy and consistent with the Group's general policies.

Self-insurance of certain risks

In order to optimise insurance costs and better manage risk, the Group has a policy for maintaining its frequency lines through its captive insurance and re-insurance companies for certain risk categories. The results of these captive companies are consolidated in the Group financial statements.

INFORMATION CONCERNING THE MAIN INSURANCE PROGRAMMES

The following information is provided for information purposes only in order to illustrate the scope of action in 2012. This information should not be regarded as static, since the insurance market is constantly changing. Indeed, the Group's insurance strategy depends on and adapts to insurance market conditions.

Property Damage and Business Interruption

This insurance protects the Group's assets through an "all risks, with exceptions" policy, on the basis of guarantees and underwriting capacity available on the insurance market to cover the traditional risks for this type of coverage, which include fire, lightning, theft, natural disaster and operating loss.

The programme established by the Group for the period from July 1, 2012 to June 30, 2013 offers a coverage limit of 260 million euros per claim in direct damages and operating losses combined. This programme includes sub-limits, particularly with regard to natural disasters. Deductibles are established as appropriate for the various store formats.

Exclusions in force for this policy comply with market practices.

For subsidiaries in Europe in what is known as 'free service provision' zone, this coverage is acquired through the direct captive insurance company.

For subsidiaries located outside the European 'free service provision' zone, the Property Damage and Business Interruption programme is reinsured through the captive insurance company.

A stop-loss provision per claim and per insurance year has been established in order to protect the captive companies' interests and limit their commitments.

Finally, beyond a certain predefined limit, risk is transferred to the insurance market.

Civil liability coverage

This programme is intended to cover the Group's activities against the financial consequences of its civil liability in cases where the Company may be held liable for resulting damage and/or bodily harm caused to third parties.

The limits of its civil liability policy are consistent with those of an international retail company. Deductibles vary from country to country.

Exclusions in force for this policy comply with market practices.

A specific subscription strategy applies to civil liability risk, through the re-insurance scheme offered by its captive insurer. The captive reinsurance company's exposure is limited per claim and per insurance year. Anything beyond a certain exposure level is transferred to the traditional insurance market.

The Carrefour group (delete) is covered against the risk of harming the environment as part of its comprehensive, worldwide civil liability insurance programme.

Such risk requires a specially designed approach because of conditions imposed by re-insurers, which offer more limited coverage for gradual pollution risk.

Mandatory Insurance

The Carrefour group (delete) takes out different insurance programmes in accordance with local law, including:

- automobile insurance;
- construction insurance (building defects, comprehensive worksite, ten year builder liability, etc.);
- professional liability insurance related to its activities:
  - Banking,
  - Insurance,
  - Travel.

3.5.4 CRISIS MANAGEMENT

To address extraordinary situations that may impact business continuity and the fulfilment of its objectives, the Group has established a global crisis management organisation.

At Group level, the Risk and Compliance department coordinates the crisis management system in close cooperation with the Group Communication department.

Depending on the nature and scope of the event, the crisis may be handled locally, reporting to a country-level Executive Board, or at country level in accordance with crisis management principles, as defined in the Group's Reference Guide to Corporate Rules.

Each Country Executive director establishes a formal crisis management organisation to address the main scenarios likely to impact business continuity, by bringing together all internal functions concerned and relying on a network of outside experts depending on the type of crisis.

This organisation specifically includes a backup plan at the level of each establishment, an appropriate system for product recall and withdrawal, in accordance with the Group Quality department's recommendations and standards, as well as an alert system to permit rapid reporting of information from all sites.

All members of the country Executive Committee and the other internal players concerned are trained in crisis management and crisis communications. Regular organisation of crisis simulations tests the collective abilities of each Country Executive Committee.

The Group has also developed a number of tools at Group level and made them available to all crisis coordinators in each country through a "Carrefouralert" website, dedicated to managing difficult situations. This website includes contact information for all crisis management and communication coordinators, practical information and reaction sheets, prevention tools and a wide range of useful information.

3.6 Internal control

3.6.1 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

INTRODUCTION

The Group Internal Audit department has been asked to compile the required components of this report, which incorporates the contributions of several Group departments.

This report has been submitted to general management, which considers it compliant with the processes that exist within the Group and provided to the Statutory Auditors. At the recommendation of the Accounts Committee, the Board of Directors approved the report on March 6, 2013.

APPLICABLE REFERENCE FRAMEWORK

The Carrefour Group's internal-control and risk-management system falls within the legal framework applicable to companies listed on the Paris Stock Exchange, and is based on the reference framework of the Autorité des Marchés Financiers (AMF), updated in July 2010.

DEFINITION OF THE INTERNAL-CONTROL SYSTEM

The internal-control system, which comprises a set of resources, patterns of conduct, procedures and actions adapted to the individual characteristics of each Group company:

- contributes to the control of its activities, the efficiency of its operations and the efficient utilisation of its resources; and
- enables it to take into consideration, in an appropriate manner, all major risks of an operational, financial or compliance-related nature.

More specifically, the internal-control system is designed to ensure:

- compliance with laws and regulations;
- that instructions and directional guidelines fixed by general management are applied;
- that the internal processes are functioning correctly, particularly those contributing to the security of assets;
- that financial information is reliable.

By helping to prevent and control the risk of the Group not achieving its objectives, the internal-control system plays a key role in the management and oversight of its activities. However, as the AMF reference framework underscores, no matter how well designed and properly applied, an internal-control system cannot fully guarantee that the Group's objectives will be achieved.

There are inherent limitations in all internal-control systems, which arise, in particular, from uncertainties in the outside world, the exercise of judgement or problems that may occur due to human failure or simple error.

SCOPE

The internal-control and risk-management system presented in this report is implemented at all fully-consolidated Group subsidiaries, and is not limited to a set of procedures or merely to accounting and financial processes.

3.6.1.1 COMPONENTS OF INTERNAL CONTROL

A. Organisation

Customers and consumers lie at the heart of everything the Carrefour Group undertakes. The Company is organised geographically to ensure that the specific needs and interests of local customers and consumers are addressed most effectively and its operations are optimally responsive. Each country serves as a basic link in the Group's organisation. The internal-control and risk-management system is based on this organisational principle:

- the parent company, Carrefour SA, is responsible for its own internal-control and risk-management system. It coordinates and directs the Group's companies;
- at country level, country executive directors coordinate and steer their own internal-control and risk-management systems.

The Group has set up a formal control environment with a Code of Professional Conduct and determination of the powers, responsibilities and objectives assigned at each level of the organisation, according to the principle of the separation of tasks:

- the Code of Professional Conduct, which was established in 2010 and rolled out in 2011, is provided to every Group employee. This Code establishes the framework within which all Carrefour employees must conduct their activities, and formalises the Group's values and principles of conduct;
- the legal representatives of each legal entity have limited powers in some areas, or beyond certain thresholds that require prior approval by the Board of Directors or the equivalent body in each entity concerned;

- the powers and responsibilities of key employees are defined by hierarchical and functional organisational charts, the definition of roles, and the delegation of powers and responsibility. This structure complies with the principle of the separation of tasks;
- lastly, this structure is conveyed by a management framework that is underpinned by medium-term objectives organised according to country and by the steering of activities orientated in line with annual budget targets and corresponding to individual plans.

***Via* its policies, the Human Resources department:**

- ensures the proper availability level of resources, suitable for current and future business requirements;
- monitors employees' career development and commitment;
- ensures high-quality industrial relations;
- defines the framework for the remuneration policy and corporate benefits and guides the associated commitments;
- helps to create a culture of collective development and performance.

The information systems aim to respond to needs and satisfy requirements regarding information security, reliability, availability and traceability:

- at Group level, the accounting and financial information system is based on reporting and consolidation tools for preparation of the Consolidated Financial Statements and measurement of the Group's operating performance;
- the country executive directors are responsible for their own information systems, and have implemented measures to ensure system security and digital data integrity.

Each process is subject to formal procedures and operational methods for each country, which stipulate ways of carrying out an action or process in accordance with the Group's regulatory framework:

- the Group has established a Group regulatory framework to cover the main risks to its assets. Implementation of this framework is mandatory for all countries;
- the country executive directors have established procedures and operating methods, including control activities required to cover all the strategic, operational and asset risks relating to their businesses. These procedures and operating methods include and extend the key controls set out in the Group regulatory framework.

B. Dissemination of internal information

The Group ensures that relevant information is properly circulated and conveyed to the individuals concerned so that they can perform their duties in accordance with Group standards.

- The GroupOnline intranet regularly disseminates information on the life of the Group and provides employees with a number of practical tools, including information on the primary standards and procedures with which they must comply.
- The Group regulatory framework has been communicated to all executive directors.
- Procedures setting out best practices and the information reporting process are also communicated to the various countries by the Group's main departments.
- The Group's accounting policy is sent to every financial director at the end of each quarter.

Similarly, the countries ensure that relevant information is properly circulated and conveyed to the individuals concerned so that they can perform their duties in accordance with Group standards.

C. The risk-management system

The Group must always seek to identify the risks to which it is exposed, prevent and properly manage these risks so as to ensure its businesses' sustainability. In particular, risk management aims to:

- create and preserve the Company's value, assets and reputation;
- increase the security of the Company's decision-making and procedures to promote achievement of objectives;
- promote actions consistent with the Company's values;
- mobilise Company employees to adopt a shared vision of the principal risks.

The intrinsic risks relating to Group activities are described in a risks register, which contains three types of risk:

- strategic risks;
- operational risks;
- asset risks, which include four risk families:
  - accounting and financial risks,
  - risks associated with the safety and security of property and people,
  - risks to the continuity, integrity, confidentiality and security of information systems,
  - contractual obligation, compliance and communication risks.

Risk management within the Group is decentralised to the country executive directors, who are tasked with identifying, analysing and handling the main risks with which they are faced. They are supported in this by the Group Risk & Compliance department, which coordinates the deployment of a guidance and mapping tool for major risks that covers an appraisal of the probability of occurrence, the potential impact and the degree of control for each risk.

The Group Risk & Compliance department carries out regular centralised risk-mapping. A summary of the results is presented annually to general management so that it can supervise the risk-management system, and specifically:

- update the Group risks register;
- update risk maps and the risk-processing system;
- promote action plans to limit these risks.

The control activities described below aim to reduce risks identified by each entity's management and at Group level, which, if they came about, could prevent achievement of corporate objectives.

The Group's Insurance department is responsible for covering insurable risks for the entities when national legislation permits it. It is in charge of the subscription and centralised management of insurance policies.

D. Control activities responding to these risks

Control activities are designed to ensure that the necessary measures are taken to manage strategic, operational and asset risks likely to affect the achievement of fixed objectives. Control activities take place throughout the organisation, at every level and in every function, including prevention and detection controls, manual and IT controls and hierarchical controls.

Control activities are defined and implemented by process managers, coordinated by internal controllers who report to members of the Country Executive Committee and to the country executive director. Coordination of the internal controllers ensures that control activities are methodologically consistent and that risks are comprehensively covered throughout all processes.

Details of internal-control procedures relating to the preparation and processing of accounting and financial information for the corporate and Consolidated Financial Statements are provided in Section 2.3 of this report.

E. Guidance and monitoring of the internal-control system

Continuous monitoring

Continuous monitoring is organised so that incidents can be pre-empted or detected as rapidly as possible. The framework plays a long-term daily role in the effective implementation of the internal-control system. Specifically, it establishes corrective action plans and reports to general management on significant malfunctions when necessary.

Periodic monitoring

Periodic monitoring takes place through managers and operatives, internal country controllers and the Group Internal Audit department:

- managers and operatives check that the internal-control and risk-management system is functioning correctly, identify the main risk incidents, draw up action plans and ensure that the control and risk-management system is appropriate for the Company's objectives;
- the internal country controllers periodically check that control activities are being properly implemented and that they are effective against risks;
- the Group Internal Audit department provides the country executive directors and Group general management with the results of their assignments and their recommendations.

In addition, the operational effectiveness of internal control relevant to the preparation of the financial information is subject to audit work by the auditors, which report their conclusions and recommendations to the country executive directors and Group general management.

Each country executive director has established a formal annual self-assessment process:

- which uses standard tools that focus on existing frameworks and are based on an internal-control risk analysis for each activity and on identification of key control points;
- the results of the internal-control self-assessment covering asset risks are centralised periodically at Group Internal Audit level;
- one of the Group Internal Audit department's objectives in implementing actions is the quantitative measurement, through scoring systems, of the divergence between the self-assessment and the level of internal control determined on the basis of its work. Monitoring these divergences allows the quality of the country's internal-control self-assessment to be gauged.

Guidance and supervision of internal control entails internal country controllers' monitoring of action plans relating to the internal-control self-assessment and risk mapping processes and of the recommendations of the Group Internal Audit department. The results of the internal-control self-assessment covering asset risks are centralised periodically at Group Internal Audit level.

The final result of the supervision and guidance system is a letter of affirmation on risk management and internal control signed by the country executive director and the financial director, confirming their appropriation of and responsibility for internal control in terms of reporting and correcting deficiencies.

Group general management administers internal control and risk management through Carrefour Management Meetings (CMM), which take place as needed on an *ad hoc* basis and are attended by the Chairman and Chief Executive Officer, the executive directors and the general secretary. It also uses the minutes of meetings held with the following bodies and departments:

- the Ethics Committee;
- the Group Investment Committee;
- the IT Request Management Committee;
- financial committees that guide the Group's financial policy;
- the Information Systems Governance department;
- the Group Internal Audit department; and
- any other *ad hoc* committee meeting convened according to the needs identified by general management.

Lastly, the performance of the internal-control supervision and guidance system for accounting and financial risks is presented periodically to the Accounts and Internal Audit Committee.

3.6.1.2 ENTITIES AND INDIVIDUALS INVOLVED IN INTERNAL CONTROL

A. At Group level

Group general management is responsible for the quality of the internal-control and risk-management system. It is also tasked with designing, implementing and supervising the internal-control and risk-management system. It initiates any corrective actions necessary to rectify an identified malfunction and to maintain a situation within the limits of acceptable risk. It ensures that these actions are successfully implemented.

General management performs its duties in relation to the internal-control and risk-management system through the following structure:

- the **Group Finance department** is responsible for:
  - maintaining the reliability of financial and accounting information,
  - controlling accounting and financial risks,
  - measuring Group performance and budget control;
- the **Group Legal department** is responsible for:
  - establishing the governance policy of Group subsidiaries,
  - managing the Group's legal risks;
- the **Group Risk & Compliance department** is responsible for:
  - establishing risk prevention policy within the Group,
  - managing risks associated with the safety and security of property and people,
  - coordinating the Group crisis-management system;
- the **Group Property department** is responsible for:
  - establishing the Group's property policy,
  - managing risks relating to building security;
- the **Group Quality department** is responsible for:
  - establishing product quality and safety policy within the Group,
  - managing product safety risks,
  - coordinating crisis management relating to product safety risks;
- the **Group Human Resources department** is responsible for:
  - establishing human resources management policy within the Group,
  - coordinating social risk management;
- the **Group Information Systems Governance department** is responsible for:
  - establishing the information systems management policy within the Group,
  - managing risks relating to the continuity, integrity, confidentiality and security of information systems;
- the **Group Insurance department** is responsible for setting up insurance to cover the Group's insurable assets as effectively as possible and according to available capacity on the market, pursuant to Group insurance policies. It works with the Risks & Compliance department to identify risks and implement prevention procedures;
- the **Group Internal Audit** department is tasked with:
  - regularly assessing the operation of the internal-control and risk-management systems related to asset risks, by performing the missions included in the annual audit plan,
  - making any necessary recommendations to improve these systems,
  - helping to develop internal-control tools and frameworks relating to asset risk.

B. At country level

The country executive director, whether acting directly or by delegation, is responsible for the establishment, operation and supervision of the internal-control and risk-management system at country level. The country executive director is supported by internal controllers, who are tasked with:

- helping to define the country internal-control system, particularly by ensuring that the Group internal-control framework is properly rolled out;
- ensuring that procedures defined by the country and the Group are properly applied.

3.6.2 DATA RELATING TO INTERNAL ACCOUNTING AND FINANCIAL CONTROL

During 2012, the Group continued to enhance its accounting and financial internal-control system by boosting the role of the functional departments and implementing the Corporate Rules.

3.6.2.1 GENERAL ORGANISATIONAL PRINCIPLES OF INTERNAL ACCOUNTING AND FINANCIAL CONTROL

Internal accounting and financial control aims to ensure:

- the compliance of published accounting information with applicable rules (international accounting standards);
- the application of instructions and strategic directions established by the Group;
- the prevention and detection of fraud and accounting and financial irregularities;
- the presentation and reliability of published financial information.

Risks related to production of accounting and financial information can be classified into two categories:

- those related to the accounting of current operations in the country, whose control systems must be set as close as possible to decentralised operations;
- those related to the accounting of non-current operations that may have a significant impact on the Group's financial statements.

The internal-control system described in the following paragraphs incorporates this approach to risk.

Management within each country is responsible for identifying risks that impact the preparation of financial and accounting information and for taking the necessary steps to adapt the internal-control system.

With regard to information that requires special attention given its impact on the Consolidated Financial Statements, the Group Consolidation department requests the necessary explanations and may perform such controls itself, assign an outside auditor to carry out such controls or request the involvement of the Internal Audit department through the Chairman and Chief Executive Officer.

The Group Consolidation department checks the country-level consolidated reporting packages at each quarterly closing. If need be, corrections are made to the reporting packages. In addition, inspections are conducted in each country at least twice per year.

Impairment testing of goodwill is handled by the Consolidation department based on projections prepared by the countries. The Consolidation department also obtains and reviews impairment tests performed by the countries on tangible fixed assets.

3.6.2.2 MANAGEMENT OF THE ACCOUNTING AND FINANCE ORGANISATION

Organisation of the financial function

The financial function is mainly based on a two-level organisation:

- the Group Financial Control department defines the IFRS accounting principles applicable to Carrefour and provides leadership and oversight of the production of Consolidated Financial Statements and management reports. This department includes a Consolidation department and a Performance Analysis department:
  - the Consolidation department monitors standards, defines the Group accounting doctrine (IFRS accounting principles applicable to Carrefour), produces and explains the Consolidated Financial Statements and prepares the consolidated accounting and financial information, and is the direct link to the Finance departments at country level,
  - the Performance Analysis department aggregates and analyses both prospective and retrospective management reports. It requests explanations from the country-level Finance departments and/or the regional Finance departments, and alerts general management to key issues and any potential impact;
- the country-level Finance departments are responsible, under the functional supervision of the finance directors for each region, for production and control of the country-level company and Consolidated Financial Statements. They are also responsible for deploying an internal-control system within their scope that is adapted to their specific challenges and risks, taking into account the Group's recommendations and directives. Management control and merchandise management control at country level also fall under their responsibility.

The country/business unit/functional administrator accounting function is handled by centralised teams in each country, under the supervision of the country-level finance director. These teams belong to the Finance line and are led by the Group Finance department.

The Group executive director for finance appoints the country-level finance directors.

Regional finance directors are mainly charged with improving dissemination of the culture and principles of financial control and ensuring their proper application.

Accounting principles

Group accounting principles are specified in a regularly updated document that is communicated to all those involved in the process.

The IFRS accounting principles applicable to Carrefour are reviewed twice per year, before the close of the half-yearly financial statements and before the balance sheet date. They are defined by the Consolidation department and presented to the Statutory Auditors for comment. Significant changes, additions or withdrawals are presented to the Accounts and Internal Audit Committee.

The most recent version is communicated to the country-level finance directors before each consolidation.

The IFRS accounting principles applicable to Carrefour are incumbent upon the country-level Finance departments, which have no leeway in the interpretation or application of such principles. Should queries arise, country-level Finance departments are instructed to consult the Consolidation department, which alone can provide interpretations and clarifications.

A meeting of country-level finance directors is held once per year, during which new changes to the IFRS accounting principles applicable to Carrefour and any problems with application that have been encountered since the last meeting are discussed.

In early 2012, the Group decided to create a Standards department within the Consolidation department to handle technical monitoring of IFRS standards, organise and manage the process of updating Group accounting principles in connection with the countries, analyse technical issues raised within the Group and ensure that Carrefour is represented within professional organisations that deal with accounting standards.

Tools and operating methods

In recent years, the Group has standardised the accounting systems used in the various countries. Specifically, this has led to the implementation of an organisational model that includes the establishment of shared service centres (for the processing and payment of invoices involving merchandise, fixed assets, general expenses and payroll), thus standardising and documenting procedures in the various countries and ensuring the appropriate separation of tasks. Operating methods are made available to all users.

Each country implements tools to address its specific consolidation needs. A tool was developed at Group level to facilitate transmission of data, controls and consolidation operations.

Accounting and financial information systems are subject to the same requirements as all security systems.

Consolidation process and principal controls

Each country is responsible for consolidating financial statements at its own level. Consolidation at this level is provided by financial teams in each country.

The Group Consolidation department team leads this process and is responsible for producing the Group's Consolidated Financial Statements. Responsibilities have been defined by region, as have cross-functional analysis responsibilities within the Group team. Since 2008, consolidation has occurred in each quarter. Only the half-yearly and annual Consolidated Financial Statements are published. The Group uses identical data and regional breakdowns for its management reports and Consolidated Financial Statements.

Subsidiaries prepare their own statutory accounts and Consolidated Financial Statements for their region, and then convert these reports into euros. The finance directors in each country can refer to a list of standard controls prepared by the Group's Consolidation department staff that are to be performed on these Consolidated Financial Statements.

Since 2010, through Group regulations, countries have had access to a benchmark for expected controls during the production of accounting and financial information and the consolidation process. The Consolidation department checks for consistency and performs a reconciliation at the close of each quarter. The reporting system ensures consistent information as a result of these controls.

The main options and accounting estimates are subject to review by the Group and the country-level finance directors, including during meetings for account closing options, organised before account closings at Group and country level in cooperation with external auditors.

Between account closings, country visits by the Consolidation department provide opportunities to improve the process at country level by promoting understanding and dissemination of the Group's accounting principles and addressing specific issues within the various countries. If necessary, inspections can lead to recommendations aimed at improving the country's consolidation procedures.

In 2012, the Consolidation department set up the first "hard-close" process at the end of September so as to anticipate, as far in advance as possible, potentially sensitive subjects relating to account closing. The process also identifies any weaknesses in internal control and the processes associated with assessing costs and income that, due to their nature and amount, have a significant impact on Group performance, so that these can be rectified if necessary before the annual closing. The specific work that the countries are required to carry out, and the Statutory Auditors' reviews, have led in particular to internal control of the supplier cycle, review of the main disputes and risks, and impairment testing of stores and goodwill.

In order to provide an opinion to the Board of Directors on the draft financial statements, the Accounts and Internal Audit Committee reviews the annual and half-yearly financial statements and the findings of the Statutory Auditors' team concerning their work.

With this in mind, the Accounts and Internal Audit Committees meet regularly and as necessary so that the committee can monitor the process of preparing the accounting and financial information and ensure that the principal accounting options applied are pertinent.

Oversight of the internal-control system

Oversight of the internal-control system is mainly based on:

- a self-assessment process for the application and oversight of the main regulations defined by the Group concerning internal accounting and financial controls. Action plans, defined at country level where necessary and subject to monitoring;
- in-country actions by the Group Internal Audit department. The internal audit plan incorporates missions to review internal accounting and financial controls.

Oversight also incorporates the assessment of information provided by the Statutory Auditors as part of their in-country operations. Since 2010, the country-level finance directors systematically provide the Consolidation department with summaries of actions and letters of recommendation from the Statutory Auditors. It oversees implementation of its recommendations.

The entire process is regularly presented to the Accounts and Internal Audit Committee. When significant shortcomings are detected in a country's internal-control system, the committee will have the region and country-level finance directors present developments in their action plans on a quarterly basis. During the 2012 fiscal year, the Accounts and Internal Audit Committee continued to monitor implementation of corrective actions in Brazil following discovery of deficiencies in 2010.

At each statement, the Group Internal Audit department receives letters of affirmation, signed by the country executive director and country finance director, certifying that the consolidation reporting packages are fair and were prepared in accordance with the IFRS accounting principles applied by Carrefour.

3.6.2.3 CONTROL OVER FINANCIAL COMMUNICATIONS

Role and mission of financial communications

The objective of financial communications is to provide information:

- on a continuous basis: quality information must be provided regularly over time. This is essential to the Group's credibility and to ensuring shareholder loyalty;
- that conveys a clear, consistent message: communications must allow investors to gain a precise, accurate understanding of the Company's value and management's capacity to boost value even further. Investors must be properly informed in order to make decisions;
- while maintaining the principle of shareholder equality with regard to information: any financial information that might have an impact on market prices must be made public *via* a single, centralised source at Group level.

Organisation of financial communications

Financial announcements address a diverse audience, primarily comprised of institutional investors, individuals and employees, *via* four channels:

- the Shareholder Relations department is responsible for informing the general public (individual shareholders);
- the Investor Relations department, Finance department and the Chairman and Chief Executive Officer are the sole contacts for analysts and institutional investors;
- the Human Resources department, with support from the Communications department, manages information intended for employees;
- the Communications department manages press relations.

In practice, financial messages are prepared through close collaboration between the Finance and Communications departments.

They are delivered as required by law (*via* an annual Shareholders' Meeting) and according to the regulations of the French Financial Markets Authority (periodic publications, press releases). Furthermore, beyond its legal obligations, Carrefour employs a wide array of media for its financial communications. The Group may utilise the press, the Internet, direct telephone contact, individual meetings and special forums.

Procedures for controlling financial communications

The Finance department is the exclusive source of financial information.

Internal controls regarding the financial communications process focus on compliance with the principle of shareholder equality, among other issues. All press releases and significant announcements are prepared by mutual agreement between the Financial Communications department, which is part of the Finance department, and the Group Communications department.

The segregation of roles and responsibilities allows for strict independence between managers, sensitive departments (e.g. Mergers and Acquisitions) and the Financial Communications department.

Financial communications policy

The finance director defines and implements the policy on disclosing financial results to the markets. The Carrefour Group discloses its sales (including tax) each quarter, and reports all of its results on a half-yearly basis. Each disclosure is first presented to the Board of Directors.

In contrast to previous years, at the beginning of the 2012 fiscal year the Group did not issue guidance on its underlying earnings target. However, throughout the fiscal year the Finance department checks that the underlying earnings target provided by the analyst consensus remains achievable and, where applicable, issues a revision when budget forecasts reveal a significant discrepancy.

3.6.3 STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Year-ended December 31, 2012

This is a free translation into English of a report issued in French prepared in accordance with Article L. 225-235 of French Company law on the report prepared by the Chairman of the Board of Director and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of Carrefour S.A., and in accordance with Article L. 225-235 of the French Commercial Code (Code de *commerce*), we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2012.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and providing the other disclosures required by Article L. 225-37 of the French Commercial Code, particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you our observations on the information contained in the Chairman's report regarding the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report regarding the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we may have identified in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information regarding the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board, in accordance with Article L. 225-37 of the French Commercial Code.

Other disclosures

We hereby attest that the report of the Chairman of the Board of Directors includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

The Statutory Auditors

Courbevoie, Paris-La Défense, and Neuilly-sur-Seine, March 6, 2013

French original signed by

Mazars	KPMG audit Department of KPMG S.A.	Deloitte & Associés
Patrick de Cambourg Pierre Sardet	Eric Ropert	Alain Pons Arnaud de Planta

4

MANAGEMENT'S DISCUSSION AND ANALYSIS

4.1 Sales and earnings performance

4.1.1 MAIN EARNINGS INDICATORS

(in € millions)	2012	2011 *	% change
Net sales	**76,789**	**76,067**	**0.9%**
Recurring operating income	**2,140**	**2,197**	**(2.6)%**
Non-recurring operating income and expenses, net	(707)	(2,337)	(69.8)%
Finance costs and other financial income and expenses, net	(882)	(705)	25.1%
Income tax expense	(388)	(931)	(58.3)%
Net income/(loss) from continuing operations – Group share	**113**	**(1,865)**	
Net income from discontinued operations – Group share	1,120	2,237	
Net income – Group share	**1,233**	**371**	

* *2011 data have been restated to reflect the reclassification of operations in Greece, Singapore, Colombia, Malaysia and Indonesia as "Discontinued operations" as from January 1, 2011 in accordance with IFRS 5.*

The Group's 2012 performance reflected solid demand and an expanded presence in emerging markets, particularly Latin America, and resilient operating income despite a challenging economic environment in mature markets, especially southern Europe:

- sales rose by 0.9% as reported, led by emerging markets;
- recurring operating income stood at 2,140 million euros, almost stable at constant exchange rates and down 2.6% as reported; the improvement recorded in France and strong growth in Latin America almost completely offset reduced profitability in Southern Europe;
- non-recurring items represented a net expense of 707 million euros, compared with a net expense of 2,337 million euros in 2011, which included a 1,750 million euros goodwill impairment loss in Italy. The 2012 net expense included 285 million euros of restructuring costs, 236 million euros of asset write-downs and write-offs, and 419 million euros in charges to provisions for contingencies and other non-recurring items, partly offset by 234 million euros of net disposal gains;
- finance costs and other financial income and expenses represented a net expense of 882 million euros, up by 177 million euros because of an exceptional charge of 216 million euros;
- income tax expense declined to 388 million euros from 931 million euros in 2011, due to there being fewer exceptional tax charges in 2012;
- the Group ended the year with a net income from continuing operations of 113 million euros, compared with a net loss of 1,865 million euros in 2011;
- net income from discontinued operations – Group share amounted to 1,120 million euros, mainly reflecting capital gains on the sale of operations in Colombia and Malaysia, and the 2012 net income from operations in Indonesia;
- net income – Group share came to 1,233 million euros, a significant improvement compared with the previous year's 371 million euros;
- free cash flow increased to 279 million euros in 2012, with tight management of working capital requirement (especially inventory) and lower capital spending more than offsetting the decline in net cash from operating activities.

4.1.2 ANALYSIS OF THE MAIN INCOME STATEMENT ITEMS

NET SALES BY REGION

The Group's operating segments correspond to the countries in which it does business, combined by region, and "Global functions", corresponding to the holding companies and other support entites.

(in € millions)	2012	2011 *	% change	% change at constant exchange rates
France	35,341	35,179	0.5%	0.5%
Rest of Europe	20,873	21,536	(3.1)%	(2.7)%
Latin America	14,174	13,551	4.6%	12.1%
Asia	6,400	5,801	10.3%	0.5%
TOTAL	**76,789**	**76,067**	**0.9%**	**1.6%**

* *2011 data have been restated to reflect the reclassification of operations in Greece, Singapore, Colombia, Malaysia and Indonesia as "Discontinued operations" as from January 1, 2011 in accordance with IFRS 5.*

Net sales before loyalty program costs totaled 76,789 million euros, up 0.9% compared with 2011 as reported and up 1.6% at constant exchange rates.

Growth in sales (including tax) can be explained as follows:

- same store sales grew by 1% year-on-year;
- expansion (store openings and acquisitions, net of closures and disposals) added 0.6% to growth;
- the currency effect was a negative 0.7%, mainly due to the depreciation of the Brazilian real and the Argentine peso.

NET SALES BY REGION – CONTRIBUTION TO THE CONSOLIDATED TOTAL

In %	2012	2011 *
France	46.0%	46.2%
Rest of Europe	27.2%	28.3%
Latin America	18.5%	17.8%
Asia	8.3%	7.6%
TOTAL	**100.0%**	**100.0%**

* *2011 data have been restated to reflect the reclassification of operations in Greece, Singapore, Colombia, Malaysia and Indonesia as "Discontinued operations" as from January 1, 2011 in accordance with IFRS 5.*

Emerging markets (Latin America and Asia) represented 26.8% of consolidated net sales in 2012, up from 25.4% the year before.

RECURRING OPERATING INCOME BY REGION

(in € millions)	2012	2011 *	% change	% change at constant exchange rates
France	929	898	3.5%	3.5%
Rest of Europe	509	640	(20.6)%	(20.2)%
Latin America	608	532	14.2%	22.9%
Asia	168	187	(10.3)%	(19.0)%
Global functions [(1)]	(74)	(61)	19.9%	21.3%
TOTAL	**2,140**	**2,197**	**(2.6)%**	**(1.1)%**

(1) Effective January 1, 2012, the operating income and expenses of the support entities (general administration, sourcing, purchasing etc.) are allocated to the regions using a new method. In previous periods, their results were allocated to the region where the support entities were incorporated, but they are now allocated to countries pro rata to the services provided to each one, with the unallocated amounts reported under "Global functions". Comparative information for 2011 has been adjusted accordingly.

** 2011 data have been restated to reflect the reclassification of operations in Greece, Singapore, Colombia, Malaysia and Indonesia as "Discontinued operations" as from January 1, 2011 in accordance with IFRS 5.*

Recurring operating income amounted to 2,140 million euros, representing 2.8% of sales, compared with 2.9% in 2011.

This solid performance reflected:

- stable recurring operating margin, at 22.1% of net sales;
- a limited 1.3% rise in sales, general and administrative expenses, representing a 10-basis point increase as a percentage of revenue. Sustained action to bring sales costs under control almost entirely offset the effect of higher payroll costs in emerging markets and new costs linked to continued expansion.

RECURRING OPERATING INCOME BY REGION – CONTRIBUTION TO THE CONSOLIDATED TOTAL

In %	2012	2011 *
France	43.4%	40.9%
Rest of Europe	23.8%	29.2%
Latin America	28.4%	24.2%
Asia	7.8%	8.5%
Global functions	(3.4)%	(2.8)%
TOTAL	**100.0%**	**100.0%**

** 2011 data have been restated to reflect the reclassification of operations in Greece, Singapore, Colombia, Malaysia and Indonesia as "Discontinued operations" as from January 1, 2011 in accordance with IFRS 5.*

The share of operating income generated in emerging markets (Latin America and Asia) continued to see significant growth. These markets represented 36.2% of the Group total in 2012, compared with 32.7% in 2011.

DEPRECIATION, AMORTIZATION AND PROVISIONS

Depreciation, amortization and provisions amounted to 1,548 million euros, representing 2% of sales, a ratio largely unchanged from 2011.

NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses consist of certain material items of income and expense that are unusual in terms of their nature and frequency, such as impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for or that arose in prior periods, based on information of which the Group became aware during the reporting year.

Non-recurring items represented a net expense of 707 million euros, comprising 962 million euros in expenses and 256 million euros in income.

The detailed breakdown is as follows:

(in € millions)	2012	2011 *
Net gains on sales of assets	234	255
Restructuring costs	(285)	(205)
Other non-recurring items	(419)	(392)
Non-recurring income and expenses, net before asset impairments and write-offs	**(470)**	**(341)**
Asset impairments and write-offs	(236)	(1,996)
Impairments and write-offs of goodwill	*(18)*	*(1,778)*
Impairments and write-offs of property and equipment	*(219)*	*(218)*
Non-recurring income and expenses, net	**(707)**	**(2,337)**
Of which, non-recurring income	*256*	*345*
Of which, non-recurring expense	*(962)*	*(2,682)*

* 2011 data have been restated to reflect the reclassification of operations in Greece, Singapore, Colombia, Malaysia and Indonesia as "Discontinued operations" as from January 1, 2011 in accordance with IFRS 5.

Net gains on sales of assets correspond to gains on the sale of the Group's 50% stake in Altis and its subsidiairies, and various other asset sales, mainly in France.

Non-recurring expenses for the year included:

- restructuring costs (285 million euros);
- net charges to provisions for contingencies and other non-recurring items (419 million euros);
- asset impairments (236 million euros).

A description of these non-recurring items is provided in Note 11 to the Consolidated Financial Statements.

OPERATING INCOME

The Group reported operating income of 1,434 million euros for 2012, as opposed to a 140 million euros loss the year before that was attributable to the 1,750 million euros impairment loss recorded on Italian goodwill.

FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

Finance costs and other financial income and expenses represented a net expense of 882 million euros, corresponding to 1.1% of sales compared with 0.9% in 2011.

(in € millions)	2012	2011 *
Finance costs, net	(486)	(462)
Other financial income and expenses, net	(396)	(243)
FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET	**(882)**	**(705)**

* *2011 data have been restated to reflect the reclassification of operations in Greece, Singapore, Colombia, Malaysia and Indonesia as "Discontinued operations" as from January 1, 2011 in accordance with IFRS 5.*

The 25.1% increase in finance costs was largely due to an exceptional charge of 216 million euros linked to the Group's interest rate management.

INCOME TAXES

Income taxes amounted to 388 million euros in 2012, compared with 931 million euros in 2011.

The effective tax rate was 70.4%, due to exceptional items and the inclusion in income tax expense of the CVAE local business tax in France. Excluding exceptional items, the effective tax rate was 35.7%, compared to 32.6% in 2011.

NET INCOME FROM COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Net income from companies accounted for by the equity method totaled 72 million euros compared with 64 million euros in 2011.

NON-CONTROLLING INTERESTS

Net income attributable to non-controlling interests came to 83 million euros *versus* 33 million euros in 2011.

NET INCOME/(LOSS) FROM CONTINUING OPERATIONS – GROUP SHARE

The Group ended the year with net income from continuing operations of 113 million euros, representing a very significant improvement from the net loss of 1,865 million euros reported in 2011.

NET INCOME FROM DISCONTINUED OPERATIONS – GROUP SHARE

Net income from discontinued operations totaled 1,120 million euros, compared with 2,237 million euros in 2011. The 2012 figure includes:

- the gain on disposal of operations in Colombia and Malaysia, and the net income contribution for 2012 from these countries and the Group's operations in Indonesia, for a total of 1,343 million euros;
- the 207 million euros cost arising from restructuring our partnership in Greece, which was completed in August 2012.

Net income from discontinued operations in 2011 mainly comprised gains on disposal of the Group's operations in Thailand and Dia entities.

4.1.3 PERFORMANCE BY REGION

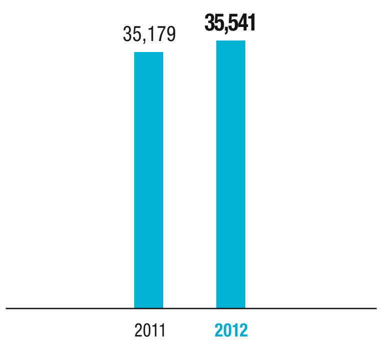
FRANCE

At December 31, 2012, the consolidated store base in France broke down as follows:

- hypermarkets: 212
- supermarkets: 550
- other stores: 5
- **total: 767**

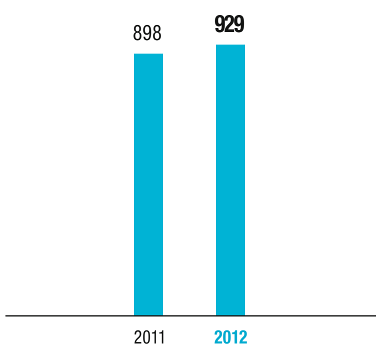
In 2012, the consolidated store base increased by seven hypermarkets, with one new hypermarket opened (Lyon Confluence) and six Guyenne & Gascogne stores added to the base. In addition, five Cash&Carry stores were converted from franchise operations to owned and managed stores.

NET SALES



(in € millions)

RECURRING OPERATING INCOME



(in € millions)

Sales rose by 0.5%, reflecting robust food sales.

The Group's improved price positioning had a limited impact on sales margin, because of the decision to reduce investment in loyalty programs and promotional offers. Sales, general and administrative expenses declined both in absolute value and as a percentage of sales. As a result, recurring operating income rose 3.5% to 929 million euros.

Capital expenditure was reduced by 291 million euros to 602 million euros, representing 1.7% of sales.

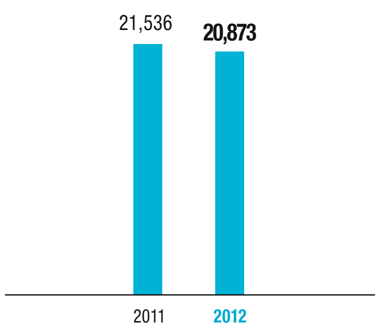
REST OF EUROPE

At December 31, 2012, the consolidated store base in the rest of Europe broke down as follows:

- hypermarkets: 392
- supermarkets: 817
- other stores: 190
- **total: 1,399**

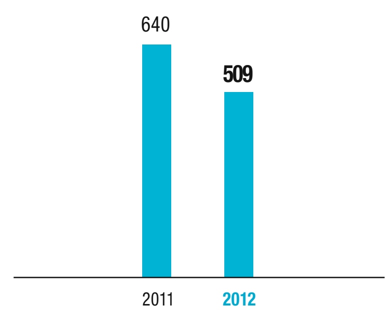
In 2012, the consolidated store base increased by one hypermarket and three convenience stores. The number of supermarkets remained stable, with 24 openings in Romania offset by closures and transfers to franchisees, mainly in Poland, Italy and Spain.

NET SALES



(in € millions)

RECURRING OPERATING INCOME



(in € millions)

Net sales contracted by 2.7% at constant exchange rates and 3.1% as reported. The decline reflected the economic downturn in Italy and Spain. Belgium continued to show improvement, in line with the trend established in 2011.

Recurring operating income for the region stood at 509 million euros, down 20.2% at constant exchange rates.

This was mainly due to declines in Spain and Italy, where consumer spending fell as a result of the recession, although the impact was partly offset by a reduction in distribution costs.

Capital expenditure was reduced by 44% to 345 million euros, representing 1.7% of sales.

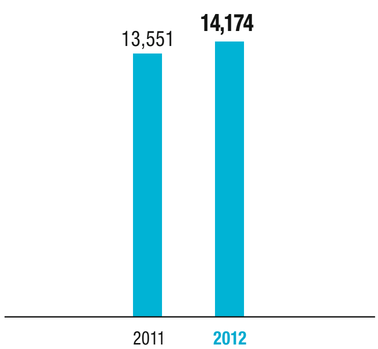
LATIN AMERICA

At December 31, 2012, the consolidated store base in Latin America broke down as follows:

- hypermarkets: 272
- supermarkets: 168
- other stores: 235
- **total: 675**

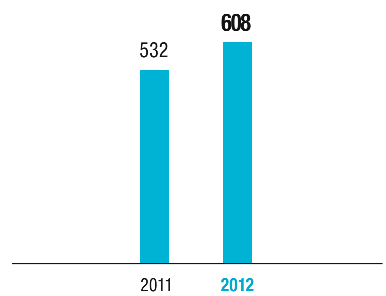
In 2012, 12 hypermarkets (10 in Brazil and two in Argentina), 18 supermarkets (representing most of the 19 supermarkets previously operated by EKI in Argentina), and 157 convenience stores (56 new stores in Argentina and 110 former EKI stores) were added to the base.

NET SALES



(in € millions)

RECURRING OPERATING INCOME



(in € millions)

In Latin America, sales continued to expand at a rapid pace, rising by 12.1% at constant exchange rates. Growth was led by higher same-store sales in Argentina and Brazil, and significant expansion in both countries.

Recurring operating income in Latin America came to 608 million euros, an increase of 22.9% at constant exchange rates that reflected profitability improvements in Brazil.

Capital expenditure totaled 308 million euros, representing 2.2% of sales, compared to 2.8% in 2011. Priority was given to expansion programs.

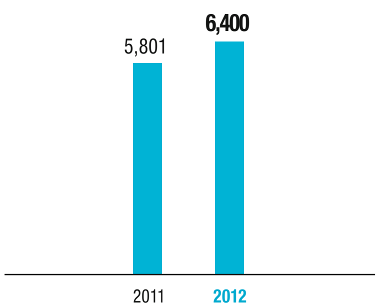
ASIA

At December 31, 2012, the consolidated store base in Asia broke down as follows [1]:

- hypermarkets: 279
- supermarkets: 3
- other stores: 4
- total: 286

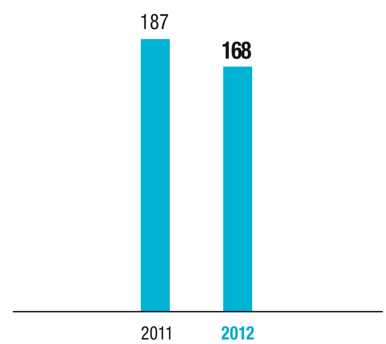
In 2012, 17 hypermarkets were added to the store base, largely as a result of expansion in China, where there were 18 openings. In India, two Cash&Carry stores opened at the end of the year.

NET SALES



(in € millions)

RECURRING OPERATING INCOME



(in € millions)

Sales in China and Taiwan grew 0.5% overall at constant exchange rates. At current exchange rates, total sales in the region were up 10.3%.

Commercial margin held up well. Ongoing productivity improvements only partly offset the increase in distribution costs linked to expansion and wage inflation in China. Recurring operating income contracted 10.3% to 168 million euros.

Capital expenditure in Asia stood at 257 million euros, representing 4% of sales, compared to 193 million euros in 2011, when they represented 3.3% of sales.

(1) Note: excluding Indonesia.

4.2 Financial position

4.2.1 SHAREHOLDERS' EQUITY

At December 31, 2012, shareholders' equity stood at 8,361 million euros, an increase of 734 million euros compared with 7,627 million euros at the previous year-end.

This increase reflected:

- income for the year of 1,316 million euros;
- dividend payments of 469 million euros, including 348 million euros paid to Carrefour shareholders (of which 211 million euros paid in shares) and 121 million euros to non-controlling interests;
- the 188 million euros capital increase from the issuance of shares to Guyenne & Gascogne shareholders who took part in the tender offer;
- the buyout of non-controlling interests in Guyenne & Gascogne subsidiaries previously part-owned by the Group, and the purchase and subsequent resale of non-controlling interests in connection with the reorganisation of our financial services partnership in Brazil, leading to a net reduction in shareholders' equity of 150 million euros;
- the 374 million euros reduction in the translation reserve, including 182 million euros in cumulative translation adjustments recognized in the income statement following the sale of operations in Colombia and Malaysia.

4.2.2 NET DEBT

The Group's net debt was reduced by 2,591 million euros from 6,911 million euros at December 31, 2011 to 4,320 million euros at the end of 2012, mainly due to the recognition of the proceeds from the sale of the Group's operations in Colombia and Malaysia, and the deconsolidation of their external bank borrowings.

Net debt breaks down as follows:

(in € millions)	2012	2011
Bonds and notes	8,992	8,545
Other borrowings	1,516	1,894
Commercial paper	-	250
Finance lease liabilities	420	492
Total borrowings before derivative instruments recorded in liabilities	**10,928**	**11,180**
Derivative instruments recorded in liabilities	318	492
Total long and short-term borrowings	**11,246**	**11,672**
Of which, long-term borrowings	*8,983*	*9,513*
Of which, short-term borrowings	*2,263*	*2,159*
Other current financial assets	352	911
Cash and cash equivalents	6,573	3,849
Total current financial assets	**6,925**	**4,760**
NET DEBT	**4,320**	**6,911**

Long and short-term borrowings (excluding derivatives) mature at different dates through 2021 for the longest tranche of bond debt, leading to balanced repayment obligations in the coming years as shown below:

(in € millions)	2012	2011
Due within one year	2,263	2,159
In 1 to 3 years	1,773	1,700
Due in 3 to 5 years	4,067	4,136
Due beyond 5 years	2,824	3,184
TOTAL	**10,928**	**11,180**

The Group carried out two bond issues in 2012: a 500 million euros issue due 2016 in January (including 250 million euros allocated to refinancing the consumer credit companies' loan assets) and a 1,000 million euros issue due 2017 in December.

The Group has ample liquid resources, in the shape of 4.35 billion euros in committed syndicated lines of credit with no drawing restrictions that expire in 2015 and 2016, of which 1.1 billion euros obtained during the first half of 2012.

4.2.3 CASH FLOWS FOR THE YEAR AND CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2012

Cash and cash equivalents totaled 6,573 million euros at December 31, 2012, compared with 3,849 million euros one year earlier, an increase of 2,724 million euros.

This year-on-year change breaks down as follows:

(in € millions)	2012	2011 *
Cash flow from operations (excluding discontinued operations)	2,180	2,381
Change in working capital requirement (excluding discontinued operations)	(42)	(240)
Change in consumer credit granted by financial services companies (excluding discontinued operations)	7	(233)
Impact of discontinued operations	(171)	210
Net cash from operating activities	**1,973**	**2,118**
(Acquisitions)/disposals of property and equipment and intangible assets, net	(1,480)	(1,440)
Other cash flows from investing activities	(16)	(104)
Impact of discontinued operations	1,833	1,146
Net cash from/(used in) investing activities	**337**	**(398)**
Dividends paid	(257)	(807)
Change in treasury stock	0	(126)
Net change in borrowings and current financial assets	685	(359)
Other cash flows from financing activities	(4)	(1)
Impact of discontinued operations	122	123
Net cash from/(used in) financing activities	**546**	**(1,170)**
Effect of changes in exchange rates	(132)	27
Net change in cash and cash equivalents	**2,724**	**578**
Cash and cash equivalents at beginning of year	3,849	3,271
Cash and cash equivalents at end of year	6,573	3,849

* *2011 data have been restated to reflect the reclassification of operations in Greece, Singapore, Colombia, Malaysia and Indonesia as "Discontinued operations" as from January 1, 2011 in accordance with IFRS 5.*

CASH FLOW FROM OPERATIONS AND WORKING CAPITAL REQUIREMENT

Gross cash flow from operations (excluding discontinued operations) totaled 2,180 millions euros, down 8.4% compared with the 2,381 million euros in 2011. The decrease reflected cash outflows for litigation settlements and restructuring measures.

The change in working capital requirement was a negative 42 million euros in 2012 *versus* a negative 240 million euros in 2011, reflecting an improvement in trade working capital requirement that was attributable to a sharp reduction in inventories.

CAPITAL EXPENDITURE

After taking into account the proceeds from operating asset disposals for the period, net cash used for acquisitions of property and equipment and intangible assets amounted to 1,480 million euros, compared with 1,440 million euros in 2011. The main changes for the year were as follows:

- a 572 million euros reduction in acquisitions of property and equipment and intangible assets, reflecting lower store remodelling expenditure (down 317 million euros) and routine capital expenditure on stores and IT systems (down 278 million euros);
- a 166 million euros decline in amounts due to suppliers of assets *versus* a 191 million euros increase in 2011, representing a negative change of 357 million euros. This was due to the early-2012 payments for work delivered in late 2011, mainly for the deployment of the new Carrefour *planet* hypermarket format;
- a 255 million euros decrease in proceeds from asset disposals.

In all, net cash used in investing activities (excluding discontinued operations) amounted to 1,496 million euros in 2012 *versus* 1,544 million euros the year before.

The proceeds from the sale of the Group's operations in Malaysia (on October 31, 2012) and Colombia (on November 30, 2012) represented 2,053 million euros in total.

4.2.4 FINANCING AND LIQUID RESOURCES

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

- promoting conservative financing strategies in order to ensure that the Group's credit rating allows it to raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market by conducting regular bond issues, mainly in euros, in order to preserve a balanced maturity profile. The Group's issuance capacity under its EMTN program totals 12 billion euros;
- using the 5 billion euros commercial paper program listed on NYSE Euronext Paris;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2012, the Group had three undrawn syndicated lines of credit obtained from a pool of leading banks for a total of 4.35 billion euros, expiring in 2015 and 2016. Group policy consists of keeping these facilities on stand-by to cover any problems that may be encountered with the commercial paper program. The loan agreements for the syndicated lines of credit include the usual clauses.

The Group considers that its liquidity position was strong at December 31, 2012 especially since, at that date, it had 4.35 billion euros in committed syndicated lines of credit expiring in the medium term, with no drawing restrictions, and sufficient cash reserves to meet its medium- and long-term debt repayment obligations for 2013.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 3 years and 11 months.

At December 31, 2012 Carrefour was rated BBB/A-2, outlook stable, and Carrefour Banque was rated BBB+/A-2, outlook stable, by S&P.

4.2.5 RESTRICTIONS ON THE USE OF CAPITAL RESOURCES

For its international operations, Carrefour is not affected by any restrictions likely to have a significant effect on the capital of its subsidiaries at the end of 2012. This point is discussed in Note 26 to the Consolidated Financial Statements.

4.2.6 EXPECTED SOURCES OF FUNDING

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

4.3 Outlook for 2013

The Group has set the following priorities for 2013:

- continuing its multilocal, multiformat development:
  - France: continuing action plans across all formats, giving priority to improving the offer and pricing image, refurbishing stores, and developing drive-throughs and a multi-channel approach,
  - Europe: aligning the offer and cost base with the challenging economic environment,
  - emerging markets: continuing expansion in Latin America and Asia,
  - giving new momentum to the development of property assets;
- Maintaining strict financial discipline:
  - applying a stable dividend policy,
  - limiting growth in capital expenditure (budgeted at between 2.2 and 2.3 billion euros in 2013),
  - containing working capital requirement;
- Decentralizing and empowering:
  - simplifying decision-making structures and processes,
  - handing back power to stores and allowing them to take the initiative,
  - putting the customer at the heart of the business.

4.4 Other information

4.4.1 ACCOUNTING PRINCIPLES

Carrefour's Consolidated Financial Statements for 2012 were prepared in accordance with IFRS international accounting standards.

The accounting and calculation methods used to prepare the Consolidated Financial Statements for 2012 are the same as those used for the 2011 Consolidated Financial Statements. No new accounting standards or interpretations were adopted for use in the European Union as from January 1, 2012 that would have a material impact on the Consolidated Financial Statements.

The 2011 income statement and cash flow statement are provided for purposes of comparison. The comparative information presented in this document has been restated to reflect the reclassification of certain operations in accordance with IFRS 5.

4.4.2 CHANGES IN THE SCOPE OF CONSOLIDATION

RESTRUCTURING OF OPERATIONS IN GREECE

On June 15, 2012, Carrefour announced that an agreement had been reached with its Greek partner, the Marinopoulos Brothers Group, for the restructuring of their joint subsidiary, Carrefour Marinopoulos. The agreement provided for the implementation of various measures designed to strengthen the financial position of Carrefour Marinopoulos and its subsidiaries, the sale of Carrefour's stake to Marinopoulos Brothers, and the signature of a brand license allowing Carrefour Marinopoulos to continue to operate under the Carrefour banner. It also included an earn-out clause.

The transaction was completed on August 8, 2012, after anti-trust approval had been obtained in Cyprus, Greece and Bulgaria and the various other conditions precedent had been met.

In accordance with IFRS 5, the following reclassifications have been made in the financial statements at December 31, 2012:

- Carrefour Marinopoulos's net income up to the sale date is presented under "Net income from discontinued operations" with the portion attributable to non-controlling interests shown separately in accordance with IAS 27. To permit year-on-year comparisons, Carrefour Marinopoulos's net income for 2011 has been presented on the same basis;
- in the statement of cash flows, all of the Greek entities' cash flows are presented on the lines "Impact of discontinued operations", with 2011 cash flows reclassified accordingly.

The net loss on the sale is reported on the line "Net income from discontinued operations – Group share".

TENDER OFFER FOR GUYENNE & GASCOGNE

On February 14, 2012, the Group announced that it had filed a cash offer with a stock alternative for Guyenne & Gascogne, its historical partner in southwestern France. The offer was cleared by France's securities regulator, *Autorité des Marchés Financiers* (AMF), on February 28, 2012 and the Offer Document prepared by Carrefour was approved under AMF visa no. 12-095.

The Offer terms were as follows:

- one Guyenne & Gascogne share (cum dividend, after taking into account the payment of a special dividend of 7.0 euros per share) for 74.25 euros in cash;
- alternative stock offer: one Guyenne & Gascogne share for 3.90 Carrefour shares (cum dividend) (offer limited to 4,986,786 Guyenne & Gascogne shares).

The Offer ran from March 22 to May 30, 2012. The planned business combination between Carrefour and Guyenne & Gascogne was cleared by France's anti-trust authorities on May 9, 2012, and the results of the Offer were announced by the AMF on June 4, 2012. In all, 6,423,906 shares were tendered – of which 3,005,637 shares to the cash offer and 3,418,269 shares to the alternative stock offer – giving Carrefour 96.61% of Guyenne & Gascogne's capital. As stated in the section of the Offer Document describing its intentions, Carrefour decided to implement a squeeze-out procedure in order to acquire the remaining Guyenne & Gascogne shares at the cash offer price of 74.25 euros per share. The procedure was implemented on June 13, 2012.

In accordance with the terms of the Offer, the Guyenne & Gascogne acquisition led to:

- the issue by Carrefour of 13,331,250 new 2.50 euros par value shares at a premium per share of 11.63 euros, for a total of 188 million euros;
- cash payments totaling 239 million euros to the Guyenne & Gascogne shareholders who tendered their shares to the cash offer or sold them under the squeeze-out procedure.

The total acquisition cost was therefore 428 million euros.

In accounting terms, the transaction consisted of:

- the acquisition of the stores operated directly by Guyenne & Gascogne (six hypermarkets operated as Carrefour franchise outlets and 28 supermarkets operated as Carrefour *market* franchise outlets), accounted for in accordance with IFRS 3;
- the acquisition of non-controlling interests, consisting of Guyenne & Gascogne's 50.0% interest in Sogara (a company that was already controlled by Carrefour) and Sogara's 8.2% interest in Centros Comerciales Carrefour ("Carrefour Spain"). These acquisitions have been treated as transactions with owners and accounted for directly in shareholders' equity in accordance with IAS 27.

The first-time consolidation of Guyenne & Gascogne led to the recognition of goodwill in the amount of 35 million euros and to a 143 million euros reduction in shareholders' equity – Group share, corresponding to the difference between the acquisition price of the non-controlling interests and their carrying amount in the Group accounts. Taking into account the share issue carried out in conjunction with the Offer, the net impact on shareholders' equity – Group share was an increase of 45 million euros.

NEW FINANCIAL SERVICES PARTNERSHIP IN BRAZIL

During the first half of 2011, Carrefour signed an agreement making Itaù Unibanco its new partner in BSF Holding, its financial services and insurance subsidiary, in place of its former partner.

Once the transaction had been cleared by Brazil's central bank, Carrefour Brazil purchased the 40% interest in BSF Holding from its former partner and then sold 49% of BSF Holding to Itaù Unibanco.

In accordance with IAS 27, the operation was treated as two successive transactions with owners without a change of control. Consequently, it led to an increase in shareholders' equity – Group share, as reflected in the statement of changes in shareholders' equity.

SALE OF THE GROUP'S INTEREST IN ALTIS AND ITS SUBSIDIARIES

In line with the commitment given in December 2011, during the first half of 2012 the Group sold to Eroski its 50% stake in Altis (and its subsidiaries), which was accounted for by the equity method up to the date of sale.

ACQUISITION OF THE EKI STORES IN ARGENTINA

On June 14, 2012, Carrefour announced that it had acquired 129 Eki stores (110 convenience stores and 19 supermarkets), located mainly in and around the Argentine capital, Buenos Aires.

In accordance with IFRS 3 (revised), the first-time consolidation of Eki led to the recognition of goodwill of 21 million euros.

SALE OF THE GROUP'S OPERATIONS IN COLOMBIA, MALAYSIA AND INDONESIA

On October 18, 2012, the Group announced the signature of an agreement with Chile's Cencosud Group for the sale of its operations in Colombia for an enterprise value of 2 billion euros. The transaction was completed on November 30, 2012.

On October 31, 2012, the Group announced the sale, with immediate effect, of its operations in Malaysia to the Aeon Group, a major Japanese retailer, for an enterprise value of 250 million euros.

On November 20, 2012, the Group announced the sale of its 60% stake in Carrefour Indonesia to its local partner, CT Corp, which has become Carrefour's exclusive franchisee in this country, for 525 million euros.

The total income recorded in "Net income from discontinued operations" in 2012 for these three operations amounted to 1,359 million euros, including their results for the period to the sale date and cumulative translation adjustment recognized in the income statement.

The gain on the sale of operations in Indonesia will be reported in 2013 under "Net income from discontinued operations".

4.4.3 SUBSEQUENT EVENTS

The sale of the Group's operations in Indonesia was completed on January 16, 2013, after the necessary approvals had been obtained from the Indonesian authorities.

No other post balance sheet event is likely to have a significant impact on the Group's 2012 financial statement.

4.5 Parent Company financial review

4.5.1 ACTIVITIES AND RESULTS

Carrefour operates as a holding company and manages investments in France and abroad.

Revenue from operations totalled 462 million euros, mainly consisting of intra-Group rebilling.

Financial income increased from 427 million euros in 2011 to 1,029 million euros in 2012.

This improvement of 602 million euros resulted from:

- a decrease in net allowances to provisions for equity interests: 1,825 million euros. In 2011, net allowances to provisions stood at 1,660 million euros, and in 2012 a net provision reversal of 165 million euros was recorded;
- a decrease in dividends paid by subsidiaries for -1,439 million euros;
- a reversal of provisions for Carrefour treasury shares for 254 million euros;
- a decrease in other financial expenses, mainly related to the cost of debt, in the amount of 49 million euros;
- the accounting of provisions for financial risks of -87 million euros.

Extraordinary result was -1,234 million euros. This mainly reflected the net impact of impairment charges and impairment reversals related to merger losses, following impairment testing.

Net income for the period was 4,943,747.27 euros.

In accordance with Article 441-6-1 of the French Commercial Code, we have set forth below the Company's accounts payable, broken down by expiration date, for the past two fiscal years.

Amounts in millions of euros

Invoices not yet received and booked as trade payables are not broken down in this schedule.

Carrefour: due date of trade payables *(in € millions)*	12/31/2012	12/31/2011
Less than one month	214.4	128.1
One to two months	0.1	2.4
TOTAL	**214.5**	**130.5**

4.5.2 EQUITY INTERESTS

Significant movements during 2012 were as follows:

- purchase of Guyenne et Gascogne in a tender offer/exchange offer/compulsory withdrawal offer for a total price of 428 million euros;
- capital increase of Carrefour Management: 3 million euros;
- disposal of Carrefour Malaysia shares (15 million euros gross value);
- withdrawal from Carrefour Marinopoulos investment (35 million euros gross value) after our Greek activities were reorganised.

4.5.3 EARNINGS ALLOCATION

We propose to allocate and distribute earnings for the fiscal year as follows:

2012 net income	€4,943,747.27
Retained earnings carried forward	€6,395,679.16
Distributable earnings	€11,339,426.43
Other reserves	€438 811 289.99
2012 dividends	€411,344,498.74
Allocated as follows:	
Distribuable earnings	€11,339,426.43
Other reserves	€400,005,072.31
Balance of other reserves	€38,806,217.68

The amount of retained earnings after tax for fiscal year 2011 was increased owing to 2011 dividends not paid out on treasury shares.

It is specified that the total dividend of 411,344,498.74 euros, which represents a dividend of 0.58 euro per share, before payroll taxes and non final withholding tax of 21% provided for in Article 117 *quater* of the French General Tax Code, qualifies, for individuals who are French tax resident, for the tax relief equal to 40% of the amount of the dividend in accordance with Section 2° of paragraph 3 of Article 158 of the French General Tax Code.

We propose offering each shareholder the option of a dividend payment:

- in cash; or
- in new Company shares.

The new shares, if the option is exercised, will be issued at a price equal to 95% of the average opening prices listed during the twenty stock market trading sessions on Euronext Paris prior to the date of this shareholders' general meeting, less the amount of the dividend that is the subject of this resolution and rounded up to the nearest euro cent. Such issued shares will immediately be entitled to dividends as of January 1, 2013 and will be part of the share capital of the Company alongside other shares.

Shareholders may opt for payment of the dividend in cash or in new shares from May 2, 2013 to May 23, 2013 inclusive, by sending their request to the financial intermediaries that are authorized to pay the dividend or, for registered shareholders listed in the issuer-registered accounts held by the Company, to its authorized agent (CACEIS Corporate Trust 14, rue Rouget de Lisle – 92862 Issy-les-Moulineaux Cedex 09).

For shareholders who have not exercised their option by May 23, 2013, the dividend will only be paid in cash.

For shareholders who have not opted for a payment in shares, the dividend will be paid in cash on June 7, 2013 after the expiration of the option period. For shareholders who have opted for a dividend payment in shares, the settlement and delivery of shares will take place on the same date.

It is recalled in accordance with the law, that the dividends paid on each share for the three preceding fiscal years and the income eligible for tax relief under Section 2° of paragraph 3 of Article 158 of the French General Tax Code per share, were as follows:

Fiscal year	Gross dividend paid	Dividends eligible for tax relief of 40%
2009	€1.08	€1.08
2010	€1.08	€1.08
2011	€0.52	€0.52

4.5.4 AGREEMENTS REFERRED TO IN ARTICLE L. 225-38 *ET SEQ.* OF THE FRENCH COMMERCIAL CODE

Note that no agreements referred to in Article L. 225-38 of the French Commercial Code were authorised by the Board of Directors during the fiscal year just ended.

The Statutory Auditors will submit their special report, pursuant to Article L. 225-40 of the French Commercial Code, which describes the agreements continuing during the fiscal year.

4.5.5 RESEARCH AND DEVELOPMENT

The Company does not implement a research and development policy.

4.5.6 COMPANY EARNINGS PERFORMANCE IN THE LAST FIVE FISCAL YEARS

(in € millions)	2012	2011	2010	2009	2008
I – Capital at year-end					
Equity capital	1,773	1,698	1,698	1,762	1,762
Issue and merger premiums	15,419	15,094	15,094	15,953	15,954
Number of existing ordinary shares	709,214,653	679,336,000	679,336,000	704,902,716	704,902,716
II – Results of operations for the fiscal year					
Income before tax, employee profit-sharing and depreciation, amortization and provisions	473	582	1,521	470	(86)
Income tax	375	404	368	258	443
Employee profit-sharing payable for the fiscal year					
Income after tax and employee profit-sharing and depreciation, amortization and provisions	5	(1,077)	2,150	818	(1,257)
Distribute income (1)	369	353	734	761	761
III – Net income per share					
Income after tax and employee profit-sharing but before depreciation, amortization and provisions	1.20	1.45	2.78	1.03	0.51
Income after tax, employee profit-sharing and depreciation, amortization and provisions	0.01	(1.59)	3.16	1.17	(1.78)
Net dividend allocated to each share (1)	0.58	0.52	1.08	1.08	1.08
IV – Employee					
Average number of employees during the fiscal year	9	12	8	12	9
Amount of payroll for the fiscal year	19	20	25	16	18
Amount paid as employee benefits for the fiscal year (social security, social services)	6	6	7	5	7

(1) For 2012, this has been set by the Board of Directors and will be submitted to the Ordinary Shareholders' Meeting for approval.

In 2011, the distributed earnings shown in this table do not include the distribution of Dia shares in the form of a dividend-in-kind on July 5, 2011, amounting to 2,310 million euros.

5

CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012

The 2011 comparative information presented in this report has been restated to reflect the reclassification of certain operations in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. These restatements are described in Note 4.

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.

5.1 Consolidated income statement

(in € millions)	Notes	2012	2011 [(1)]	% change
Net sales	*6*	76,789	76,067	0.9%
Loyalty program costs		(662)	(810)	(18.3)%
Net sales net of loyalty program costs		**76,127**	**75,257**	**1.2%**
Other revenue	*7*	2,333	2,224	4.9%
Total revenue		**78,460**	**77,481**	**1.3%**
Cost of sales	*8*	(61,523)	(60,673)	1.4%
Gross margin from recurring operations		**16,937**	**16,809**	**0.8%**
Sales, general and administrative expenses	*9*	(13,249)	(13,060)	1.4%
Depreciation, amortization and provisions	*10*	(1,548)	(1,552)	(0.3)%
Recurring operating income		**2,140**	**2,197**	**(2.6)%**
Non-recurring income and expenses, net	*11*	(707)	(2,337)	-
Operating income/(loss)		**1,434**	**(140)**	**-**
Finance costs and other financial income and expenses, net	*12*	(882)	(705)	25.1%
Finance costs, net		*(486)*	*(462)*	*5.2%*
Other financial income and expenses, net		*(396)*	*(243)*	*63.1%*
Income/(loss) before taxes		**552**	**(845)**	**(165.2)%**
Income tax expense	*13*	(388)	(931)	(58.3)%
Net income from companies accounted for by the equity method		72	64	13.0%
Net income/(loss) from continuing operations		**235**	**(1,713)**	**(113.7)%**
Net income from discontinued operations	*14*	1,081	2,116	-
Net income for the year		**1,316**	**404**	**225.9%**
Group share		**1,233**	**371**	**232.2%**
of which net income/(loss) from continuing operations		113	(1,865)	(106.1)%
of which net income from discontinued operations		1,120	2,237	-
Attributable to non-controlling interests		**83**	**33**	**154.5%**

(1) Restated, see Note 4.

Basic earnings/(loss) *(per share, in €)*	2012	2011	% change
Earnings/(loss) from continuing operations per share	0.17	(2.83)	na
Earnings from discontinued operations per share	1.65	3.39	na
Basic earnings per share – Group share	1.81	0.56	221.8%

Diluted earnings/(loss) *(per share, in €)*	2012	2011	% change
Diluted earnings/(loss) from continuing operations per share	0.17	(2.83)	na
Diluted earnings from discontinued operations per share	1.64	3.39	na
Diluted earnings per share – Group share	1.81	0.56	221.6%

Calculation details are provided in Note 15.

5.2 Consolidated statement of comprehensive income

(in € millions)	2012	2011 (1)
Net income for the year	**1,316**	**404**
Effective portion of changes in the fair value of cash flow hedges (2)	6	(14)
Changes in the fair value of available-for-sale financial assets (2)	7	(2)
Changes in currency translation adjustment (3)	(192)	(324)
Other comprehensive income after tax	**(180)**	**(340)**
Total comprehensive income	**1,136**	**64**
Group share	1,061	72
Attributable to non-controlling interests	75	(9)

(1) Restated, see Note 4.

(2) Presented net of the tax effect (see Note 16 for details).

(3) The decrease (192 million euros) in the currency translation adjustment in 2012 mainly reflects the decline in the Brazilian and Argentine currencies against the euro during the period.

5

5.3 Consolidated statement of financial position

ASSETS

(in € millions)	Notes	December 31, 2012	December 31, 2011
Goodwill	*17*	8,608	8,740
Other intangible assets	*17*	801	966
Property and equipment	*18*	11,509	13,771
Investment property	*19*	513	507
Investments in companies accounted for by the equity method	*20*	384	280
Other non-current financial assets	*20*	1,125	1,433
Consumer credit granted by the financial services companies – long term	*33*	2,360	2,236
Deferred tax assets	*21*	752	745
Non-current assets		**26,052**	**28,676**
Inventories	*22*	5,658	6,848
Trade receivables	*23*	2,144	2,782
Consumer credit granted by the financial services companies – short-term	*33*	3,286	3,384
Other current financial assets	*24*	352	911
Tax receivables		520	468
Other assets	*25*	795	969
Cash and cash equivalents	*26*	6,573	3,849
Assets held for sale (1)		**465**	**44**
Current assets		**19,793**	**19,254**
TOTAL ASSETS		**45,844**	**47,931**

(1) Assets held for sale and related liabilities correspond:
- *in 2011, to shares in the Altis Group which was accounted for by the equity method in 2010 (see Note 3), and certain assets in Italy;*
- *in 2012, to assets and liabilities related to Indonesia (see Note 4) and Singapore, and certain assets in France and Italy.*

SHAREHOLDERS' EQUITY AND LIABILITIES

(in € millions)	Notes	December 31, 2012	December 31, 2011
Share capital	*27*	1,773	1,698
Consolidated reserves and income for the year		5,714	4,919
Shareholders' equity – Group share		**7,487**	**6,617**
Shareholders' equity attributable to non-controlling interests		874	1,009
Total shareholders' equity		**8,361**	**7,627**
Long-term borrowings	*32*	8,983	9,513
Provisions	*29*	4,000	3,680
Consumer credit financing – long-term	*33*	1,966	419
Deferred tax liabilities	*21*	580	586
Non-current liabilities		**15,528**	**14,198**
Short-term borrowings	*32*	2,263	2,159
Suppliers and other creditors	*34*	12,925	15,362
Consumer credit financing – short-term	*33*	3,032	4,482
Tax payables		1,040	1,319
Other payables	*35*	2,422	2,785
Liabilities related to assets held for sale (1)		**273**	**0**
Current liabilities		**21,955**	**26,106**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**45,844**	**47,931**

(1) Assets held for sale and related liabilities correspond:
- *in 2011, to shares in the Altis Group which was accounted for by the equity method in 2010 (see Note 3), and certain assets in Italy;*
- *in 2012, to assets and liabilities related to Indonesia (see Note 4) and Singapore, and certain assets in France and Italy.*

5.4 Consolidated statement of cash flows

(in € millions)	2012	2011 [1]
Income/(loss) before taxes	**552**	**(845)**
Cash flows from operating activities		
Taxes	(543)	(690)
Depreciation and amortization expense	1,610	1,644
Capital (gains)/losses on sales of assets	(186)	(175)
Change in provisions and *impairment*	719	2,420
Dividends received from companies accounted for by the equity method	30	26
Impact of discontinued operations	48	196
Cash flow from operations	**2,228**	**2,577**
Change in working capital requirement [2]	(42)	(240)
Impact of discontinued operations	(219)	11
Net cash from operating activities (excluding financial services companies)	**1,967**	**2,348**
Change in consumer credit granted by the financial services companies	7	(233)
Impact of discontinued operations		3
Net cash from operating activities	**1,973**	**2,118**
Cash flows from investing activities		
Acquisitions of property and equipment and intangible assets	(1,547)	(2,119)
Acquisitions of financial assets	(34)	(30)
Acquisitions of subsidiaries [3]	(175)	(41)
Proceeds from the disposal of subsidiaries [4]	154	7
Proceeds from the disposal of property and equipment and intangible assets	234	488
Proceeds from the disposal of investments in non-consolidated companies	5	21
Change in amounts receivable from and due to suppliers of fixed assets	(166)	191
Investments net of disposals	**(1,530)**	**(1,483)**
Other cash flows from investing activities	34	(61)
Impact of discontinued operations [5]	1,833	1,146
Net cash from/(used in) investing activities	**337**	**(398)**
Cash flows from financing activities		
Proceeds from share issues to non-controlling interests	6	12
Acquisitions and disposals of investments without any change of control [6]	(9)	(13)
Dividends paid by Carrefour (parent company)	(137)	(708)
Dividends paid by consolidated companies to non-controlling interests	(121)	(99)
Change in treasury stock and other equity instruments	0	(126)
Change in current financial assets	687	853
Issuance of bonds	1,250	500
Repayments of bonds	(996)	(1,442)
Other changes in borrowings	(255)	(270)
Impact of discontinued operations	122	123
Net cash from/(used in) financing activities	**546**	**(1,170)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**2,856**	**551**
Effect of changes in exchange rates	(132)	27
Net change in cash and cash equivalents	**2,724**	**578**
Cash and cash equivalents at beginning of year	**3,849**	**3,271**
Cash and cash equivalents at end of year	**6,573**	**3,849**

(1) Restated, see Note 4.
(2) See Note 38 for details.
(3) Including impact of the Guyenne & Gascogne tender offer (cost of additional shares giving the Group control of the business) for 96 million euros.
(4) Disposal of Altis shares for 153 million euros.
(5) Including the sale price of operations in Colombia and Malaysia, for a total of 2,053 million euros.
(6) This item corresponds:
a. for 144 million euros, to the buyout of minority interests in Sogara and Centros Comerciales Carrefour, both already controlled by the Group, in connection with the Guyenne & Gascogne acquisition;
b. for 200 million euros to the buyout of the Group's financial services partner in Brazil, followed by the sale of an interest in this business to Itaù Unibanco;
c. for 66 million euros, to the buyout of minority interests in Grands Magasins Labruyère.

5.5 Consolidated statement of changes in Shareholders' equity

(in € millions)	Share capital	Translation reserve	Fair value reserve (1)	Other consolidated reserves and net income for the year	Shareholders' equity – Group share	Non-controlling interests	Total shareholders' equity
Shareholders' equity at December 31, 2010	**1,698**	**778**	**(55)**	**7,162**	**9,584**	**979**	**10,563**
Net income for the year				371	371	33	404
Other comprehensive income after tax		(320)	(6)	27	(299)	(42)	(340)
Total comprehensive income	**0**	**(320)**	**(6)**	**398**	**72**	**(9)**	**64**
Share-based payments				29	29		29
Treasury stock (net of tax)				(73)	(73)		(73)
2010 dividend payment				(708)	(708)	(105)	(813)
Distribution of Dia shares (2)				(2,230)	(2,230)		(2,230)
Change in capital and additional paid-in capital					0	36	36
Effect of changes in scope of consolidation and other movements (3)				(56)	(56)	107	51
Shareholders' equity at December 31, 2011	**1,698**	**458**	**(61)**	**4,521**	**6,618**	**1,009**	**7,627**
Net income for the year				1,233	1,233	83	1,316
Other comprehensive income after tax (4)		(365)	12		(354)	(8)	(362)
Total comprehensive income	**0**	**(365)**	**12**	**1,233**	**880**	**75**	**955**
Share-based payments				9	9		9
Treasury stock (net of tax)					0		0
2011 dividend payment (5)	41			(178)	(137)	(121)	(257)
Change in capital and additional paid-in capital (6)	33			155	188	6	194
Effect of changes in scope of consolidation and other movements (7)				(72)	(72)	(95)	(167)
Shareholders' equity at December 31, 2012	**1,773**	**93**	**(49)**	**5,669**	**7,487**	**874**	**8,361**

(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) Impact of the distribution of Dia shares on July 5, 2011.

(3) Including the impact of changes in financial liabilities for put options granted to non-controlling interests in subsidiaries.

(4) The detailed breakdown of other comprehensive income is presented after the income statement. The translation reserve was also reduced by cumulative exchange differences on operations in Colombia and Malaysia that were recycled to the income statement for 182 million euros following the disposal of these operations during 2012.

(5) The 2011 dividend totaling 348 million euros was paid in cash for 137 million euros and in new shares for 211 million euros (corresponding to the aggregate par value of the new shares for 41 million euros and premiums for 170 million euros).

(6) The cash offer for Guyenne & Gascogne with a stock alternative (see Note 3) led to the issue of 13.3 million new shares for a total of 188 million euros including premiums.

(7) This line includes the effect of:
(a) the buyout of minority interests in Sogara and Centros Comerciales Carrefour in connection with the Guyenne & Gascogne acquisition, for a negative 263 million euros;
(b) the buyout of the Group's financial services partner in Brazil, followed by the sale of an interest in this business to Itaù Unibanco, for a positive 112 million euros.

5.6 Notes to the Consolidated Financial Statements

TABLE OF CONTENTS

NOTE 1 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 ACCOUNTING PRINCIPLES AND STATEMENT OF COMPLIANCE

The Consolidated Financial Statements for the year ended December 31, 2012 were approved for publication by the Board of Directors on March 6, 2013. They will be submitted to shareholders for final approval at the Annual General Meeting on April 23, 2013.

Carrefour (the "Company") is domiciled in France. The Consolidated Financial Statements for the year ended December 31, 2012 comprise the financial statements of the Company and its subsidiaries (together the "Group") and the Group's share of the profits and losses, assets and liabilities of associated and jointly controlled companies. The presentation currency of the Consolidated Financial Statements is the euro, which is the Company's functional currency.

In accordance with European Regulation (EC) 1606/2002 dated July 19, 2002, the 2012 Consolidated Financial Statements have been prepared in compliance with the international accounting standards adopted for use in the European Union as of December 31, 2012 and applicable at that date, with 2011 comparative information prepared using the same basis of preparation.

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/internal_market/accounting/ias/index_en.htm

At December 31, 2012, 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 which had been only partly adopted. The unadopted provisions of IAS 39 have no impact on the Group's Consolidated Financial Statements. Consequently, the Group's Consolidated Financial Statements have been prepared in compliance with the IFRSs published by the IASB.

1.2 IFRSS AND INTERPRETATIONS APPLIED BY THE GROUP

The accounting and calculation methods used to prepare the 2012 Consolidated Financial Statements are the same as those used in 2011, except for the amendment to IFRS 7 – *Financial Instruments: Disclosures Concerning Transfers of Financial Assets* which is applicable for annual periods beginning on or after July 1, 2011.

As IFRS 7 only deals with disclosures, the amendment has no material impact on the Consolidated Financial Statements.

The Group decided not to early adopt the following standards and interpretations that were not applicable as of January 1, 2012:

Adopted for use in the European Union:

- amendment to IAS 1 – *Presentation of Other Comprehensive Income* (applicable for annual periods beginning on or after January 1, 2013);
- amendment to IAS 19 – *Employee Benefits* (applicable for annual periods beginning on or after January 1, 2013);
- standards dealing with consolidation (IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements*, IFRS 12 – *Disclosure of Interests in Other Entities*) and the resulting revisions to IAS 27 and IAS 28 (applicable for annual periods beginning on or after January 1, 2014);
- IFRS 13 – *Fair value Measurement* (applicable for annual periods beginning on or after January 1, 2013);
- amendment to IFRS 1 – *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (applicable for annual periods beginning on or after January 1, 2013);
- amendment to IAS 12 – *Income Tax, Recovery of Underlying Assets* (applicable for annual periods beginning on or after January 1, 2013);
- amendment to IAS 32 – *Offsetting Financial Assets and Financial Liabilities;*
- amendment to IFRS 7 – *Disclosures: Offsetting Financial Assets and Financial Liabilities*.

Not yet adopted for use in the European Union:

- IFRS 9 – *Financial Instruments: Classification and Measurement of Assets and Liabilities*;
- 2009-2011 annual improvements.

Application of IFRS 11, which eliminates proportionate consolidation as a method of accounting for jointly controlled entities, should not have any impact on the Consolidated Financial Statements as the Group already uses the equity method to account for these entities.

Application of IAS 19 (revised) will *inter alia* eliminate the use of the corridor method currently applied by Carrefour. Consequently, all unamortized actuarial gains and losses and all unrecognized past service costs will be recognized in shareholders' equity when the amendment is applied, no later than January 1, 2013.

The revised standard will be applicable retrospectively. The main effects of the change at January 1, 2012 and December 31, 2012 will be as follows:

- shareholders' equity at January 1, 2012 will be reduced by an estimated 131 million euros excluding the tax effect. This amount includes the recognition in shareholders' equity of (i) all unamortized actuarial gains and losses and all unrecognized past service costs for -126 million euros, and (ii) the adjustment to the projected benefit obligation arising from the restatement of taxes on the Belgian plans for -5 million euros;
- the 2012 benefit plan cost will be reduced by an estimated 31 million euros. This is mainly due to a change in the Belgian enhanced unemployment benefit plan ("prepensions") that had the effect of pushing back the average retirement age. In the 2012 accounts, it has been treated as a "negative past service cost" and amortized over the average vesting period of plan rights;
- shareholders' equity at December 31, 2012 will also be reduced by the actuarial gains and losses generated in 2012, representing an estimated 173 million euros, excluding the tax effect.

At December 31, 2012, the total impact of these changes on shareholders' equity will therefore be a negative 273 million euros, excluding the tax effect.

The possible impact on the Consolidated Financial Statements of applying the other new and amended standards is currently being assessed.

1.3 USE OF ESTIMATES

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.

The main management estimates used in the preparation of the Consolidated Financial Statements concern the useful lives of operating assets, the recoverable amount of goodwill and other intangible assets (Note 17) and property and equipment (Note 18), and the amount of provisions for contingencies and other business-related provisions (Note 29). The main assumptions concern pension and other post-employment benefit obligations (Note 30) and recognized deferred taxes (Note 21).

IAS 32 requires the recognition of a financial liability for put options written over non-controlling interests ("NCI puts"). The Group has chosen to apply a differentiated treatment depending on whether the puts were written before or after the first-time adoption of IAS 27 (amended) on January 1, 2010, as explained in Note 2 – Summary of significant accounting policies (paragraph "Put options written over non-controlling interests").

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently in all periods presented in the Consolidated Financial Statements and by all Group entities.

2.1 BASIS OF CONSOLIDATION

Companies over which the Group exercises exclusive control, directly or indirectly, are fully consolidated. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether control exists.

Investments in associates – defined as entities over which the Group has significant influence – and joint ventures are accounted for by the equity method. This method consists of recognizing in the Consolidated Financial Statements the Group's share of the total profits and losses recorded by the associate or joint venture as adjusted to comply with Group accounting policies, for the period from the date when significant influence or joint control is acquired until the date when it is lost.

Investments in companies where the Group does not exercise control or significant influence over financial and operating policy decisions are reported under "Non-current financial assets". The accounting treatment of these investments is described in the paragraph "Financial assets and liabilities".

Control over special purpose entities (SPEs), as defined in SIC 12, is determined based on an assessment of whether the Group obtains the majority of the benefits of the SPE and therefore may be exposed to risks incident to the SPE's activities.

An SPE is consolidated when the substance of the relationship between the Group and the SPE indicates that the SPE is controlled by the Group. This is considered to be the case, for example, when:

- in substance, the activities of the SPE are being conducted on behalf of the Group according to its specific business needs so that the Group obtains benefits from the SPE's operations;
- in substance, the Group has the decision-making powers to obtain the majority of the benefits of the SPE's activities or, by setting up an "autopilot" mechanism, the Group has delegated these decision-making powers;
- in substance, the Group has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the SPE's activities;
- in substance, the Group retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities.

2.2 SEGMENT INFORMATION

IFRS 8 – *Operating Segments* requires the disclosure of information about an entity's operating segments extracted 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. The Carrefour Group's operating segments consist of the countries in which it conducts its business through consolidated stores, 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 as having similar characteristics and have been combined to create four geographical segments, as allowed by IFRS 8.

- France;
- rest of Europe: Spain, Italy, Belgium, Poland, Turkey and Romania;
- Latin America: Brazil and Argentina;
- Asia: China, Taiwan and India.

Effective January 1, 2012, the income and expenses of certain support entities are allocated to the various countries proportionately to the services provided to each, with any unallocated revenue and expenses reported under "Global functions". In prior periods, these entities were allocated to the geographical segment corresponding to the country where they were located. Comparative information has been restated on the 2012 basis.

2.3 BUSINESS COMBINATIONS

At the IFRS transition date, the Group elected not to apply IFRS 3 to business combinations carried out prior to that date, in line with the option available to first-time adopters under IFRS 1.

Whenever the Group acquires control of an entity or group of entities, the identifiable assets acquired and liabilities assumed are recognized and measured at fair value. The difference between the consideration transferred (*i.e.* the acquisition cost) and the fair value of the identifiable assets acquired, net of the liabilities and contingent liabilities assumed, is recognized as goodwill. Goodwill is recorded directly in the statement of financial position of the acquired entity, in the entity's functional currency. Its recoverable amount is subsequently monitored at the level of the cash-generating unit to which the entity belongs.

Since the adoption of IFRS 3 (revised) on January 1, 2010, the Group applies the following principles:

- transaction costs are now recorded directly as an operating expense for the period in which they are incurred;
- for each business combination, the Group determines whether to apply the full goodwill or partial goodwill method:
  - the full goodwill method consists of measuring non-controlling interests in the acquiree at fair value and allocating to these interests part of the goodwill recognized at the time of the business combination,
  - under the partial goodwill method, non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets and no goodwill is allocated to these interests;
- any contingent consideration is measured at its acquisition-date fair value. Any subsequent change in fair value during the 12-month measurement period is recognized by adjusting goodwill only if it results from additional information about facts and circumstances that existed at the acquisition date. If this criterion is not met or the change in fair value arises after the measurement period, it is recorded in other comprehensive income;
- 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. 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;
- in the case of a bargain purchase, the gain is recognized immediately in profit;
- any acquisition or disposal of equity interests that does not result in control being acquired or lost is treated as a transaction between owners and recognized directly in shareholders' equity in accordance with IAS 27 (amended).

For entities or additional equity interests acquired during the year, the Group's share or increased share of the entity's profit or loss for the period from the transaction date is recognized in the consolidated income statement. For entities sold or equity interests reduced during the year, the Group's share of the entity's profit or loss for the period up to the transaction date is recognized in the consolidated income statement.

2.4 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 recognized in other comprehensive income and are taken into account in the calculation of any gain or loss realized 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 2012 or 2011.

2.5 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 gains or losses arising from translation of the loan at each successive period-end are recorded directly in other comprehensive income in accordance with IAS 21.

2.6 INTANGIBLE ASSETS AND PROPERTY AND EQUIPMENT

2.6.1. GOODWILL

In accordance with IAS 36 – *Impairment of Assets*, goodwill recognized on business combinations is not amortized but is tested for impairment every year, at December 31. Additional tests are performed at interim period-ends when there is an indication that it may be impaired.

The main impairment indicators used by the Group are as follows:

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

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

Impairment methods are described in Note 2.6.4 "Impairment tests".

2.6.2. OTHER INTANGIBLE ASSETS

Other intangible assets consist mainly of software, which is amortized over periods ranging from one to five years.

2.6.3. PROPERTY AND EQUIPMENT

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 (defined in IAS 23 – *Borrowing Costs* as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale), are capitalized as part of the cost of the asset.

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

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.

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 years
Car parks	6 years
Equipment, fixtures and fittings	6 to 8 years
Other	4 to 10 years

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

Depreciation methods and periods are reviewed at each period-end and, where appropriate, adjusted prospectively.

New long-term leases – particularly property leases – are analyzed 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 recognized 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 recognized in the statement of financial position under liabilities;
- lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

2.6.4. IMPAIRMENT TESTS

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 the Carrefour Group – 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 recognized 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 amortization, had no impairment loss been recognized for the asset in prior years.

2.6.4.1 Impairment of intangible assets other than goodwill and of property and equipment

Impairment tests on property and equipment are performed at the level of the individual stores, 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 amortization in two consecutive years (after the start-up period) are tested. Intangible assets with an indefinite useful life such as brands are tested at least once a year.

Value in use is considered as being 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.

2.6.4.2 Impairment of goodwill

IAS 36 – *Impairment of Assets* 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 unit or group of units to which the goodwill is so 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 before aggregation.

For the purpose of analyzing the recoverable amount of goodwill, each individual country is considered as representing a separate CGU. The choice of this level is based on a combination of organizational and strategic criteria:

- operations within each country (hypermarkets, supermarkets, etc.) use shared resources (country-level centralized purchasing organization, 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 is considered as corresponding to the sum of discounted future cash flows for a five-year period plus a terminal value calculated by projecting data for the fifth 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 3-year business plan drawn up by country management and approved by Group management.

The discount rate for each country is calculated as the weighted average cost of equity and debt, determined using the median gearing rate for the sector. Each country's cost of equity is obtained by adjusting the cost of equity in France to reflect the difference in the local inflation rate and to include a country risk premium. The country risk premium is generally estimated by reference to the difference between the five-year credit default swap (CDS) spread applicable to the country's sovereign debt and the spread applicable in France. The cost of debt is determined by applying the same logic.

The main assumptions used for impairment testing purposes are presented in Note 17.

2.7 FINANCIAL ASSETS AND LIABILITIES (EXCLUDING BANKING ACTIVITIES)

2.7.1. NON-DERIVATIVE FINANCIAL ASSETS

2.7.1.1 Accounting policy

In accordance with IAS 39, 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.

The classification of these assets determines their accounting treatment. Classification is determined 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 recognized on the trade date, defined as the date on which the Group is committed to buying or selling the asset.

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 recognized in the income statement, under financial income or expense.

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 recognized at fair value and are subsequently measured at amortized cost by the effective interest method. For short-term receivables with no specified interest rate, fair value is considered as being 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 receivables from non-consolidated companies, other loans and receivables and trade receivables. They are reported under “Other financial assets” or “Trade receivables”.

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 recognized at fair value and are subsequently measured at amortized cost by the effective interest method.

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.

Held-to-maturity investments are reported under “Other financial assets”.

The Group did not hold any assets classified as held-to-maturity at December 31, 2012 or December 31, 2011.

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 recognized 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 recognized in the income statement. If, in a subsequent period, the impairment loss decreases, the previously recognized impairment loss is released:

- for equity instruments (equities 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 recognized 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.

2.7.1.2 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

This line item mainly comprises investments in non-consolidated companies and long-term loans.

Trade receivables

Trade receivables include amounts receivable from suppliers and franchisees and rent receivable from tenants of shopping mall units. Impairment losses are recognized where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable.

Current financial assets

Current financial assets consist mainly of available-for-sale financial assets, measured at fair value, and short-term loans and deposits.

Cash and cash equivalents

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.

Cash includes cash on hand and demand deposits.

2.7.2. NON-DERIVATIVE FINANCIAL LIABILITIES

2.7.2.1 Accounting policy

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

2.7.2.2 Non-derivative financial liabilities held by the Group

The main 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, financial liabilities for put options written over non-controlling interests in subsidiaries, and financial liabilities related to securitized receivables for which the credit risk is retained by the Group.

Suppliers and other creditors

This line corresponds to trade payables.

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.

2.7.2.3 Put options written over non-controlling interests in subsidiaries ("NCI puts")

The Group has written put options over certain non-controlling interests in fully consolidated subsidiaries. The option exercise price may be fixed or it may be determined according to a predefined formula, and the options may be exercisable at any time or on a fixed date.

IAS 27 (amended), which has been applied by the Group since January 1, 2010, describes the accounting treatment of purchases of additional shares in controlled subsidiaries. The Group has decided to apply two different accounting methods to these puts, depending on whether they were written before or after first-time adoption of the amended standard.

NCI puts written prior to January 1, 2010: continued application of the partial goodwill method

- a financial liability was recognized for NCI puts;
- the liability, initially recognized at the present value of the exercise price, is remeasured at each period-end at the fair value of the shares that would be purchased if the exercise price were to be based on fair value;
- the initial liability was recognized by recording a deduction from non-controlling interests and, if necessary, goodwill;
- subsequent changes in the value of the liability are recognized by adjusting non-controlling interests and goodwill (except for discounting adjustments, which are recognized in financial income and expense);
- "Income – Group share" continues to be calculated based on the Group's percent interest in the subsidiary, without taking into account the percent interest represented by the NCI puts.

NCI puts written since January 1, 2010

IAS 27 (amended) stipulates that transactions in equity instruments with non-controlling interest shareholders that do not result in a change of control should be recognized by adjusting shareholders' equity. The Group therefore considers that the NCI puts written after the date of first-time adoption of the amended standard should only affect consolidated shareholders' equity. Accordingly:

- a financial liability is recognized for NCI puts;
- the liability is initially recognized at the present value of the exercise price and is subsequently measured at each period-end at the fair value of the shares that would be purchased if the exercise price were to be based on fair value;

- the initial liability is recognized by recording a deduction from non-controlling interests and, if necessary, "Shareholders' equity – Group share";
- subsequent changes in the value of the liability are recognized by adjusting non-controlling interests and "Shareholders' equity – Group share" (except for discounting adjustments, which are recognized in financial income and expense);
- "Income – Group share" continues to be calculated based on the Group's percent interest in the subsidiary, without taking into account the percent interest represented by the NCI puts.

2.7.3. 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 recognized at fair value. They are subsequently measured at fair value with the resulting unrealized gains and losses recorded as explained below.

2.7.3.1 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 recognized 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 recognized in the income statement, under "Financial income and expense".

The main cash flow hedges consist of interest rate swaps that convert variable rate debt to fixed rate, 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 recognized 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 at the time of issue of fixed rate bonds and notes. The hedged portion of the underlying financial liability is remeasured at fair value. Changes in fair value are recognized in the income statement and are offset by the effective portion of symmetrical changes in the fair value of the interest rate swaps.

2.7.3.2 Other derivative instruments

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

2.7.4. FAIR VALUE CALCULATION METHOD

The fair values of currency and interest rate instruments are determined using market-recognized 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 recognized 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 at the interest rate for similar instruments (in terms of currency, maturity, interest rate and other characteristics).

2.8 BANKING ACTIVITIES

To support its core retailing business, the Group offers banking and insurance services to customers through Carrefour Banque and other subsidiaries.

Due to 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;
- revenues from banking activities are reported in the income statement under "Other revenue";
- cash flows generated by banking activities are reported in the statement of cash flows under "Change in consumer credit granted by the financial services companies".

2.9 INVESTMENT PROPERTY

IAS 40 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 and represent a surface area of at least 2,500 square meters.

Investment property is recognized at cost and is depreciated over the same period as owner-occupied property.

The properties' fair value 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 capitalization rate, to the gross annualized rental revenue generated by each property; or
- based on independent valuations.

The fair value of investment property is presented in Note 19.

2.10 INVENTORIES

In accordance with IAS 2 – *Inventories*, goods inventories are measured at the lower of cost and net realizable value.

Cost 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 FIFO method. The cost of inventories includes all components of the purchase cost of goods sold (with the exception of exchange gains and losses) and takes into account the purchasing terms negotiated with suppliers.

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

2.11 PROVISIONS

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.

2.12 EMPLOYEE BENEFITS

Group employees receive short-term benefits (such as paid vacation, paid sick leave, statutory profit-sharing bonuses), long-term benefits (such as long-service awards, 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.

A) 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.

B) DEFINED BENEFIT AND LONG-TERM BENEFIT PLANS

A liability is recognized 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 and staff turnover rates.

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

The Group elected to account for post-employment benefit obligations using the corridor method. Under this method, the portion of actuarial gains and losses that falls within a "corridor" of plus or minus 10% of the defined benefit obligation (or the value of plan assets if the plan has a surplus) is not recognized in profit or loss. The portion that falls outside the 10% corridor is recognized in profit or loss over the average remaining service lives of the plan participants.

C) SHARE-BASED PAYMENTS

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

As allowed under IFRS 1, upon first-time adoption of IFRS the Group elected to apply IFRS 2 – *Share-based Payment* only to equity-settled stock options granted after November 7, 2002 that had not yet vested as of January 1, 2004. This had no impact on opening shareholders' equity at January 1, 2004.

All subsequent share-based payment plans have been accounted for in accordance with IFRS 2. 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. The amount recorded in employee benefits expense corresponds to the recognition over the vesting period of the benefit's fair value. Fair value is the value determined using the Black & Scholes option pricing model at the grant date in the case of options or the share price at the grant date in the case of stock grants. In accordance with IFRS 2, performance conditions that are not market conditions are not taken into account to estimate the fair value of stock grants and stock options at the measurement date.

2.13 INCOME TAX EXPENSE

Income tax expense includes current taxes and deferred taxes.

Deferred taxes are calculated on all temporary differences between the carrying amount of assets and liabilities and their tax basis (except in the specific cases referred to in IAS 12).

They are measured at the tax rates that are expected to apply to the period when the asset will be realized 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 business plan estimates of future taxable profits 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

The CVAE local business tax in France, which is assessed on the basis of the value-added generated by the business, is reported under income tax expense because the Group considers that it meets the definition of a tax on income contained in IAS 12.

2.14 TREASURY STOCK

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 income for the period.

2.15 NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS

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 are 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.

2.16 NET SALES NET OF LOYALTY PROGRAM COSTS

Net sales correspond exclusively to sales realized in the Group's stores and cash and carry outlets.

In accordance with IFRIC 13, which describes the accounting treatment of loyalty award credits granted to customers as part of a sales transaction, award credits are considered as a separately identifiable component of the sales transaction and are deducted from the amount of the sale at fair value.

2.17 OTHER REVENUE

Other revenue, corresponding mainly to sales of financial services and travel, rental revenues and franchise fees, is reported on a separate line below "Net sales" in the income statement.

Financial services revenues correspond mainly to bank card fees and arranging fees for traditional and revolving credit facilities, which are recognized over the life of the contract.

2.18 GROSS MARGIN FROM RECURRING OPERATIONS

Gross margin from recurring operations corresponds to the sum of net sales and other revenue less cost of sales as defined in Note 8.

2.19 RECURRING OPERATING INCOME

Recurring operating income corresponds to gross margin from recurring operations less sales, general and administrative expenses and depreciation, amortization and provisions.

2.20 NON-RECURRING INCOME AND EXPENSES

In accordance with the recommendation of the French accounting authorities (*Conseil National de la Comptabilité* recommendation 2009-R-03 dated July 2, 2009), 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 impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for or that arose in prior periods, based on information of which the Group became aware 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".

2.21 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing consolidated income – Group share by the weighted average number of shares outstanding during the period. Treasury stock is not considered as being outstanding and is therefore deducted from the number of shares used for the calculation. 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 consolidated income – Group share and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares (if any). Dilutive potential ordinary shares correspond mainly to convertible bonds and employee stock options. Stock options are considered as 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*). Stock grants are considered as potentially dilutive if the vesting conditions have been fulfilled.

NOTE 3 SIGNIFICANT EVENTS OF THE YEAR

The Group operated in a challenging macro-economic environment in 2012, particularly in Southern Europe.

3.1 RESTRUCTURING OF OPERATIONS IN GREECE

On June 15, 2012, Carrefour announced that an agreement had been reached with its Greek partner, the Marinopoulos Brothers Group, for the restructuring of their joint subsidiary, Carrefour Marinopoulos. The agreement provided for (i) the implementation of various measures designed to strengthen the financial position of Carrefour Marinopoulos and its subsidiaries, (ii) the assumption by Carrefour of the share of Carrefour Marinopoulos's cumulative losses attributable to minority shareholders, (iii) the sale of Carrefour's stake to Marinopoulos Brothers, and (iv) the signature of a brand license allowing Carrefour Marinopoulos to continue to operate under the Carrefour banner. It also included an earn-out clause.

The transaction was completed on August 8, 2012, after anti-trust approval had been obtained in Cyprus, Greece and Bulgaria and the various other conditions precedent had been met.

The cumulative losses attributable to minority shareholders (including for 2012) amounted to 95 million euros as of the transaction completion date. Their assumption by Carrefour pursuant to the terms of the agreement with the Marinopoulos Brothers Group led to this amount being reclassified in shareholders' equity in line with the provisions of IAS 27.

In accordance with IFRS 5, the following reclassifications have been made in the financial statements at December 31, 2012:

- Carrefour Marinopoulos's net loss for the period up to the transaction completion date (114 million euros) has been presented under "Net income from discontinued operations" with the portion attributable to non-controlling interests shown separately in accordance with IAS 27. To permit period-on-period comparisons, the same reclassification has been made in 2011;
- in the statement of cash flows, all of the Greek entities' cash flows are presented on the lines "Impact of discontinued operations", with 2011 cash flows reclassified accordingly.

The net loss on the sale is reported on the line "Net income from discontinued operations – Group share" (see Note 14).

3.2 TENDER OFFER FOR GUYENNE & GASCOGNE

On February 14, 2012, the Group announced that it had filed a cash offer with a stock alternative for Guyenne & Gascogne, its historical partner in southwestern France. The offer was cleared by France's securities regulator, *Autorité des Marchés Financiers* (AMF), on February 28, 2012 and the Offer Document prepared by Carrefour was approved under AMF visa no. 12-095.

The Offer terms were as follows:

- cash offer: one Guyenne & Gascogne share (cum dividend, after taking into account the payment of a special dividend of 7.0 euros per share) for 74.25 euros in cash;
- alternative stock offer: one Guyenne & Gascogne share for 3.90 Carrefour shares (cum dividend) (offer limited to 4,986,786 Guyenne & Gascogne shares).

The Offer ran from March 22 to May 30, 2012. The planned business combination between Carrefour and Guyenne & Gascogne was cleared by France's anti-trust authorities on May 9, 2012 and the results of the Offer were announced by the AMF on June 4, 2012. In all, 6,423,906 shares were tendered – of which 3,005,637 shares to the cash offer and 3,418,269 shares to the alternative stock offer – giving Carrefour 96.61% of Guyenne & Gascogne's capital. As stated in the section of the Offer Document describing its intentions, Carrefour decided to implement a squeeze-out procedure in order to acquire the remaining Guyenne & Gascogne shares at the cash offer price of 74.25 euros per share. The procedure was implemented on June 13, 2012.

In accordance with the terms of the Offer, the Guyenne & Gascogne acquisition led to:

- the issue by Carrefour of 13,331,250 new 2.50 euros par value shares at a premium per share of 11.63 euros, for a total of 188 million euros;
- cash payments totaling 239 million euros to the Guyenne & Gascogne shareholders who tendered their shares to the cash offer or sold them under the squeeze-out procedure.

The total acquisition cost was therefore 428 million euros.

In accounting terms, the transaction consisted of:

- the acquisition of the stores operated directly by Guyenne & Gascogne (six hypermarkets operated as Carrefour franchise outlets and 28 supermarkets operated as Carrefour *market* franchise outlets), accounted for in accordance with IFRS 3;

- the acquisition of non-controlling interests, consisting of Guyenne & Gascogne's 50.0% interest in Sogara (a company that was already controlled by Carrefour) and Sogara's 8.2% interest in Centros Comerciales Carrefour ("Carrefour Spain"). These acquisitions of non-controlling interests have been treated as transactions with owners and accounted for directly in shareholders' equity in accordance with IAS 27.

The first-time consolidation of Guyenne & Gascogne led to the recognition of goodwill in the amount of 35 million euros and to a 143 million euros reduction in shareholders' equity – Group share, corresponding to the difference between the acquisition price of the non-controlling interests and their carrying amount in the Group accounts. Taking into account the share issue carried out in conjunction with the Offer, the net impact on shareholders' equity – Group share was an increase of 45 million euros.

3.3 NEW FINANCIAL SERVICES PARTNERSHIP IN BRAZIL

During the first half of 2011, Carrefour signed an agreement making Itaù Unibanco its new partner in BSF Holding, its financial services and insurance subsidiary, in place of the previous partner.

Once the transaction had been cleared by Brazil's central bank, Carrefour Brazil purchased the previous partner's 40% interest in BSF Holding and then sold 49% of BSF Holding to Itaù Unibanco.

In accordance with IAS 27, the operation was treated as two successive transactions with owners without a change of control. Consequently, it led to a 163 million euros increase in shareholders' equity – Group share, after taking into account the tax impact.

3.4 SALE OF THE GROUP'S INTEREST IN ALTIS AND ITS SUBSIDIARIES

In line with the commitment given in December 2011, during the first half of 2012 the Group sold to Eroski its 50% stake in Altis (and its subsidiaries), which was accounted for by the equity method up to the date of sale.

The 111 million euros gain on the sale (before tax) is included in non-recurring operating income.

3.5 ACQUISITION OF THE EKI STORES IN ARGENTINA

On June 14, 2012, Carrefour announced that it had acquired 129 Eki stores (110 convenience stores and 19 supermarkets), located mainly in and around the Argentine capital, Buenos Aires.

In accordance with IFRS 3 (revised), the first-time consolidation of Eki led to the recognition of goodwill of 21 million euros.

3.6 2011 DIVIDEND REINVESTMENT OPTION

At the Annual General Meeting held on June 18, 2012, shareholders decided to set the 2011 dividend at 0.52 euro per share and to offer a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at 12.78 euros per share, representing 95% of the average of the opening prices quoted on NYSE Euronext Paris during the 20 trading days preceding the date of the Annual General Meeting, less the net amount of the dividend of 0.52 euro per share and rounded up to the nearest euro cent.

The option period was open from July 4 to July 18, 2012. At the end of this period, shareholders owning 59.73% of Carrefour's shares had elected to reinvest their 2011 dividends.

July 27, 2012 was set as the date for:

- settlement/delivery of the 16,547,403 new shares corresponding to reinvested dividends, leading to a total capital increase of 211 million euros (of which, aggregate par value of the new shares for 41 million euros and premiums for 170 million euros);
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of 137 million euros after deducting the 7 million euros in dividends attributable to shares held in treasury.

3.7 DISPOSAL OF OPERATIONS IN COLOMBIA, MALAYSIA AND INDONESIA

On October 18, 2012, the Group announced the signature of an agreement with Chile's Cencosud Group for the sale of its operations in Colombia for an enterprise value of 2 billion euros. The transaction was completed on November 30, 2012.

On October 31, 2012, the Group announced the sale, with immediate effect, of its operations in Malaysia to the Aeon Group, a major Japanese retailer, for an enterprise value of 250 million euros.

On November 20, 2012, the Group announced the sale of its 60% stake in Carrefour Indonesia to its local partner, CT Corp, which has become Carrefour's exclusive franchisee in this country. The sale was agreed at a price of 525 million euros.

The total income recorded in "Net income from discontinued operations" in 2012 for these three operations amounted to 1,359 million euros, including their results for the period to the sale date and cumulative currency translation adjustments related to these subsidiaries recognized in the income statement.

The sale of the Group's operations in Indonesia was completed on January 16, 2013. The gain on disposal will therefore be reported in the 2013 income statement on the line "Net income from discontinued operations".

NOTE 4 RESTATEMENT OF COMPARATIVE INFORMATION

In accordance with IFRS 5, income and expenses related to discontinued operations (Greece, Colombia, Malaysia, Singapore and Indonesia) have been reclassified to "Net income from discontinued operations" in the 2012 and 2011 income statements, and their cash flows have been reclassified to the lines "Impact of discontinued operations" in the 2012 and 2011 statements of cash flows.

4.1 DETAILS OF "NET INCOME FROM DISCONTINUED OPERATIONS", "ASSETS HELD FOR SALE" AND "LIABILITIES RELATED TO ASSETS HELD FOR SALE"

The main income statement indicators of the entities reclassified in accordance with IFRS 5 are as follows:

(in € millions)	2012	2011
Net sales	4,019	5,204
Gross margin from recurring operations	815	1,043
Recurring operating loss	(18)	(15)
Operating loss	(27)	(340)
Loss before taxes	(75)	(393)
Income taxes	(20)	(71)
Net loss	(95)	(464)

The following main balance sheet items for the Group's Indonesian operations have been reclassified to "Assets held for sale" and "Liabilities related to assets held for sale" at December 31, 2012 in accordance with IFRS 5:

(in € millions)	December 31, 2012
Assets	
Goodwill	28
Other intangible assets	2
Property and equipment	177
Investment property	0
Other non-current financial assets	27
Deferred tax assets	18
Non-current assets	**253**
Inventories	64
Trade receivables	41
Tax receivables	4
Other assets	17
Cash and cash equivalents	57
Current assets	**182**
TOTAL ASSETS	**436**
Shareholders' equity and liabilities	
Shareholders' equity – Group share	100
Shareholders' equity attributable to non-controlling interests	65
Total shareholders' equity	**164**
Long-term borrowings	14
Provisions	42
Deferred tax liabilities	0
Non-current liabilities	**56**
Short-term borrowings	8
Suppliers and other creditors	172
Tax payables	12
Other payables	24
Current liabilities	**216**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**436**

4.2 IMPACT ON THE 2011 INCOME STATEMENT AND 2011 STATEMENT OF CASH FLOWS

CONSOLIDATED INCOME STATEMENT

Sign convention: "-" = expenses; "+" = income (in € millions)	2011 reported	IFRS 5 reclassifications	2011 restated
Net sales	81,271	5,204	76,067
Loyalty program costs	(816)	(6)	(810)
Net sales net of loyalty program costs	**80,455**	**5,198**	**75,257**
Other revenue	2,309	85	2,224
Total revenue	**82,764**	**5,283**	**77,481**
Cost of sales	(64,912)	(4,239)	(60,673)
Gross margin from recurring operations	**17,852**	**1,043**	**16,809**
Sales, general and administrative expenses	(13,969)	(909)	(13,060)
Depreciation, amortization and provisions	(1,701)	(149)	(1,552)
Recurring operating income/(loss)	**2,182**	**(15)**	**2,197**
Non-recurring income and expenses, net	(2,662)	(326)	(2,337)
Operating loss	**(481)**	**(340)**	**(140)**
Finance costs and other financial income and expenses, net	(757)	(52)	(705)
Loss before taxes	**(1,238)**	**(393)**	**(845)**
Income tax expense	(1,002)	(71)	(931)
Net income from companies accounted for by the equity method	64	0	64
Net loss from continuing operations	**(2,176)**	**(464)**	**(1,713)**
Net income from discontinued operations	2,580	464	2,116
Net income for the year	**404**	**0**	**404**
Group share	**371**	**0**	**371**
of which net loss from continuing operations	(2,202)	(336)	(1,865)
of which net income from discontinued operations	2,573	336	2,237
Attributable to non-controlling interests	**33**	**0**	**33**
Net income for the year	**404**		**404**
Effective portion of changes in the fair value of cash flow hedges	(14)		(14)
Changes in the fair value of available-for-sale financial assets	(2)		(2)
Exchange differences on translating foreign operations	(324)		(324)
Other comprehensive income after tax	**(340)**		**(340)**
TOTAL COMPREHENSIVE INCOME	**64**		**64**
Group share	72		72
Attributable to non-controlling interests	(9)		(9)

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	2011 Reported	IFRS 5 reclassifications	2011 Restated
Loss before taxes	**(1,238)**	**(393)**	**(845)**
Cash flows from operating activities			
Taxes	(712)	(22)	(690)
Depreciation and amortization expense	1,795	151	1,644
Capital (gains)/losses on sales of assets	(155)	20	(175)
Change in provisions and *impairment*	2,643	223	2,420
Dividends received from companies accounted for by the equity method	26	0	26
Impact of discontinued operations	217	21	196
Cash flow from operations	**2,577**	**0**	**2,577**
Change in working capital requirement	(117)	122	(240)
Impact of discontinued operations	(111)	(122)	11
Net cash from operating activities (excluding financial services companies)	**2,348**	**0**	**2,348**
Change in consumer credit granted by the financial services companies	(229)	3	(233)
Impact of discontinued operations		(3)	3
Net cash from operating activitie	**2,118**	**0**	**2,118**
Cash flows from investing activities			
Acquisitions of property and equipment and intangible assets	(2,330)	(211)	(2,119)
Acquisitions of financial assets	(30)	0	(30)
Acquisitions of subsidiaries	(41)	0	(41)
Proceeds from the disposal of subsidiaries	7	0	7
Proceeds from the disposal of property and equipment and intangible assets	495	7	488
Proceeds from the disposal of investments in non-consolidated companies	21	0	21
Change in amounts receivable from and due to suppliers of fixed assets	206	16	191
Investments net of disposals	**(1,672)**	**(189)**	**(1,483)**
Other cash flows from investing activities	(55)	6	(61)
Impact of discontinued operations	1,329	183	1,146
Net cash used in investing activities	**(398)**	**0**	**(398)**
Cash flows from financing activities			
Proceeds from share issues	37	25	12
Acquisitions and disposals of investments without any change of control	(13)	0	(13)
Dividends paid by Carrefour (parent company)	(708)	0	(708)
Dividends paid by consolidated companies to non-controlling interests	(103)	(5)	(99)
Change in treasury stock and other equity instruments	(126)	0	(126)
Change in current financial assets	853	0	853
Issuance of bonds	500	0	500
Repayments of bonds	(1,442)	0	(1,442)
Other changes in borrowings	(190)	80	(270)
Impact of discontinued operations	23	(101)	123
Net cash used in financing activities	**(1,170)**	**0**	**(1,170)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	551		551
Effect of changes in exchange rates	27		27
Net change in cash and cash equivalents	**578**		**578**
Cash and cash equivalents at beginning of year	**3,271**		**3,271**
Cash and cash equivalents at end of year	**3,849**		**3,849**

NOTE 5 SEGMENT INFORMATION

The Group's operating segments consist of the countries in which it does business, combined by region, and "Global functions" corresponding to the holding companies and other support entities.

5.1 SEGMENT RESULTS

2012 *(in € millions)*	Total	France	Rest of Europe	Latin America	Asia	Global functions
Net sales	76,789	35,341	20,873	14,174	6,400	0
Other revenue	2,333	911	563	528	262	69
Recurring operating income/(loss)	**2,140**	**929**	**509**	**608**	**168**	**(74)**
Operating income	**1,434**					
Finance costs and other financial income and expenses, net	(882)					
Income before taxes	**552**					
NET INCOME FOR THE YEAR	**1,316**					
Capital expenditure [(1)]	1,547	602	345	308	257	35
Depreciation and amortization expense	(1,524)	(620)	(456)	(219)	(186)	(43)

(1) Capital expenditure corresponds to the acquisitions of property and equipment and intangible assets reported in the statement of cash flows.

2011 *(in € millions)*	Total	France	Rest of Europe	Latin America	Asia	Global functions
Net sales	76,067	35,179	21,536	13,551	5,801	0
Other revenue	2,224	883	543	504	237	58
Recurring operating income/(loss)	**2,197**	**898**	**640**	**532**	**187**	**(61)**
Operating loss	**(140)**					
Finance costs and other financial income and expenses, net	(705)					
Loss before taxes	**(845)**					
NET INCOME FOR THE YEAR	**404**					
Capital expenditure [(1)]	2,119	893	616	379	193	38
Depreciation and amortization expense	(1,562)	(646)	(469)	(231)	(172)	(44)

(1) Capital expenditure corresponds to the acquisitions of property and equipment and intangible assets reported in the statement of cash flows.

5.2 SEGMENT ASSETS AND LIABILITIES

December 31, 2012 *(in € millions)*	Total	France	Rest of Europe	Latin America	Asia	Global functions
Assets						
Goodwill	8,608	4,337	3,256	880	99	35
Other intangible assets	801	314	289	118	8	73
Property and equipment	11,509	4,203	3,820	2,306	1,142	37
Investment property	513	145	280	33	54	
Other segment assets (1)	14,762	6,424	4,188	2,884	817	450
Total segment assets	**36,193**	**15,422**	**11,833**	**6,222**	**2,120**	**596**
Unallocated assets	9,652					
Total assets	**45,844**					
Liabilities						
Segment liabilities (2)	21,117	9,871	5,213	3,490	2,066	476
Unallocated liabilities	16,366					
TOTAL	**37,483**					

(1) Other segment assets consist of inventories, trade receivables, consumer credit granted by the financial services companies and other receivables.
(2) Segment liabilities comprise suppliers and other creditors, consumer credit financing and other payables.

December 31, 2011 *(in € millions)*	Total	France	Rest of Europe	Latin America	Asia	Global functions
Assets						
Goodwill	8,740	4,259	3,160	1,146	140	35
Other intangible assets	966	327	369	176	10	84
Property and equipment	13,771	4,232	4,741	3,277	1,482	39
Investment property	507	101	261	49	95	-
Other segment assets (1)	16,686	7,006	4,917	3,176	1,144	442
Total segment assets	**40,669**	**15,925**	**13,448**	**7,824**	**2,872**	**600**
Unallocated assets	7,262					
Total assets	**47,931**					
Liabilities						
Segment liabilities (2)	24,031	10,494	6,886	3,594	2,457	599
Unallocated liabilities	16,273					
TOTAL	**40,304**					

(1) Other segment assets consist of inventories, trade receivables, consumer credit granted by the financial services companies and other receivables.
(2) Segment liabilities comprise suppliers and other creditors, consumer credit financing and other payables.

NOTE 6 NET SALES

Excluding the currency effect, 2012 net sales amounted to 77,317 million euros *versus* 76,067 million euros the previous year, an increase of 1.6%.

Changes in exchange rates reduced net sales by 528 million euros in 2012, reflecting negative effects of 1,017 million euros in the Latin America segment and 79 million euros in the Rest of Europe segment, partly offset by a positive effect of 568 million euros in the Asia segment.

(in € millions)	2012	2011	% change
Net sales	76,789	76,067	0.9%

(in € millions)	2012	2011
France	**35,341**	**35,179**
Rest of Europe	**20,873**	**21,536**
Spain	7,975	8,373
Italy	5,103	5,419
Belgium	3,913	3,825
Poland	1,809	1,892
Turkey	1,087	1,071
Romania	986	955
Latin America	**14,174**	**13,551**
Brazil	11,273	11,131
Argentina	2,901	2,420
Asia	**6,400**	**5,801**
China	4,838	4,345
Taiwan	1,535	1,430
India	28	26

NOTE 7 OTHER REVENUE BY NATURE

(in € millions)	2012	2011	% change
Financing fees and commissions [1]	1,331	1,290	3.2%
Rental revenue	269	262	2.8%
Revenue from sub-leases	233	203	15.1%
Other revenue	500	470	6.4%
TOTAL	**2,333**	**2,224**	**4.9%**

(1) Revenue generated by the financial services companies.

The amounts reported on the line "Other revenue" in the above table correspond mainly to franchise fees, business lease fees and related revenue.

NOTE 8 COST OF SALES

Cost of sales comprises purchase costs, changes in inventory, the cost of products sold by the financial services companies, discounting revenue and exchange gains and losses on goods purchases.

NOTE 9 SALES, GENERAL AND ADMINISTRATIVE EXPENSES

(in € millions)	2012	2011	% change
Payroll costs	7,566	7,407	2.1%
Property rentals	941	861	9.3%
Maintenance and repair costs	707	705	0.3%
Fees	796	761	4.6%
Advertising expense	908	1,026	(11.4)%
Taxes other than on income	515	515	(0.0)%
Energy and electricity	662	626	5.8%
Other	1,153	1,159	(0.5)%
TOTAL	**13,249**	**13,060**	**1.4%**

NOTE 10 DEPRECIATION AND AMORTIZATION

(in € millions)	2012	2011	% change
Depreciation	1,269	1,255	1.1%
Amortization	205	257	(20.2)%
Depreciation – finance leases	33	32	3.1%
Depreciation – investment property	18	18	(4.8)%
Provision expense, net	24	(10)	(333.6)%
TOTAL	**1,548**	**1,552**	**(0.3)%**

NOTE 11 NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses correspond to certain material items that are unusual in terms of their nature and frequency, such as impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for or that arose in prior periods, based on information of which the Group became aware during the reporting year.

(in € millions)	2012	2011
Net gains on sales of assets	234	255
Restructuring costs	(285)	(205)
Other non-recurring income and expenses	(419)	(392)
Non-recurring income and expenses, net before asset impairment and write-offs	**(470)**	**(341)**
Asset impairment and write-offs	(236)	(1,996)
Impairment and write-offs of goodwill	*(18)*	*(1,778)*
Impairment and write-offs of property and equipment	*(219)*	*(218)*
NON-RECURRING INCOME AND EXPENSES, NET	**(707)**	**(2,337)**
of which:		
Non-recurring income	*256*	*345*
Non-recurring expenses	*(962)*	*(2,682)*

NET GAINS ON SALES OF ASSETS

In 2012, the Group sold its 50% interest in Altis (and its subsidiaries) to Eroski, realizing a pre-tax gain of 111 million euros. Other asset sales during the period, mainly in France, generated total gains of 123 million euros.

In 2011, this item mainly concerned the late-December sale of a portfolio of 97 supermarket properties in France for 365 million euros, leading to the recognition of a pre-tax gain of 229 million euros.

RESTRUCTURING COSTS

Restructuring costs recorded in 2012 mainly concerned reorganization plans in Europe, including the voluntary separation plan announced during the year to reduce support staff numbers in France.

Restructuring costs in 2011 related primarily to the 2009-2012 Transformation Plan.

OTHER NON-RECURRING INCOME AND EXPENSES

To bring to an end a long-standing dispute with the tax authorities in Brazil and avoid incurring further substantial litigation costs, the Group chose to take advantage of tax amnesties offered by various Brazilian states in 2012. The related provisions have been adjusted accordingly.

Other non-recurring income and expenses for 2012 included various special taxes introduced in France's amended Finance Act for a total of 51 million euros, including a 36 million euros retroactive levy on the value of gasoline inventories held in the fourth quarter of 2011.

In addition, certain provision charges were recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the year.

In 2011, other non-recurring income and expenses represented a net expense of 392 million euros, including:

- provisions for additional tax risks;
- an increase in the provision for the VAT reassessment in France (77 million euros);
- provisions for various material identified employee-related risks (156 million euros).

IMPAIRMENT LOSSES AND ASSET WRITE-OFFS

In 2012, an 18 million euros impairment loss was recorded on Polish goodwill following the decision to close the Group's stores in that country to which the goodwill was allocated.

Impairment losses recorded on property and equipment in 2012 totaled 155 million euros (2011: 130 million euros). The write-downs mainly concerned Spain, Italy and France and reflected the fall in value of certain assets used in environments that were severely affected by the economic crisis.

In 2011, in response to the deepening economic crisis in the second half of the year and the austerity plans implemented in southern European countries, the Group reviewed all of its business plans and downgraded its growth forecasts for operations in Italy. The impairment tests performed on the basis of the revised business plan projections led to Italian goodwill being written down by 1,750 million euros at December 31, 2011.

NOTE 12 FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

This item breaks down as follows:

(in € millions)	2012	2011
Interest income from loans and cash equivalents	**53**	**53**
Interest income from bank deposits	50	44
Interest income from loans	3	9
Finance costs	**(539)**	**(515)**
Interest expense on financial liabilities measured at amortized cost, adjusted for income and expenses from interest rate instruments.	(502)	(490)
Interest expense on finance lease liabilities	(32)	(35)
Change in fair value of interest rate instruments held for trading	(5)	10
Ineffective portion of fair value hedges of borrowings	0	0
Finance costs, net	**(486)**	**(462)**
Other financial income and expenses, net	**(396)**	**(243)**
Interest cost on post-employment benefit obligations	(46)	(48)
Return on pension plan assets	9	10
Financial transaction tax	(43)	(42)
Late interest due in connection with tax reassessments and employee-related litigation	(84)	(150)
Dividends received on available-for-sale financial assets	6	8
Proceeds from the sale of available-for-sale financial assets reclassified from other comprehensive income	14	25
Cost of sold available-for-sale financial assets reclassified from other comprehensive income	(7)	(19)
Exchange gains and losses, net	(10)	(14)
Impact of withdrawal from a structured finance arrangement and reclassification of hedging instruments (1)	(216)	15
Other	(19)	(27)
Finance costs and other financial income and expenses, net	**(882)**	**(705)**
Financial expenses	*(964)*	*(825)*
Financial income	*81*	*120*

(1) Non-recurring cost arising from the Group's interest rate position management (early termination of a structured finance arrangement and reclassification of hedging derivatives previously eligible for hedge accounting, in connection with the Group's indebtedness reduction).

NOTE 13 INCOME TAX EXPENSE

(in € millions)	2012	2011
Current income taxes	(543)	(959)
Deferred taxes	155	28
TOTAL INCOME TAX EXPENSE	**(388)**	**(931)**

In 2012, income tax expense included the 114 million euros positive impact of recognizing deferred tax assets for prior years' tax losses in Belgium and Argentina due to the improved likelihood of these assets being recovered.

In Italy, the publication in 2012 of enabling legislation for a 2011 tax law led to the conversion into tax credits of previously unrecognized deferred tax assets, with a 79 million euros positive impact on income tax expense for the year.

TAX PROOF

Theoretical income tax for 2012, calculated by multiplying consolidated income before tax by the standard French corporate income tax rate (including the 5% *contribution exceptionnelle* surtax rolled over until December 31, 2015), represented an expense of 199 million euros, compared with actual income tax expense of 388 million euros. The difference between these two amounts can be explained as follows:

(in € millions)	2012	2011
Income/(loss) before taxes	552	(845)
Standard French corporate income tax rate	*36.1%*	*36.1%*
Theoretical income tax	(199)	305
Tax effect of untaxed income and income taxed at a different rate	110	44
Taxes with no tax base (provisions recorded solely for tax purposes, withholding taxes, etc.) (1)	(179)	(401)
Impact of non-deductible impairment losses on goodwill	(7)	(481)
Tax effect of other permanent differences	(91)	(112)
Valuation allowances on deferred tax assets (2)	(51)	(129)
Deferred tax assets not recognized during the year	(216)	(158)
Deferred tax assets recognized in prior years (3)	195	27
Other	52	(26)
TOTAL INCOME TAX EXPENSE	**(388)**	**(931)**
Effective tax rate	70.4%	(110.1)%

(1) The reported amount of taxes with no tax base includes provisions for tax risks in both 2011 and 2012. Since 2010, the CVAE local business tax in France, which is assessed on the basis of the value-added generated by the business, is reported under income tax expense. This tax amounted to 55 million euros in 2012 (2011: 54 million euros).

(2) Valuation allowances recorded on deferred tax assets in 2012 mainly concerned Brazil (44 million euros).

(3) Deferred tax assets recognized in 2012 on prior years' tax losses primarily concerned Belgium, Argentina and Italy.

NOTE 14 NET INCOME FROM DISCONTINUED OPERATIONS

(in € millions)	2012	2011
Net income from discontinued operations – Group share	1,120	2,237
Net loss from discontinued operations attributable to non-controlling interests	(39)	(120)
TOTAL	**1,081**	**2,116**

Net income from discontinued operations in 2012 included:

- the result from operations in Greece for the period up to the date of sale and the impact of Carrefour Greece reorganization measures, for a total of -261 million euros;
- the net gain on disposal of operations in Colombia, plus the result generated by the business in the period up to the disposal date, plus cumulative currency translation adjustments related to these operations recognized in the income statement, for a total of 1,268 million euros;
- the net gain on disposal of operations in Malaysia, plus the result generated by the business in the period up to the disposal date, plus cumulative currency translation adjustments related to these operations recognized in the income statement, for a total of 48 million euros;
- the income from operations in Indonesia during the period.

Net income from discontinued operations in 2011 comprised:

- the net gain on the sale of operations in Thailand, for 667 million euros;
- the net gain on the sale of the Dia entities and their contribution to consolidated income for the period up to the sale date, for 1,916 million euros;
- the 2011 results of operations in Greece, Colombia, Indonesia and Malaysia, representing a net loss of 464 million euros (see Note 4).

NOTE 15 EARNINGS PER SHARE (GROUP SHARE)

Basic earnings per share	2012	2011
Net income/(loss) from continuing operations	113	(1,865)
Net income from discontinued operations	1,120	2,237
Net income for the year	1,233	371
Weighted average number of shares outstanding (1)	680,435,505	659,094,457
Basic earnings/(loss) from continuing operations per share *(in €)*	**0.17**	**(2.83)**
Basic earnings from discontinued operations per share *(in €)*	**1.65**	**3.39**
Basic earnings per share *(in €)*	**1.81**	**0.56**

(1) In accordance with IAS 33, the weighted average number of shares used to calculate 2011 earnings per share was adjusted to take into account 2011 dividends paid in shares on July 27, 2012.

Treasury stock and shares held indirectly through the equity swap described in Note 27.3.2 are not considered as outstanding shares for earnings per share calculations.

Diluted earnings per share	2012	2011
Net income/(loss) from continuing operations	113	(1,865)
Net income from discontinued operations	1,120	2,237
Net income for the year	1,233	371
Weighted average number of shares outstanding, before dilution	680,435,505	659,094,457
Dilutive potential shares	408,928	0
Stock grants	*408,928*	*0*
Stock options	*0*	*0*
Diluted weighted average number of shares outstanding	680,844,433	659,094,457
Diluted earnings/(loss) from continuing operations per share *(in €)*	**0.17**	**(2.83)**
Diluted earnings from discontinued operations per share *(in €)*	**1.64**	**3.39**
Diluted earnings per share *(in €)*	**1.81**	**0.56**

All of the stock options granted by the Group were out of the money (*i.e.* their exercise price was greater than the average Carrefour share price) in both 2011 and 2012 and were therefore not dilutive.

As the Group reported a loss from continuing operations in 2011, the stock grants are not considered as being dilutive.

NOTE 16 OTHER COMPREHENSIVE INCOME

	December 2012			December 2011		
(in € millions)	Pre-tax	Tax	Net	Pre-tax	Tax	Net
Group share						
Effective portion of changes in the fair value of cash flow hedges	19	(8)	11	(7)	3	(4)
Changes in the fair value of available-for-sale financial assets	2	(2)	1	(2)	-	(2)
Exchange differences on translating foreign operations	(183)	-	(183)	(293)	-	(293)
OTHER COMPREHENSIVE INCOME – GROUP SHARE	**(162)**	**(9)**	**(172)**	**(302)**	**3**	**(299)**
Non-controlling interests						
Effective portion of changes in the fair value of cash flow hedges	(8)	3	(6)	(16)	5	(10)
Changes in the fair value of available-for-sale financial assets	10	(3)	6	(1)	-	(1)
Exchange differences on translating foreign operations	(9)	-	(9)	(31)	-	(31)
OTHER COMPREHENSIVE INCOME – NON-CONTROLLING INTERESTS	**(7)**	**(1)**	**(8)**	**(47)**	**6**	**(42)**

NOTE 17 INTANGIBLE ASSETS

Goodwill, which constitutes the main intangible asset, is reported on a separate line of the statement of financial position from other intangible assets.

(in € millions)	December 31, 2012	December 31, 2011
Goodwill, net	8,608	8,740
Other intangible assets	801	966
INTANGIBLE ASSETS, NET	**9,409**	**9,706**

17.1 CHANGES IN GOODWILL

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

In 2012, the total carrying amount of goodwill was reduced by 132 million euros, due mainly to the disposal of operations in Colombia and Malaysia (99 million euros), the reclassification as "Assets held for sale" of goodwill on operations in Indonesia (31 million euros) and the impact of changes in exchange rates in Brazil.

(in € millions)	Net goodwill December 31, 2011	Acquisitions	Disposals	Impairment	Other Movements [1]	Translation adjustment	Net goodwill December 31, 2012
France	4,292	85	(7)				4,371
Italy	898						898
Belgium	948	1			6		955
Spain	810				52		862
Brazil	923				(80)	(99)	745
Poland	248			(18)		23	253
Turkey	143				29	5	176
Argentina	134	21				(19)	136
Other countries	343				(129)	(2)	211
TOTAL	**8,740**	**107**	**(7)**	**(18)**	**(122)**	**(92)**	**8,608**

(1) Including changes in the scope of consolidation (disposal of operations in Colombia and Malaysia).

During 2011, the total carrying amount of goodwill was reduced by 3,089 million euros following recognition of impairment losses (1,942 million euros) and the removal of the Dia sub-group from the scope of consolidation (767 million euros).

(in € millions)	Net goodwill December 31, 2010	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	Net goodwill December 31, 2011
France	4,278	56	(32)	(3)	(6)		4,292
Italy	2,648			(1,750)			898
Belgium	947	1	(0)		(0)		948
Spain	810						810
Brazil	1,061		(51)			(86)	923
Poland	278					(30)	248
Turkey	368				(202)	(22)	143
Argentina	141					(7)	134
Greece	189			(188)	(0)		
Hard Discount	771				(767)	(3)	
Other countries	338					5	343
TOTAL	**11,829**	**57**	**(84)**	**(1,942)**	**(976)**	**(144)**	**8,740**

In addition to the deconsolidation of the Dia sub-group, "Other movements" concerned changes in the fair value of options granted to non-controlling interests (use of the partial goodwill method described in Note 2.7 – Financial Assets and Liabilities).

17.2 OTHER INTANGIBLE ASSETS

(in € millions)	December 31, 2012	December 31, 2011
Other intangible assets, at cost	2,864	3,024
Amortization	(1,959)	(1,973)
Impairment	(234)	(227)
Intangible assets in progress	131	142
Other intangible assets, net	**801**	**966**

(in € millions)	Cost	Amortization and impairment	Net
At December 31, 2010	**3,102**	**(2,002)**	**1,101**
Acquisitions	241	0	241
Disposals	(52)	39	(13)
Translation adjustment	(49)	29	(20)
Amortization	0	(261)	(261)
Impairment	0	(42)	(42)
Changes in scope of consolidation, transfers and other movements	(76)	37	(38)
At December 31, 2011	**3,166**	**(2,200)**	**966**
Acquisitions	165	0	165
Disposals	(150)	129	(21)
Translation adjustment	(54)	36	(17)
Amortization	0	(206)	(206)
Impairment	0	(24)	(24)
Changes in scope of consolidation, transfers and other movements	(132)	71	(61)
At December 31, 2012	**2,995**	**(2,194)**	**801**

17.3 IMPAIRMENT OF GOODWILL AND SENSITIVITY ANALYSIS

Asset impairment policies are described in Note 2 – Summary of Significant Accounting Policies.

The impairment tests performed on goodwill and other intangible assets in 2012 in accordance with IAS 36 did not lead to the recognition of any impairment losses on these assets. In 2011, an impairment loss of 1,750 million euros was recognized on goodwill allocated to the Italian CGU.

The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) applied for impairment testing purposes in 2011 and 2012 are presented below by CGU:

	2012		2011	
Country	After-tax discount rate	Perpetual growth rate	After-tax discount rate	Perpetual growth rate
France	5.3%	1.5%	6.2%	1.5%
Spain	7.0%	1.5%	8.1%	1.5%
Italy	7.1%	1.5%	7.9%	1.5%
Belgium	5.1%	1.5%	7.5%	1.5%
Poland	6.7%	1.5%	8.3%	1.5%
Turkey	11.4%	4.5%	12.2%	3.0%
Romania	8.3%	1.5%	10.8%	1.5%
Brazil	7.9%	2.0%	9.6%	2.0%
Argentina	21.0%	9.0%	20.5%	2.0%
China	6.5%	2.0%	7.8%	2.0%
Taiwan	5.4%	2.0%	6.6%	2.0%

17.3.1. CGUS FOR WHICH THE RECOVERABLE AMOUNT OF GOODWILL WAS CLOSE TO THE CARRYING AMOUNT

The tests carried out at December 31, 2012 did not reveal any impairments of goodwill (tests at December 31, 2011 led to the recognition of a 1,750 million euros impairment loss on Italian goodwill). The recoverable amount of goodwill was found to be close to – but still greater than – the carrying amount in four countries: Italy (carrying amount of 899 million euros, unchanged compared with December 31, 2011), Spain (862 million euros *versus* 810 million euros), Turkey (176 million euros *versus* 143 million euros) and Poland (253 million euros *versus* 248 million euros).

Sensitivity analyses were performed to determine the changes in the main assumptions that would lead to an impairment loss being recognized; the amounts shown below correspond to the difference between the recoverable amount and the carrying amount; the minus sign denotes scenarios that would lead to the recognition of an impairment loss for the amount indicated:

ITALY

Sensitivity to changes in WACC and perpetual growth rate

Perpetual growth rate (%) \ WACC (%)	-0,50%	-0,25%	**0,00%**	0,25%	0,50%
-0,50%	657	552	456	367	286
-0,25%	746	633	529	434	347
0,00%	845	721	**609**	507	413
0,25%	954	819	697	586	485
0,50%	1,074	926	793	672	563

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%	189	227	267	307	348
-0.25%	353	395	438	482	527
0.00%	516	562	**609**	657	705
0.25%	680	730	780	832	884
0.50%	844	897	951	1,007	1,063

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

SPAIN

Sensitivity to changes in WACC and perpetual growth rate

Perpetual growth rate (%) \ WACC (%)	-0.50%	-0.25%	**0.00%**	0.25%	0.50%
-0.50%	1,010	845	693	554	426
-0.25%	1,152	972	809	659	522
0.00%	1,307	1,112	**935**	774	626
0.25%	1,479	1,266	1,074	899	739
0.50%	1,670	1,436	1,226	1,035	863

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%	274	350	427	505	585
-0.25%	517	598	681	765	851
0.00%	761	847	**935**	1,025	1,117
0.25%	1,004	1,096	1,190	1,285	1,383
0.50%	1,247	1,345	1,444	1,546	1,649

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

TURKEY

Sensitivity to changes in WACC and perpetual growth rate

Perpetual growth rate (%) \ WACC (%)	-0.50%	-0.25%	**0.00%**	0.25%	0.50%
-0.50%	98	74	52	32	12
-0.25%	118	92	69	47	27
0.00%	139	112	**86**	63	42
0.25%	161	132	106	81	58
0.50%	186	155	126	100	75

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%	-4	1	8	15	22
-0.25%	31	38	46	54	62
0.00%	67	76	**86**	93	102
0.25%	104	113	123	132	142
0.50%	141	151	161	171	182

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

POLAND

Sensitivity to changes in WACC and perpetual growth rate

Perpetual growth rate (%) \ WACC (%)	-0.50%	-0.25%	**0.00%**	0.25%	0.50%
-0.50%	477	425	377	332	292
-0.25%	523	465	413	366	322
0.00%	573	510	**453**	402	355
0.25%	629	560	498	442	391
0.50%	691	615	547	485	430

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%	262	280	298	317	336
-0.25%	336	356	376	396	417
0.00%	410	431	**453**	476	499
0.25%	484	507	531	555	580
0.50%	558	583	609	634	661

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

17.3.2. OTHER COUNTRIES

For the other countries where the Group conducts business, the analysis of sensitivity to a simultaneous change in the key parameters based on reasonably possible assumptions did not reveal any probable scenario according to which the recoverable amount of any of the CGUs would be less than its carrying amount.

NOTE 18 PROPERTY AND EQUIPMENT

Property and equipment correspond mainly to the retail space managed by the Group.

(in € millions)	December 31, 2012	December 31, 2011
Land	2,518	3,012
Buildings	9,298	10,433
Equipment, fixtures and fittings	13,567	14,382
Other	424	651
Assets under construction	408	507
Finance leases – land	450	476
Finance leases – buildings	1,213	1,275
Finance leases – equipment, fixtures and fittings	88	116
Finance leases – other	(0)	14
Property and equipment at cost	**27,965**	**30,867**
Depreciation	(14,962)	(15,560)
Depreciation of assets under finance leases	(936)	(1,006)
Impairment	(558)	(530)
PROPERTY AND EQUIPMENT, NET	**11,509**	**13,771**

CHANGES IN PROPERTY AND EQUIPMENT

(in € millions)	Cost	Depreciation and impairment	Net
At December 31, 2010	**33,726**	**(18,429)**	**15,297**
Acquisitions	2,050		2,050
Disposals	(1,249)	970	(279)
Depreciation		(1,471)	(1,471)
Impairment		(132)	(132)
Translation adjustment	(482)	209	(272)
Changes in scope of consolidation, transfers and other movements (1)	(3,178)	1,757	(1,421)
At December 31, 2011	**30,867**	**(17,096)**	**13,771**
Acquisitions	1,262	0	1,262
Disposals	(1,010)	897	(113)
Depreciation	0	(1,317)	(1,317)
Impairment	0	(122)	(122)
Translation adjustment	(371)	148	(223)
Changes in scope of consolidation, transfers and other movements (2)	(2,782)	1,034	(1,748)
At December 31, 2012	**27,965**	**(16,456)**	**11,509**

(1) The 1,421 million euros net decrease recorded in 2011 mainly concerned the deconsolidation of Dia (1,579 million euros impact).
(2) The net decrease of 1,748 million euros was primarily due to the disposal of operations in Colombia, Greece and Malaysia, and the reclassification as "Assets held of sale" of the property and equipment associated with operations in Indonesia.

5

LEASES

All property leases have been reviewed. Where the criteria for classification as finance leases are met, the properties are recognized in the statement of financial position. All other leases are classified as operating leases.

LEASE COMMITMENTS AT DECEMBER 31, 2012

Finance leases *(in € millions)*	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	786	66	213	507
Discounted present value	486	62	172	252

Operating leases *(in € millions)*	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	4,116	948	1,888	1,280
Discounted present value	3,119	885	1,479	755

LEASE FINANCIAL IMPACT RELATED TO 2012

Finance leases *(in € millions)*	**Total**
Minimum revenue receivable from sub-leases	11
Minimum lease payments made during the period	58
Contingent rentals	18
Revenue from sub-leases	17

Operating leases *(in € millions)*	**Total**
Minimum revenue receivable from sub-leases	40
Minimum lease payments made during the period	929
Contingent rentals	55
Revenue from sub-leases	276

LEASE COMMITMENTS AT DECEMBER 31, 2011

Finance leases *(in € millions)*	**Total**	**Within one year**	**In one to five years**	**Beyond five years**
Minimum future lease payments	824	64	221	539
Discounted present value	449	59	166	224

Operating leases *(in € millions)*	**Total**	**Within one year**	**In one to five years**	**Beyond five years**
Minimum future lease payments	4,558	957	1,888	1,714
Discounted present value	3,150	879	1,405	866

Finance leases *(in € millions)*	**Total**
Minimum revenue receivable from sub-leases	11
Minimum lease payments made during the period	71
Contingent rentals	0
Revenue from sub-leases	22

Operating leases *(in € millions)*	**Total**
Minimum revenue receivable from sub-leases	43
Minimum lease payments made during the period	1,015
Contingent rentals	38
Revenue from sub-leases	144

NOTE 19 INVESTMENT PROPERTY

Investment property consists mainly of shopping malls located adjacent to the Group's stores.

(in € millions)	December 31, 2012	December 31, 2011
Investment property at cost	766	702
Depreciation and impairment	(253)	(195)
TOTAL	**513**	**507**

CHANGES IN INVESTMENT PROPERTY

At December 31, 2010	**536**
Depreciation for the period	(33)
Translation adjustment	(23)
Acquisitions for the period	18
Disposals for the period	0
Transfers	9
Other movements	0
At December 31, 2011	**507**
Depreciation for the period	(39)
Translation adjustment	10
Acquisitions for the period	81
Disposals for the period	(4)
Transfers	27
Other movements (1)	(70)
At December 31, 2012	**513**

(1) Deconsolidation of operations in Malaysia and Colombia.

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totaled 94.6 million euros in 2012 (2011: 104.6 million euros). Operating costs directly attributable to the properties amounted to 13.1 million euros (2011: 12.1 million euros).

The estimated fair value of investment property was 1,356 million euros at December 31, 2012 (December 31, 2011: 1,346 million euros).

NOTE 20 INVESTMENTS IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD AND OTHER NON-CURRENT FINANCIAL ASSETS

20.1 INVESTMENTS IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Changes in this item can be analyzed as follows:

At December 31, 2010	**256**
Translation adjustment	(2)
Equity in net income	64
Dividends received	(26)
Other (1)	(13)
At December 31, 2011	**280**
Translation adjustment	(2)
Equity in net income	72
Dividends received	(27)
Other (2)	61
At December 31, 2012	**384**

(1) Including a 36 million euros decrease corresponding to the reclassification of Altis Group shares in "Assets held for sale" and a 22 million euros increase following the first-time consolidation of ten new entities in Spain (franchisees).
(2) Including a 68 million euros increase following the use of the equity method to account for 90 new entities in France previously accounted for at cost, and a 22 million euros decrease following the disposal of operations in Greece (Balkans joint venture).

The main 2012 financial indicators for companies accounted for by the equity method are presented below:

		On a 100% basis, including consolidation adjustments(1)				
(in € millions)	% interest	Total assets	Shareholders' equity	Non-current assets	Net sales	Net income/ (loss)
TOTAL						
Of which:						
■ Majid Al Futtaim	25%	905	307	278	2,934	154
■ Provencia SA	50%	365	204	199	762	20
■ Iper Orio	50%	108	34	89	149	(4)
■ Mestdagh	25%	205	92	50	641	4
■ As Cancelas S.XXI,S.L.	50%	102	44	88	-	0
■ Costasol	34%	59	30	47	0	1
■ Iliturgitana de Hyper, S.L.	34%	49	18	22	0	0
■ Cherbourg Invest	48%	38	8	36	0	(0)
■ Ploesti Shopping City S.R.L.	50%	28	9	55	2	(6)
■ Other companies (2)		453	207	324	881	26

(1) Source: financial statements available when the Group's Consolidated Financial Statements were drawn up.
(2) Corresponding to a total of 121 companies, none of which is individually material.

20.2 OTHER NON-CURRENT FINANCIAL ASSETS

(in € millions)	December 31, 2012	December 31, 2011
Investments in non-consolidated companies	66	152
Long-term loans	1	290
Other [(1)]	1,058	991
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,125**	**1,433**

(1) Mainly deposits and other long-term receivables.

NOTE 21 DEFERRED TAXES

The Group had a net deferred tax asset of 172 million euros at December 31, 2012, an increase of 13 million euros compared with the previous year-end.

(in € millions)	December 31, 2012	December 31, 2011	Change
Deferred tax assets	752	745	7
Deferred tax liabilities	(580)	(586)	6
NET DEFERRED TAX ASSET	**172**	**158**	**13**

The following table shows the main sources of deferred taxes:

(in € millions)	December 31, 2011	Change: Income statement	Change: Shareholder's equity (other comprehensive income)	Change: Changes in consolidation scope, translation adjustment, other	December 31, 2012
Tax loss carryforwards	1,155	39	0	(0)	1,194
Property and equipment	585	98	0	(207)	476
Non-deductible provisions	720	68	0	(43)	745
Goodwill amortization allowed for tax purposes	58	1	0	1	60
Other intangible assets	22	(0)	0	(17)	5
Inventories	178	(36)	0	(7)	135
Financial instruments	58	108	(5)	(91)	70
Other temporary differences	297	146	0	70	513
Deferred tax assets before netting	**3,073**	**424**	**(5)**	**(294)**	**3,198**
Effect of netting deferred tax assets and liabilities	(466)				(466)
Deferred tax assets net of deferred tax liabilities	**2,607**	**424**	**(5)**	**(294)**	**2,732**
Valuation allowances on deferred tax assets	(1,864)	(140)	0	23	(1,980)
Net deferred tax assets	**743**	**284**	**(5)**	**(270)**	**752**
Property and equipment	(419)	(47)	1	91	(375)
Untaxed provisions	(221)	(10)	0	(5)	(235)
Goodwill amortization allowed for tax purposes	(286)	(110)	0	189	(206)
Other intangible assets	(19)	1	(2)	9	(10)
Inventories	(0)	1	0	(27)	(26)
Financial instruments	(20)	(3)	(4)	12	(16)
Other temporary differences	(88)	36	0	(126)	(178)
Deferred tax liabilities before netting	**(1,052)**	**(130)**	**(5)**	**142**	**(1,046)**
Effect of netting deferred tax assets and liabilities	466				466
Deferred tax liabilities net of deferred tax assets	**(586)**	**(130)**	**(5)**	**142**	**(580)**
NET DEFERRED TAXES	**157**	**154**	**(10)**	**(129)**	**172**

UNRECOGNIZED DEFERRED TAX ASSETS

Unrecognized deferred tax assets amounted to 1,980 million euros at December 31, 2012 (December 31, 2011: 1,864 million euros), including 1,028 million euros related to tax loss carryforwards (December 31, 2011: 1,174 million euros) and 952 million euros on temporary differences (December 31, 2011: 690 million euros).

NOTE 22 INVENTORIES

(in € millions)	December 31, 2012	December 31, 2011
Inventories at cost	5,933	7,150
Allowance	(275)	(302)
INVENTORIES, NET	**5,658**	**6,848**

NOTE 23 TRADE RECEIVABLES

(in € millions)	December 31, 2012	December 31, 2011
Trade receivables	1,302	1,446
Allowance for doubtful accounts	(209)	(240)
Trade receivables, net	**1,093**	**1,207**
Receivables from suppliers	1,051	1,575
TOTAL	**2,144**	**2,782**

Trade receivables correspond for the most part to amounts due by franchisees, for delivered goods and franchise fees.

Receivables from suppliers correspond to rebates and supplier contributions to marketing costs.

NOTE 24 OTHER CURRENT FINANCIAL ASSETS

(in € millions)	December 31, 2012	December 31, 2011
Available-for-sale financial assets	238	763
Derivative instruments	46	47
Deposits with maturities of more than three months	61	79
Other	8	22
TOTAL	**352**	**911**

NOTE 25 OTHER ASSETS

(in € millions)	December 31, 2012	December 31, 2011
Employee advances	18	22
Short-term loans	52	28
Proceeds receivable from disposals of non-current assets	42	95
Prepaid expenses	313	343
Other operating receivables, net	370	481
TOTAL	**795**	**969**

NOTE 26 CASH AND CASH EQUIVALENTS

(in € millions)	December 31, 2012	December 31, 2011
Cash equivalents	4,881	1,286
Cash	1,693	2,563
TOTAL	**6,573**	**3,849**

There are no restrictions (as defined in IAS 7) that could materially affect the availability of the cash and cash equivalent balances of foreign subsidiaries.

New regulations in China that came into effect on January 1, 2013 may partially restrict the availability of the funds associated with the shopping cards issued by the Group. Under these regulations, part of the funds will have to be deposited in a dedicated, interest-bearing bank account, that will remain under the Group's control. It is estimated that the cash that may become restricted under these regulations may represent up to 150 million euros in 2013.

NOTE 27 SHAREHOLDERS' EQUITY

27.1 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;
- optimize shareholder returns;
- keep gearing at an appropriate level, in order to minimize 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.

27.2 SHARE CAPITAL

At December 31, 2012, the share capital was made up of 709,214,653 ordinary shares with a par value of 2.5 euros each, all fully paid.

(in thousands of shares)	2012	2011
Outstanding at January 1	679,336	679,336
Issued for cash	-	-
Issued upon exercise of stock options	-	-
Issued in connection with the Guyenne & Gascogne acquisition	13,331	-
Issued in payment of dividends	16,547	-
Cancelled shares	-	-
Outstanding at December 31	**709,215**	**679,336**

5

27.3 TREASURY STOCK

At December 31, 2012, a total of 23,192,733 shares were held in treasury (December 31, 2011: 23,308,404 shares).

	December 31, 2012	December 31, 2011	Change
Shares held directly	6,147,949	5,598,650	549,299
Shares held indirectly via an equity swap	17,044,784	17,709,754	(664,970)
Treasury stock	**23,192,733**	**23,308,404**	**(115,671)**

27.3.1. SHARES HELD DIRECTLY

Most of the Carrefour shares held directly by the Company are intended for the Group's stock option and stock grant plans. All rights attached to the shares allocated to these plans are suspended for as long as they are held in treasury.

27.3.2. SHARES HELD INDIRECTLY *VIA* AN EQUITY SWAP

In 2009, the Group reorganized the portfolio of treasury shares and instruments held to meet its obligations under the stock option and stock grant 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.

Since the end of 2009, a total of 3,124,885 shares have been bought back on the various contractual dates.

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, 2012, Carrefour was committed to buying back 17,044,784 shares under the equity swap for a total of 429 million euros recorded as a financial liability.

	Number of shares	Financial liability *(in € millions)*
Shares held indirectly via an equity swap at December 31, 2012	17,044,784	429
Forward purchases:		
May 15, 2014	3,939,973	99
July 7, 2015	4,455,754	112
June 15, 2016	8,449,280	213
July 16, 2017	199,777	5

27.4 DIVIDENDS

The 2011 ordinary dividend of 0.52 euro per share was paid on July 27, 2012 as follows:

- 16,547,403 new shares were issued and delivered in settlement of reinvested dividends, increasing the share capital by a total of 211 million euros;
- 144 million euros payable in cash to shareholders who had not chosen to reinvest their dividends. After deducting shares held in treasury, the actual amount paid out in cash dividends was 137 million euros.

NOTE 28 SHARE-BASED PAYMENTS

The total cost of share-based payment plans amounted to 9 million euros in 2012, recorded under "Payroll costs" in recurring operating income (2011: 29 million euros, of which 24 million euros recorded in recurring operating income). In accordance with IFRS 2, the cost net of the tax effect was recognized by crediting shareholders' equity.

Details of the stock option and stock grant plans set up for senior management are presented below.

The demerger of the hard discount business on July 5, 2011, carried out by distributing Dia shares, had the effect of automatically reducing the Carrefour share price.

This in turn lowered the exercise price of the stock options and stock grants and increased the number of options or shares awarded to each grantee (see Registration Document updated filed with the AMF on May 18, 2011). The figures presented in this Note are therefore adjusted figures unless otherwise specified.

28.1 STOCK OPTION PLANS

No new plans were set up in 2011 or 2012.

The following table provides **details of the stock option plans** that were in progress at December 31, 2012 or expired during the year.

	Grant date (1)	Number of options granted (2)	Life of the options	Number of grantees	Exercise period (3)	Number of options outstanding (4)	Exercise price *(in €)* (2)
2005 Presence Plan	April 20, 2005	4,982,917	7 years	457	April 20, 2007 to April 19, 2012	0	35.78
2006 Presence Plan	April 25, 2006	7,580,898	7 years	2,144	April 25, 2008 to April 24, 2013	6,714,436	38.5
2007 Presence Plan	May 15, 2007	4,354,667	7 years	502	May 15, 2009 to May 14, 2014	3,792,357	49.45
2008 Presence Plan I	June 6, 2008	4,545,183	7 years	505	June 6, 2010 to June 5, 2015	3,568,284	39.68
2008 Presence Plan II	July 7, 2008	17,109	7 years	1	July 7, 2010 to July 6, 2015	17,109	39.68
2009 Plan Performance	June 17, 2009	1,252,994	7 years	57	June 17, 2011 to June 16, 2016	432,799	29.55
2009 Presence Plan	June 17, 2009	6,974,861	7 years	2,571	June 17, 2011 to June 16, 2016	5,533,173	29.55
2010 Presence Plan I	May 4, 2010	60,000	7 years	1	May 4, 2012 to May 3, 2017	0	32.84
2010 Plan Performance	July 16, 2010	1,439,017	7 years	56	July 17, 2012 to July 16, 2017	534,364	29.91
2010 Presence Plan II	July 16, 2010	1,941,610	7 years	507	July 17, 2012 to July 16, 2017	1,531,548	29.91
TOTAL						**22,124,070**	

(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) Number of options granted and adjusted exercise price.
(3) The options will vest only if the grantee is still employed by the Group at the start of the exercise period. Since 2006, the options vest as follows:

- *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) The number of options outstanding includes both options exercisable at December 31, 2012 and options that were not yet exercisable at that date.
All of the options are exercisable for existing Carrefour shares.

There are two types of plans:

- presence Plans, for which the only condition is that grantees must 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 vest after two years, 25% after three years and 25% after four years);
- performance Plans, for which the above presence condition applies as well as two conditions based on the Group's financial performance, with 50% of the options vesting when each of these conditions are met:
  - performance conditions for the 2009 Performance Plan concern (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 concern growth in (i) sales and (ii) recurring operating income over the period 2009 to 2011.

Movements in stock options in 2012 were as follows:

Options outstanding at December 31, 2011	**25,859,547**
■ *of which, exercisable options*	*19,888,130*
Options granted in 2012 (1)	0
Options exercised in 2012 (2)	0
Options cancelled or that expired in 2012	(3,735,477)
■ *of which, expired options (3)*	*(3,373,181)*
■ *of which, canceled options – Presence Plans*	*(362,296)*
■ *of which, canceled options – Performance Plans*	*0*
Options outstanding at December 31, 2012	**22,124,070**
■ *of which, exercisable options*	*19,746,685*

(1) The Remunerations Committee decided not to grant any stock options in 2012.
(2) No options were exercised in 2012 because they were out of the money.
(3) The 2005 plan expired in April 2012 and the 3,373,181 options not exercised at that date were canceled.

The **main data and assumptions** used to value the options are described below.

The options' fair value is calculated using the Black & Scholes option pricing model. Until 2009, volatility, dividend growth and interest rate assumptions were determined by reference to a benchmark produced by a panel of banks. Since 2010, volatility and dividend growth assumptions are determined by reference to historical data and the interest rates applied are based on the yield curve for zero-coupon bonds published by Reuters on the option grant date. In addition, the 2010 options have a seven-year life.

Fair values were determined on the grant dates of the various plans using the model described above and assumptions considered as reasonable at those dates. The information in the following table has not been adjusted for the impact of the July 5, 2011 demerger from Dia.

Fair value of the options at the grant date	2005 Presence Plan	2006 Presence Plan	2007 Presence Plan	2008 Presence Plan I
Exercise price *(in €)*	40.81	43.91	56.40	45.26
Reference share price *(in €)* on the grant date	38.91	44.82	52.23	32.8
Volatility *(in %)*	27.54%	24.70%	25.54%	32.25%
Dividend growth *(in %)*	15.87%	14.87%	12.96%	2.25%
Interest rate *(in %)*	3.25%	4.07%	4.50%	4.80%
Fair value of the options *(in €)*	**9.95**	**12.77**	**10.92**	**7.31**
2012 amortization *(in %)*	0%	0%	0%	3%
Accumulated amortization at December 31, 2012 *(in %)*	100%	100%	100%	100%

Fair value of the options at the grant date	2008 Presence Plan II	2009 Plans (Presence and Performance)	2010 Presence Plan I	2010 Plans (Presence II and Performance)
Exercise price *(in €)*	45.26	33.7	37.46	34.11
Reference share price *(in €)* on the grant date	43.94	31.54	35.26	35.26
Volatility *(in %)*	33.15%	43.35%	22.85%	22.85%
Dividend growth *(in %)*	2.34%	(34.95)%	3.33%	3.33%
Interest rate *(in %)*	4.80%	3.30%	(1)	(1)
Fair value of the options *(in €)*	**14.74**	**12.67**	**6.55**	**5.96**
2012 amortization *(in %)*	3%	10%	27%	27%
Accumulated amortization at December 31, 2012 *(in %)*	100%	97%	86%	86%

(1) Reuters page on the pricing date.

28.2 STOCK GRANTS

No new stock grant plans were set up in 2012.

Details of the stock grant plans in progress at December 31, 2012 are presented below:

	Grant date [(1)]	Transfer date	Number of shares granted	Number of grantees	Reference share price (spot) *(in €)* [(2)]	Number of shares delivered in 2012	Number of shares attributable at December 31, 20112
2009 Presence Plan I	June 17, 2009	June 17, 2012	103,842	57	31.54	58,641	0
2010 Presence Plan I	July 16, 2010	July 16, 2013	517,743	513	34.59	0	392,959
2010 Presence Plan II	April 13, 2010	April 13, 2012	22,812	1	37.65	22,812	0
2010 Presence Plan III	August 30, 2010	August 31, 2012	34,218	1	37.85	34,218	0
2010 Plan Performance	July 16, 2010	July 16, 2012	448,077	56	34.59	0	0
2011 Presence Plan	May 31, 2011	May 31, 2013	15,969	1	26.89	0	15,969
TOTAL						**115,671**	**408,928**

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

Movements in stock grant rights in 2012 were as follows:

Number of stock grant rights at December 31, 2011	**570,557**
Stock grant rights attributed in 2012	0
Shares delivered to grantees	(115,671)
Stock grant rights canceled in 2012	(45,958)
■ *of which, canceled rights – Presence Plans*	*(45,958)*
■ *of which, canceled rights – Performance Plans*	*0*
Number of stock grant rights at December 31, 2012	**408,928**

All of the plans require the grantees to remain with the Group for a specified period, generally between two and three years.

For two plans, set up in 2009 and 2010, the grants are also subject to a performance condition based on the growth in the Carrefour share price compared with that of a reference basket of stocks.

NOTE 29 PROVISIONS

(in € millions)	December 31, 2011	Translation adjustment	Increases	Discounting adjustment	Reversals of surplus provisions	Utilizations	Other	December 31, 2012
Post-employment benefit obligations – Note 30	777	(1)	49	37	0	(43)	(39)	780
Claims and litigation	2,356	(119)	826	0	(103)	(314)	(62)	2,584
Tax reassessments [(1)]	*1,739*	*(84)*	*575*	*0*	*(48)*	*(192)*	*(75)*	*1,915*
Disputes with current and former employees	*412*	*(31)*	*90*	*0*	*(22)*	*(76)*	*17*	*389*
Legal disputes	*205*	*(4)*	*161*	*0*	*(33)*	*(45)*	*(4)*	*280*
Restructuring [(2)]	73	(1)	166	0	(4)	(46)	(3)	185
After-sales service costs	7	0	1	0	0	(7)	0	1
Other [(3)]	467	2	152	3	(33)	(102)	(39)	449
TOTAL	**3,680**	**(119)**	**1,195**	**40**	**(139)**	**(511)**	**(143)**	**4,000**

(1) Provisions for tax claims increased by a net amount of 176 million euros in 2012, reflecting translation adjustments, changes in the scope of consolidation and revised estimates of the potential cost associated with certain tax risks.
(2) The increase in 2012 mainly concerned the voluntary separation plan in France (involving support staff).
(3) Other provisions primarily concern technical risks associated mainly with the insurance business, store closure costs 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 in Note 31. In each case, the risk is assessed by Group management and their advisors.

A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

At December 31, 2012, the claims and legal proceedings in which the Group was involved were covered by provisions totaling 2,584 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.

NOTE 30 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The cost of defined benefit plans is determined at each period-end by the projected unit credit method.
The calculation is performed using an actuarial method that takes into account future salary levels and retirement ages.

30.1 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 twelve months before retirement, determined by reference to his or her years of service, as follows:

	2 to 5 years' service	More than 5 years' service	Cap
Administrative staff	0.20 month/year	0.30 month/year	6 months
Supervisors and managers	0.50 month/year	0.80 month/year	18 months

Since 2009, the Group has also been committed to paying supplementary pension benefits to certain former senior executives under a defined benefit plan. The plan's main terms are as follows:

- plan participants: executives with at least three years' service at the time of retirement whose annual compensation is greater than 16 times the annual ceiling for Social Security contributions and who remain employed by the Group up to their retirement;
- benefits: 1.5% of the reference compensation per year of service. The reference compensation corresponds to the individual's salary and bonus for the fiscal year preceding his or her retirement, or 60 times the annual ceiling for Social Security contributions, whichever is lower;
- years of service: capped at 20 years, with years of service credited automatically to executives hired after the age of 45 (executives hired at 45 = 0 years; at 46 = 1 year; at 47 = 2 years, etc.) caped at 10 years;
- maximum replacement rate: the benefits are capped so that total pension benefits received by the individual from all sources do not exceed 50% of the reference compensation;
- maximum benefit: 25% of compensation for the last full year of service;
- reversion: in the case of death, a reversionary pension is paid to the surviving spouse.

BELGIAN PLANS

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

Until the end of 2014, the prepension scheme provides for the payment of unemployment benefits during the period from the retirement age proposed in the collective bargaining agreement (58, or 52 for employees concerned by the downsizing plan set up in 2010) and the legal retirement age (65). 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.

New legislation that came into effect in Belgium on January 1, 2012 has pushed back the retirement age and increased the number of years that will have to be worked to qualify for the scheme as from January 1, 2015. Under the collective bargaining agreement applicable to Carrefour, employees will be eligible for prepension benefits from the age of 60 provided they have worked for 40 years, *versus* age 58 and 38 years' work previously.

The solidarity fund is a corporate supplementary pension plan that offers participants the choice between a lump sump 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.

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. The Group's obligation therefore only concerns deferred salary rights that vested before 2007.

30.2 NET EXPENSE FOR THE PERIOD

Expense recognized in the income statement *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Service cost	32	8	0	1	41
Interest cost	24	16	3	1	43
Expected return on plan assets	(5)	(4)	0	(0)	(10)
Amortization of actuarial gains and losses	9	0	0	0	9
Other items	0	0	(0)	0	0
Expense for 2011	**59**	**20**	**3**	**2**	**84**
Service cost	36	3	0	7	46
Interest cost	25	15	2	1	43
Expected return on plan assets	(5)	(4)	0	(0)	(10)
Amortization of actuarial gains and losses	7	(0)	0	0	7
Other items	0	0	0	0	0
Expense for 2012	**63**	**14**	**2**	**8**	**87**

The net expense for 2012, in the amount of 87 million euros, is recorded in employee benefits expense for 54 million euros and in financial expense for 33 million euros.

30.3 CHANGE IN THE PROVISION

Balance sheet movements *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Provision at December 31, 2010	**258**	**274**	**143**	**58**	**734**
Movements recorded in the income statement	59	20	3	6	87
Effect of changes in scope of consolidation	0	0	0	0	0
Benefits paid directly by the employer	(2)	(22)	(15)	(5)	(45)
Other	(0)	0	2	1	3
Provision at December 31, 2011	**315**	**272**	**133**	**60**	**777**
Movements recorded in the income statement	63	14	2	8	87
Effect of changes in scope of consolidation	6	0	0	(29)	(23)
Benefits paid directly by the employer	(5)	(22)	(12)	(2)	(41)
Other	(16)	0	0	(6)	(22)
Provision at December 31, 2012	**363**	**263**	**123**	**30**	**780**

30.4 PLAN ASSETS

Change in the fair value of plan assets *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Fair value of plan assets at December 31, 2010	**127**	**95**	**0**	**6**	**228**
Effect of changes in scope of consolidation	0	0	0	0	0
Expected return on plan assets	5	4	0	0	10
Benefits paid out of plan assets	(14)	(11)	0	(0)	(26)
Actuarial gains/(losses)	(2)	(3)	0	(0)	(6)
Other	3	4	0	0	7
Fair value of plan assets at December 31, 2011	**119**	**89**	**0**	**6**	**214**
Effect of changes in scope of consolidation	0	0	0	0	(0)
Expected return on plan assets	5	4	0	0	9
Benefits paid out of plan assets	(15)	(11)	0	(1)	(27)
Actuarial gains/(losses)	5	7	0	(0)	12
Other	20	4	0	1	25
Fair value of plan assets at December 31, 2012	**134**	**93**	**0**	**6**	**233**

Plan assets break down as follows by asset class:

	December 31, 2012			December 31, 2011		
	Bonds	Equities	Real estate and other	Bonds	Equities	Real estate and other
France	81%	17%	3%	81%	15%	4%
Belgium	80%	18%	2%	80%	18%	2%

Plan assets mainly concern defined benefit plans in France and Belgium.

30.5 MEASUREMENT OF THE DEFINED BENEFIT OBLIGATION

Obligation *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Provision	315	272	133	60	779
Fair value of plan assets	119	89	0	6	214
Gross obligation	**434**	**360**	**133**	**66**	**993**
Unrecognized actuarial gains and losses and past service cost	117	(14)	17	6	126
Defined benefit obligation at December 31, 2011	**551**	**346**	**150**	**72**	**1,119**
Provision	363	263	123	30	780
Fair value of plan assets	134	93	0	6	233
Gross obligation	**497**	**356**	**123**	**36**	**1,012**
Unrecognized actuarial gains and losses and past service cost	264	(14)	21	17	289
Defined benefit obligation at December 31, 2012	**761**	**342**	**145**	**53**	**1,301**

30.6 ACTUARIAL ASSUMPTIONS AND SENSITIVITY ANALYSIS

5

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

	2012	2011
Retirement age	60-65	60-65
Rate of future salary increases	1.5% to 5.0%	1.5% to 5.0%
Payroll tax rate	7% to 45%	7% to 45%
Discount rate	2.2% to 2.9%	3.8% to 4.7%

The discount rate used for French and Belgian plans is based on an index of AA-rated 10-year corporate bonds. In 2012 the rate was 2.98% (2011: 4.70%).

The discount rate for Italy is based on the yield curve for investment grade corporate bonds with maturities similar to the estimated duration of the defined benefit obligation. In 2012 it was 2.90% (2011: 3.80%).

Sensitivity tests show that declines of 25 bps and 50 bps in the discount rate would have an impact of around 29 million euros and 60 million euros respectively on the defined benefit obligation under the French, Belgian and Italian plans.

NOTE 31 CLAIMS AND LITIGATION

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

31.1 TAX REASSESSMENTS

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

In Brazil, Carrefour is subject to tax audits 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 program 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, proposed reassessments notified by the tax authorities to the parent company, Carrefour SA, represented a principal amount of 169 million euros at December 31, 2012. These reassessments, which have been contested by Carrefour, concern the years 2003 to 2009.

In 2008 and 2009, certain French companies in the Group were notified of proposed reassessments of output VAT for the years 2003 to 2008, totaling 313 million euros. Carrefour has contested these reassessments and lodged an appeal before the administrative court. However, as the appeal process does not have a suspensory effect, the tax claimed for the years 2003 to 2005 has been settled.

In Argentina, the tax authorities have notified Carrefour of ARS 500 million (approximately 77 million euros) in reassessments for the period 1996-2004 on the grounds that the Group had failed to include certain categories of supplier rebates in the calculation of sales tax. The Group has contested the tax authorities' interpretation.

In France, up until 2003, Carrefour paid a rendering levy (*taxe d'équarrissage*) on its meat purchases. In 2003, the Court of Justice of the European Union ruled that this levy, which was paid over by the French State to abattoirs, constituted State aid awarded in breach of EU rules. As a result of this ruling, the rendering levy paid for the years 1997 to 2003 was refunded to the Group. In 2004, however, the French tax authorities reversed their decision and instructed the Group to repay the refunded amounts for the years 2001 to 2003, totaling 145 million euros. Although this amount was paid by Carrefour in 2012, the Group has contested the validity of the claim and the case is currently pending before the tax courts.

In April 2011, the Spanish tax authorities notified Norfin Holder, the Group's holding company in Spain, of reassessments in respect of the years 2004 to 2007. The tax authorities consider that financing raised by Norfin Holder was not necessary from a business standpoint and have therefore disallowed the related interest expense. Carrefour has contested the total reassessment.

31.2 DISPUTES WITH CURRENT AND FORMER EMPLOYEES

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. In France, the Group is involved in legal proceedings concerning the interpretation of minimum wage legislation and the types of expenses payable by the employer.

31.3 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.

On October 1, 2012, a report on the price increases applied by major retailers for "household and personal care" products was handed to the Belgian competition authorities. The report alleges that between 2002 and 2007, the leading retailers coordinated price increases for these products with the help of the products' suppliers. The matter is currently under review by the Belgian competition authorities, who will decide whether competition law has been breached and, if so, the amount of the fine.

NOTE 32 LONG AND SHORT-TERM BORROWINGS

32.1 NET DEBT

32.1.1. NET DEBT CALCULATION

Net debt at December 31, 2012 amounted to 4,320 million euros, a decrease of 2,591 million euros from December 31, 2011. This amount breaks down as follows:

(in € millions)	December 31, 2012	December 31, 2011
Bonds and notes	8,992	8,545
Other borrowings	1,516	1,894
Commercial paper	-	250
Finance lease liabilities	420	492
TOTAL BORROWINGS BEFORE DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES	**10,928**	**11,180**
Derivative instruments recorded in liabilities	318	492
TOTAL LONG AND SHORT-TERM BORROWINGS(1)	**11,246**	**11,672**
Of which, long-term borrowings	*8,983*	*9,513*
Of which, short-term borrowings	*2,263*	*2,159*
Other current financial assets	352	911
Cash and cash equivalents	6,573	3,849
TOTAL CURRENT FINANCIAL ASSETS (2)	**6,925**	**4,760**
NET DEBT = (1) – (2)	**4,320**	**6,911**

32.1.2. BONDS AND NOTES

(in € millions)	Maturity	December 31, 2011	Issues	Repayments	Other movements	December 31, 2012
Public placements		**8,396**	**1,250**	**(996)**		**8,650**
3-year 2.675% EMTNs in CHF	2012	329		(329)		
Proceeds allocated to consumer credit refinancing	2012	(329)		329		
5-year Euro Bonds in euros, at 3-month Euribor + 15 bps	2012	200		(200)		
10-year 5.375% EMTNs in GBP	2012	796		(796)		
8-year 3.625% Fixed Rate Euro Bonds in euros	2013	750				750
5-year 6.625% EMTNs in euros	2013	700				700
7-year 5.125% Fixed Rate Euro Bonds in euros	2014	1,250				1,250
5-year 5.125% EMTNs in euros	2014	250				250
7-year 5.375% Fixed Rate Euro Bonds in euros	2015	1,000				1,000
10-year 3.825% Fixed Rate Euro Bonds in euros	2015	50				50
10-year 3.85% Fixed Rate Euro Bonds in euros	2015	50				50
10-year 4.375% Fixed Rate Euro Bonds in euros	2016	600				600
4-year 4.375% EMTNs in euros	2016		500			500
Proceeds allocated to consumer credit refinancing	2016		(250)			(250)
8-year 4.678% EMTNs in euros	2017	250				250
5-year 1.875% EMTNs in euros	2017		1,000			1,000
7-year 5.25% Fixed Rate Euro Bonds in euros	2018	500				500
10-year 4.00% EMTNs in euros	2020	1,000				1,000
11-year 3.875% EMTNs in euros	2021	1,000				1,000
Private placements		**326**		**(22)**		**304**
Fair value adjustments to hedged borrowings		**(178)**			**216**	**38**
TOTAL BONDS AND NOTES		**8,544**	**1,250**	**(1,018)**	**216**	**8,992**

32.1.3. OTHER BORROWINGS

(in € millions)	December 31, 2012	December 31, 2011
Equity swap liability	429	446
Brazilian borrowings	467	754
Colombian borrowings	-	203
Accrued interest (1)	158	172
Other items	462	319
TOTAL	**1,516**	**1,894**

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

Part of Carrefour Brazil's bank borrowings (153 million euros at December 31, 2012 and 303 million euros at December 31, 2011) is subject to the following two covenants:

- the liquidity ratio (ratio of liquid assets to current liabilities) may not be less than 0.85;
- the equity ratio (ratio of shareholders' equity to total assets) may not be less than 0.25.

These covenants were complied with at June 30, 2012. Calculation of the ratios at December 31, 2012 will be completed in April 2013; based on the information available when the Consolidated Financial Statements were drawn up, they should also be complied with at that date.

32.2 ANALYSIS OF BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)

5

32.2.1. ANALYSIS BY INTEREST RATE

(in € millions)	December 31, 2012	December 31, 2011
Fixed rate borrowings	9,960	9,400
Variable rate borrowings	967	1,781
TOTAL	**10,928**	**11,180**

Borrowings originally at fixed rates of interest (before the effect of interest rate swaps) are classified in fixed rate borrowings in the above table.

Borrowings originally at variable rates of interest (before the effect of interest rate swaps) are classified in variable rate borrowings.

32.2.2. ANALYSIS BY CURRENCY

The following analysis by currency concerns borrowings before giving effect to currency swaps.

(in € millions)	December 31, 2012	December 31, 2011
Euro	10,211	9,870
Brazilian real	499	786
Chinese yuan	65	64
Turkish lira	13	18
Taiwan dollar	95	128
Malaysian ringgit		34
Argentine peso	1	5
Colombian peso		218
Polish zloty	37	35
Romanian leu	7	7
Indonesian rupiah		15
TOTAL	**10,928**	**11,180**

Euro-denominated borrowings represented 93% of total borrowings at December 31, 2012 (December 31, 2011: 88%).

32.2.3. ANALYSIS BY MATURITY

(in € millions)	December 31, 2012	December 31, 2011
Due within one year	2,263	2,159
Due in 1 to 2 years	1,773	1,700
Due in 3 to 5 years	4,067	4,136
Due beyond 5 years	2,824	3,184
TOTAL	**10,928**	**11,180**

NOTE 33 CONSUMER CREDIT FINANCING

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.

In view of the size and significant nature of the amounts involved, consumer credit is reported on a separate line of the Group's consolidated statement of financial position, in current assets (for the short-term portion) and non-currents assets (for the long-term portion) and consumer credit financing is reported separately in current liabilities and non-current liabilities.

At December 31, 2012, consumer credit totaled 5,646 million euros (December 31, 2011: 5,620 million euros), as follows:

	December 31, 2012	*Short-term loans*	*Long-term loans*
Payment card receivables	3,867	*933*	*2,933*
Loans	2,020	*1,536*	*484*
Consumer credit (on purchases made in Carrefour stores)	172	*10*	*162*
Other financing	326	*232*	*95*
Provisions	(750)	*(363)*	*(387)*
Other	10	*12*	*(2)*
TOTAL CONSUMER CREDIT GRANTED BY THE FINANCIAL SERVICES COMPANIES	**5,646**	***2,360***	***3,285***

The related consumer credit financing amounted to 4,997 million euros at December 31, 2012, as follows:

(in € millions)	December 31, 2012	December 31, 2011	Change
Debt securities (retail certificates of deposit, medium-term notes)	1,238	1,715	(477)
Bank borrowings	850	2,138	(1,288)
Bonds and notes (1)	1,009	355	654
Customer passbook savings deposits (2)	655	0	655
Securitizations (3)	500	0	500
Consumer credit portfolios sold to banks	363	395	(32)
Other	382	298	85
TOTAL	**4,997**	**4,901**	**96**
Short-term borrowings	*3,032*	*4,482*	*(1,449)*
Long-term loans	*1,966*	*419*	*1,547*

(1) 600 million euros 3-year, 2.875% notes issue carried out by Carrefour Banque on September 25, 2012, and 110 million tap issue carried out on November 9. 250 million euros allocated to Carrefour Banque out of the proceeds of a Carrefour SA notes issue (see Note 32).

(2) Customer passbook savings account and term deposit account launched by Carrefour Banque.

(3) Launch by Carrefour Banque of FCT Copernic 2012-1 compartment of the FCT Copernic reloadable securitization fund. Asset pool: 855 million euros. Proceeds from the securitization: 500 million Euros (class A1 notes). The securitization fund is fully consolidated in the Group accounts.

NOTE 34 FINANCIAL INSTRUMENTS

A. FINANCIAL INSTRUMENTS CARRIED IN THE BALANCE SHEET

DECEMBER 31, 2012

		Breakdown by category				
(in € millions)	Carrying amount	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other	Financial liabilities at amortized cost (1)	Derivative instruments
Investments in non-consolidated companies	66		66			
Other long-term investments	1,059			1,059		
Other non-current financial assets	**1,125**		**66**	**1,059**		
Consumer credit granted by the financial services companies	5,646			5,646		
Trade receivables	2,144			2,144		
Other current financial assets	352		238	69		46
Other assets (2)	482			482		
Cash and cash equivalents	6,573	6,573				
Assets	**16,322**	**6,573**	**303**	**9,400**		**46**
Total long- and short-term borrowings	11,246				10,928	318
Total consumer credit financing	4,998				4,998	
Suppliers and other creditors	12,925			12,925		
Other payables (3)	2,358			2,358		
Liabilities	**31,526**			**15,283**	**15,926**	**318**

(1) Including financial liabilities hedged by fair value hedges.
(2) Excluding prepaid expenses.
(3) Excluding deferred revenue.

DECEMBER 31, 2011

(in € millions)	Carrying amount	Breakdown by category: Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other	Financial liabilities at amortized cost (1)	Derivative instruments
Investments in non-consolidated companies	152		152			
Other long-term investments	1,281			1,281		
Other non-current financial assets	**1,433**		**152**	**1,281**		
Consumer credit granted by the financial services companies	5,619			5,619		
Trade receivables	2,782			2,782		
Other current financial assets	911		763	101		47
Other assets (2)	626			626		
Cash and cash equivalents	3,849	3,849				
Assets	**15,221**	**3,849**	**915**	**10,409**		**47**
Total long- and short-term borrowings	11,671				11,180	492
Total consumer credit financing	4,901				4,901	
Suppliers and other creditors	15,362			15,362		
Other payables (3)	2,713			2,713		
Liabilities	**34,647**			**18,075**	**16,081**	**492**

(1) Including financial liabilities hedged by fair value hedges.
(2) Excluding prepaid expenses.
(3) Excluding deferred revenue.

5

As part of its business financing strategy, on July 22, 2010 the Group set up a financing structure with a partner bank involving a financing entity not included in Carrefour's scope of consolidation. The entity purchased 1 billion euros worth of Carrefour EMTNs due 2021, using a 255 million euros loan from Carrefour, with the balance of financing provided by the partner bank. The financing structure does not expose Carrefour to any liquidity risk.

As from the fourth year, the financing entity will be exposed to interest rate risk on its bank financing, arising from changes in an index based on the future yield curve. Carrefour will benefit from the index's performance and is committed to paying a share of any losses that may be incurred by the financing entity as a result of index under-performance. Under the terms of this commitment, continuous worst-case under-performance of the index over the life of the financing entity would expose Carrefour to a loss of 343 million euros before discounting and tax. In view of the index's performance, the Group decided to withdraw from the financing structure by paying a penalty, which is covered by a provision charge included in financial expense.

B. FAIR VALUE

FAIR VALUE/CARRYING AMOUNT

	December 31, 2012		December 31, 2011	
(in € millions)	Carrying amount	Fair value	Carrying amount	Fair value
Investments in non-consolidated companies	66	66	152	152
Other long-term investments	1,059	1,059	1,281	1,281
Other non-current financial assets	**1,125**	**1,125**	**1,433**	**1,433**
Consumer credit granted by the financial services companies	5,646	5,646	5,619	5,619
Trade receivables	2,144	2,144	2,782	2,782
Other current financial assets	352	352	911	911
Other assets	482	482	626	626
Cash and cash equivalents	6,573	6,573	3,849	3,849
Total Assets	**16,322**	**16,322**	**15,221**	**15,221**
Borrowings hedged by fair value hedges	538	538	1,047	1,047
Borrowings hedged by cash flow hedges	251	251	947	947
Fixed rate borrowings	9,290	9,954	8,495	8,509
Unhedged borrowings	429	429	200	200
Finance lease liabilities	420	420	492	492
Derivative instruments	317	317	492	492
Total long and short-term borrowings	**11,246**	**11,910**	**11,672**	**11,686**
Suppliers and other creditors	12,925	12,925	15,362	15,362
Consumer credit financing	4,998	4,998	4,901	4,901
Other payables	2,358	2,358	2,713	2,713
Total Liabilities	**31,526**	**32,191**	**34,647**	**34,661**
NET LIABILITY (TOTAL LIABILITIES – TOTAL ASSETS)	**15,204**	**15,869**	**19,427**	**19,441**
Unrealized loss		**(664)**		**(14)**

The fair value of financial instruments is measured whenever it can be reliably estimated on the basis of market data for assets that are not held for sale.

ANALYSIS OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (EXCLUDING CASH AND CASH EQUIVALENTS)

The fair value hierarchy in IFRS comprises three levels of inputs:

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

December 31, 2012 *(in € millions)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			66	66
Available-for-sale financial assets		238		238
Derivative instruments recorded in current financial assets		46		46
Derivative instruments recorded in liabilities		(95)	(221)	(317)

December 31, 2011 *(in € millions)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			152	152
Available-for-sale financial assets	700	62		763
Derivative instruments recorded in current financial assets		47		47
Derivative instruments recorded in liabilities		(277)	(214)	(492)

No assets or liabilities were reclassified between the various levels between December 31, 2010 and 2012.

5

C. CASH FLOW HEDGES

The following table shows the periods in which the Group expects the cash flows from cash flow hedges to affect profit or loss:

	2012				2011			
(in € millions)	Carrying amount before tax	Within 1 year	In 1 to 5 years	Beyond 5 years	Carrying amount before tax	Within 1 year	In 1 to 5 years	Beyond 5 years
Interest rate hedges *	(73)	(49)	(24)	0	(138)	(49)	(90)	0
Currency hedges *	(16)	(16)	0	0	31	31	0	0
TOTAL	**(89)**	**(65)**	**(24)**	**0**	**(107)**	**(18)**	**(90)**	**0**

* Interest rate hedges consist mainly of swaps while currency hedges correspond for the most part to forward contracts.

NOTE 35 OTHER PAYABLES

(in € millions)	December 31, 2012	December 31, 2011
Accrued employee benefits expense	1,633	1,615
Due to suppliers of non-current assets	457	763
Deferred revenue	65	72
Other payables	268	336
TOTAL	**2,422**	**2,785**

NOTE 36 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 organization 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 senior management. A reporting system ensures that Group senior 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.

36.1 LIQUIDITY RISK

36.1.1. 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. The meetings are attended by the Group's Chief Financial Officer and by a representative of Carrefour Banque.

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 by conducting bond and Note issues at regular intervals, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) program totals 12 billion euros. Since 2007, the loan agreements for the EMTN program 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 euros commercial paper program on NYSE Euronext Paris;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2012, the Group had three undrawn syndicated lines of credit obtained from a pool of leading banks for a total of 4.35 billion euros, expiring between 2015 and 2016. Group policy consists of keeping these facilities on stand-by so that they can be drawn down in the event of any problems in using the commercial paper program. The loan agreements for the syndicated lines of credit include the usual commitments and default clauses, including *pari passu*, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. They do not 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 was strong at December 31, 2012 since, at that date, it had 4.35 billion euros in committed syndicated lines of credit with no drawing restrictions, expiring in 2015 and 2016, and sufficient cash reserves to meet its medium- and long-term debt repayment obligations for 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 3 years and 11 months.

36.1.2. BANCASSURANCE BUSINESS

Carrefour Banque's liquidity risk is monitored within the framework of a senior 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 performed by comparing static or dynamic forecasts of committed financing facilities with dynamic lending forecasts;
- gradually achieve compliance with the new Basel III liquidity ratios;
- diversify refinancing sources to include bank loans, bond issues, securitization programs, money market issues and customer deposits. During 2012, Carrefour Banque carried out two major public placements to support the financing and development of its businesses. The first was an inaugural 600 million euros 3-year bond issue carried out in September 2012, followed by a 110 million euros tap issue in early November. The second was a securitization transaction, also carried out in September 2012, which raised 500 million euros from investors with an average maturity of 1.9 years. These two operations, which together raised 1.21 billion euros, contribute to the objective of complying with Basel III liquidity ratios by significantly extending the original life of the Bank's debt and closely matching the maturities of loans and borrowings.

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

December 31, 2012 *(in € millions)*	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Borrowings hedged by fair value hedges	538	593	22	570	0
Borrowings hedged by cash flow hedges	251	252	1	252	0
Fixed rate borrowings	9,290	10,077	2,722	4,608	2,747
Unhedged borrowings	429	431	1	431	0
Finance lease liabilities	420	0	0	0	0
Derivative instruments	317	278	30	26	222
Total long and short-term borrowings	**11,246**	**11,631**	**2,776**	**5,886**	**2,969**
Suppliers and other creditors	12,925	12,925	12,925	0	0
Consumer credit financing	4,998	4,998	3,032	1,966	0
Other payables	2,358	2,358	2,358	0	0
TOTAL	**31,526**	**31,912**	**21,091**	**7,852**	**2,969**

December 31, 2011 *(in € millions)*	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Borrowings hedged by fair value hedges	1,047	1,131	823	47	262
Borrowings hedged by cash flow hedges	947	1,009	284	720	5
Fixed rate borrowings	8,495	9,761	1,063	5,792	2,906
Unhedged borrowings	200	202	202	0	0
Finance lease liabilities	492	0	0	0	0
Derivative instruments	492	339	45	119	176
Total long and short-term borrowings	**11,672**	**12,442**	**2,416**	**6,677**	**3,349**
Suppliers and other creditors	15,362	15,362	15,362	0	0
Consumer credit financing	4,901	4,901	4,482	419	0
Other payables	2,713	2,713	2,713	0	0
TOTAL	**34,647**	**35,417**	**24,972**	**7,096**	**3,349**

36.2 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 deciding on the hedging strategies and methods to be used to limit interest rate exposures and optimize 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 vanilla swaps, caps and floors. 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:

	50 bps decline		50 bps increase	
(- = loss; + = gain) (in € millions)	Impact on shareholders' equity	Impact on income statement	Impact on shareholders' equity	Impact on income statement
Investments	-	-	-	0.4
Variable rate borrowings [(1)]	-	4.6	-	(4.6)
Borrowings hedged by fair value hedges	-	(10.9)	-	10.6
Swaps qualified as fair value hedges	-	10.7	-	(10.4)
Swaps qualified as cash flow hedges	(2.5)	-	2.4	-
Swaps classified as held for trading	-	(9.7)	-	9.5
Options classified as held for trading	-	(1.3)	-	7.2
TOTAL EFFECT	**(2.5)**	**(6.6)**	**2.4**	**12.7**

(1) Borrowings originally at a variable rate of interest.

36.3 CURRENCY RISK

Currency transaction risk is the risk of an unfavorable 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.

Effect of an increase/decrease in exchange rates on instruments accounted for as cash flow hedges:

	10% decline		10% increase	
(in € millions)	Balance sheet impact	Income statement impact	Balance sheet impact	Income statement impact
USD/EUR cash flow hedging position	35.7	-	(35.7)	-
EUR/RON cash flow hedging position	1.7	-	(1.7)	-
HKD/EUR cash flow hedging position	18.5	-	(18.5)	-

The currency translation risk is the risk of an unfavorable 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 euro zone.

The translation risk on foreign operations outside the euro zone has only a marginal impact on the consolidated income statement. For example, changes in the average exchange rates used in 2012 compared with those for 2011 reduced consolidated net sales by 528 million euros (0.7% of total net sales for the year) and increased operating income by 10 million euros.

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

36.4 CREDIT RISK

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

Exposure to credit risk *(in € millions)*	December 31, 2012	December 31, 2011
Investments in non-consolidated companies	66	152
Other long-term investments	1,059	1,281
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,125**	**1,433**
Consumer credit granted by the financial services companies	5,646	5,619
Trade receivables	2,144	2,782
Other current financial assets	352	911
Other assets	482	626
Cash and cash equivalents	6,573	3,849
MAXIMUM EXPOSURE TO CREDIT RISK	**16,322**	**15,221**

36.4.1. 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 recognized where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable.

The following table shows changes in impairment losses on trade receivables:

December 31, 2010	**(259)**
Increases	(135)
Reversals	139
Other movements	15
December 31, 2011	**(240)**
Increases	(116)
Reversals	106
Other movements	41
December 31, 2012	**(209)**

At December 31, 2012, trade receivables net of impairment amounted to 2,144 million euros (see Note 23). At that date, past due receivables amounted to a net 399 million euros, with receivables over 90 days past due representing 4.3% of total trade receivables net of impairment. No additional impairment losses have been recognized for these receivables as the Group considers that the risk of non-recovery is very limited.

2) Investments

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.

36.4.2. BANCASSURANCE BUSINESS

1) Credit risk management

To protect against default by borrowers, the Group's finance 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).

Provision models are developed in accordance with 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
- modeling of the loss given default based on historical data.

In a certain number of countries, specific provisions are also recorded for certain types of exposures, to comply with local central bank guidelines.

Analysis of due and past due consumer loans

	December 31, 2012	Amounts due and past-due at the period-end				
(in € millions)		Amounts not yet due at the period-end	0 to 3 months	3 to 6 months	6 months to 1 year	More than 1 year
Consumer credit granted by the financial services companies	**5,646**	5,146	352	46	28	73

	December 31, 2011	Amounts due and past-due at the period-end				
(in € millions)		Amounts not yet due at the period-end	0 to 3 months	3 to 6 months	6 months to 1 year	More than 1 year
Consumer credit granted by the financial services companies	**5,618**	5,129	332	52	35	70

Analysis of consumer loans by maturity

December 31, 2012 *(in € millions)*	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	3,020	1,178	1,656	185
Belgium	198	176	22	0
Spain	1,243	860	187	196
Italy	173	85	55	33
Argentina	136	129	8	0
Brazil	876	858	18	0
TOTAL	**5,646**	**3,286**	**1,945**	**415**

December 31, 2011 *(in € millions)*	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	3,043	1,463	1,449	131
Belgium	190	168	22	0
Spain	1,232	845	220	167
Italy	147	80	43	25
Greece	13	11	1	0
Argentina	148	139	9	0
Brazil	846	677	169	0
TOTAL	**5,619**	**3,384**	**1,912**	**323**

36.5 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 stock grant and stock option plans. The frequency and size of these purchases depend on the share price.

At December 31, 2012, shares and options held directly or indirectly by the Group covered its total commitments under outstanding stock option and stock grant 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.

5

NOTE 37 CONTINGENT LIABILITIES

Group companies are subject to regular tax, customs and administrative audits in the normal course of business. They are also involved in various claims and legal proceedings. A provision is recorded when 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 (see Notes 29 and 31). No provisions are recorded for future operating losses.

Contingent liabilities, which are not recognized 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 recognized 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.

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

NOTE 38 CHANGE IN WORKING CAPITAL REQUIREMENT

(in € millions)	December 31, 2012	December 31, 2011	Change
Change in inventory	686	(404)	1,090
Change in trade receivables	80	(246)	326
Change in trade payables	(772)	13	(785)
Change in loyalty program liabilities and other	144	130	13
Change in trade working capital requirement	**137**	**(507)**	**644**
Change in other receivables and payables	(179)	267	(445)
CHANGE IN WORKING CAPITAL REQUIREMENT	**(42)**	**(240)**	**198**

NOTE 39 OFF-BALANCE SHEET COMMITMENTS

Commitments given and received by the Group that are not recognized 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).

	December 31, 2012	By maturity			December 31, 2011 [1]
Commitments given *(in € millions)*		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**9,158**	**5,056**	**2,805**	**1,296**	**9,488**
Financial services companies	*7,526*	*4,770*	*2,746*	*10*	*7,814*
Other companies	*1,632*	*286*	*59*	*1,287*	*1,674*
Related to operations/real estate/expansion, etc.	**2,407**	**1,227**	**1,012**	**168**	**3,469**
Related to sales of securities	**313**	**195**	**57**	**62**	**591**
Related to leases	**4,116**	**948**	**1,888**	**1,280**	**4,558**
TOTAL	**15,994**	**7,427**	**5,762**	**2,806**	**18,106**

(1) Including 1,230 million euros concerning entities classified as discontinued operations in accordance with IFRS 5.

	December 31, 2012	By maturity			December 31, 2011 [1]
Commitments received *(in € millions)*		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**7,214**	**2,072**	**5,106**	**37**	**5,650**
Financial services companies	*1,848*	*1,111*	*737*	*0*	*865*
Other companies	*5,366*	*961*	*4,369*	*37*	*4,785*
Related to operations/real estate/expansion, etc.	**740**	**209**	**368**	**163**	**808**
Related to purchases of securities	**298**	**158**	**101**	**39**	**603**
Related to leases	**990**	**334**	**483**	**173**	**1,056**
TOTAL	**9,242**	**2,772**	**6,058**	**412**	**8,117**

(1) Including 488 million euros concerning entities classified as discontinued operations in accordance with IFRS 5.

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 programs;
- miscellaneous commitments arising from commercial contracts;
- performance bonds issued in connection with the Group's expansion programs;
- rent guarantees and guarantees from shopping mall operators;
- guarantees for the payment of receivables;
- unamortized past service costs related to defined benefit pension plans;
- other commitments given or received.

Off-balance sheet commitments related to purchases/sales of 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 call/put 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, 2012, 722 hypermarket properties and 573 supermarket properties were owned outright out of a total consolidated store base of 1,226 hypermarkets and 1,551 supermarkets.

Rent on store properties not owned by the Group totaled 941 million euros in 2012 (see Note 9).

Of total future minimum rentals, 21% are due within one year, 43% in one to five years and 36% 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 4,116 million euros, or 3,120 million euros after discounting.

The Group also owns various shopping malls, mainly built on the same sites as its hypermarkets and supermarkets. Rental of the retail units in these malls generated revenues of 269 million euros in 2012. 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 990 million euros, or 799 million euros after discounting.

NOTE 40 EMPLOYEE INFORMATION

	December 31, 2012	December 31, 2011 (1)
Average number of Group employees	358,396	366,874
Number of Group employees at the period-end	364,969	371,003

(1) To permit meaningful comparisons, employee numbers for 2011 have been restated to take into account the 2012 sale of operations in Greece, Colombia and Malaysia, as well as the sale of operations in Indonesia that was completed in January 2013.

NOTE 41 RELATED PARTIES

41.1 RELATED PARTY TRANSACTIONS

The following table presents the main related party transactions carried out in 2012 with companies over which the Group exercised significant influence or joint control at December 31, 2012.

(in € millions)	Majid Al Futaim	Provencia	Mestdagh
Net sales (sales of goods)	13	487	121
Franchise fees	15	15	5
Receivables at December 31	4	16	14

41.2 OTHER RELATED PARTY TRANSACTIONS

PUT OPTIONS WRITTEN OVER NON-CONTROLLING INTERESTS IN SUBSIDIARIES ("NCI PUTS")

The Group has written put options on the shares in its Turkish subsidiary held by shareholders owning non-controlling interests in the subsidiary. In accordance with the accounting policy described in Note 2.7.2.4, these options are recognized in financial liabilities at the values indicated in the option contracts.

MASSY BUILDING LEASED OFF-PLAN FROM THE COLONY GROUP

The 12-year lease will come into effect on delivery of the building, scheduled for December 20, 2013. The annual rent for the entire building is set at 21 million euros. The rent paid by Carrefour will depend on the actual surface area leased and will be subject to an escalation clause based on France's INSEE construction cost index. Carrefour has negotiated an initial rent-free period of 12 months.

NOTE 42 MANAGEMENT COMPENSATION

The following table shows the compensation paid by the Group to the serving members of Group executive management and the Board of Directors during 2012 and 2011:

(in € millions)	2012	2011
Compensation for the period	5.4	5.4
Prior year bonus	3.3	3.8
Benefits in kind (accommodation and company car)	0.1	0.1
Total compensation paid during the period	**8.8**	**9.2**
Employer payroll taxes	4.2	3.8
Termination benefits	3.2	1.4

Other management benefit plans are as follows:

- defined benefit pension plan described in Note 30. No benefits were paid under this plan in 2012 or 2011;
- stock option and stock grant plans. At December 31, 2012, serving members of Group management held 641,587 stock options and 7,871 stock grant rights (serving members at December 31, 2011: 801,271 stock options and 45,967 stock grant rights at December 31, 2011).

Directors' attendance fees paid to members of the Board of Directors amounted to 0.8 million euros in 2012 (2011: 0.7 million euros).

NOTE 43 SUBSEQUENT EVENTS

The sale of the Group's operations in Indonesia was completed on January 16, 2013 after approval had been obtained from the Indonesian authorities.

No other events have occurred since the year-end that would have a material impact on the Consolidated Financial Statements.

NOTE 44 FEES PAID TO THE AUDITORS

	2012				2011			
(in € millions)	Deloitte & Associés	KPMG	Mazars	Total	Deloitte & Associés	KPMG	Mazars	Total
Audit services	2.7	9.8	2.9	15.4	2.5	10.1	2.4	14.9
Other services	0.3	0.2	0.0	0.5	0.2	0.1	0.0	0.4
TOTAL	**3.0**	**10.0**	**2.9**	**15.9**	**2.7**	**10.2**	**2.4**	**15.3**

NOTE 45 SCOPE OF CONSOLIDATION

45.1 FULLY CONSOLIDATED COMPANIES AT DECEMBER 31, 2012

FRANCE	*Percent interest used in consolidation*
ACTIS	*100.0*
AJACCIO DISTRIBUTION	*100.0*
ALFROY	*100.0*
ALLU	*100.0*
ALODIS	*100.0*
AVENUE	*52.0*
BELLEVUE DISTRIBUTION	*100.0*
BLO DISTRIBUTION	*100.0*
BOEDIM	*100.0*
BPJ	*100.0*
CADS	*97.0*
CALLOUETS	*51.0*
CAMENCE	*100.0*
CARAUTOROUTES	*100.0*
CARCOOP	*50.0*
CARCOOP FRANCE	*50.0*
CARCOOP STATIONS SERVICE	*50.0*
CARDADEL	*100.0*
CARFUEL	*100.0*
CARIMA	*100.0*
CARLIER	*100.0*
CARMA	*30.4*
CARMA COURTAGE	*30.4*
CARPLA	*100.0*
CARMA VIE	*30.4*
CARREFOUR ADMINISTRATIF FRANCE	*100.0*
CARREFOUR ASSISTANCE A DOMICILE	*100.0*
CARREFOUR BANQUE (Ex S2P – SOCIETE DES PAIEMENTS PASS)	*60.8*
CARREFOUR DRIVE	*100.0*
CARREFOUR FORMATION HYPERMARCHES FRANCE (CFHF)	*100.0*
CARREFOUR FRANCE	*100.0*
CARREFOUR France PARTICIPATION	*100.0*
CARREFOUR HYPERMARCHES	*100.0*
CARREFOUR IMPORT SAS (EX CRFP2)	*100.0*
CARREFOUR INTERACTIVE	*100.0*
CARREFOUR MANAGEMENT	*100.0*
CARREFOUR MARCHANDISES INTERNATIONALES	*100.0*
CARREFOUR MONACO	*100.0*
CARREFOUR PARTENARIAT INTERNATIONAL	*100.0*

FRANCE	*Percent interest used in consolidation*
CARREFOUR PROPERTY	*100.0*
CARREFOUR PROPERTY DEVELOPPEMENT	*100.0*
CARREFOUR PROPERTY GESTION	*100.0*
CARREFOUR PROPERTY INTERNATIONAL	*100.0*
CARREFOUR PROXIMITE France	*100.0*
CARREFOUR SA	*100.0*
CARREFOUR SERVICES CLIENTS	*100.0*
CARREFOUR STATION SERVICE (ex PARIDIS 75)	*100.0*
CARREFOUR SYSTEMES D'INFORMATIONS FRANCE	*100.0*
CARREFOUR VOYAGES	*100.0*
CARVILLENEUVE	*100.0*
CASCH	*100.0*
CENTRE COMMERCIAL DE LESCAR	*99.5*
CHALLENGER	*100.0*
CHAMNORD	*59.6*
CHAMPION SUPERMARCHES FRANCE (C.S.F)	*100.0*
CHATOLAND	*100.0*
CHAMPY	*100.0*
CHRISTHALIE	*100.0*
CLAIREFONTAINE	*100.0*
CLAUROLIE	*100.0*
CLEA	*100.0*
COMPAGNIE D'ACTIVITE ET DE COMMERCE INTERNATIONAL -CACI-	*100.0*
CONTINENT 2001	*100.0*
COSG	*100.0*
COVIAM 8	*100.0*
COVICAR 2	*100.0*
CP TRANSACTIONS	*100.0*
CPF ASSET MANAGEMENT	*100.0*
CRF REGIE PUBLICITAIRE	*100.0*
CRFP10	*100.0*
CRFP11	*100.0*
CRFP13	*100.0*
CRFP14	*100.0*
CRFP15	*100.0*
CRFP16	*100.0*
CRFP4	*100.0*
CRFP8	*100.0*
CSD	*74.0*
CSD TRANSPORTS	*74.0*
CSF France	*100.0*
CSF France STATIONS SERVICES	*100.0*
DAUPHINOISE DE PARTICIPATIONS	*100.0*
DE LA CHEVALERIE	*100.0*
DE LA COQUERIE	*51.0*
DE LA VALLEE	*100.0*

5

FRANCE	*Percent interest used in consolidation*
DE MONTSEC	*100.0*
DE SIAM	*51.0*
DEFENSE ORLEANAISE	*30.4*
DELDIS	*100.0*
DES TROIS G	*97.0*
DISTRIVAL	*100.0*
ECALHAN	*51.0*
ELODIS	*100.0*
EPG	*66.0*
ETADIS	*100.0*
ETS CATTEAU	*100.0*
EUROMARCHE	*100.0*
FALDIS	*100.0*
FINIFAC	*100.0*
FLODIA	*100.0*
FLORADIS	*100.0*
FLORITINE	*100.0*
FORUM DEVELOPPEMENT	*100.0*
GAMACASH	*100.0*
GEDEL	*100.0*
GERFLO	*100.0*
GENEDIS	*100.0*
GERNIMES	*100.0*
GIE CARREFOUR PERSONAL FINANCE SERVICES	*52.8*
GIMONDIS	*100.0*
GMC DIGOIN	*100.0*
GM CARREFOUR (ex COVICAR 18)	*100.0*
GMC FRANCE	*100.0*
GMC STATIONS SERVICE	*100.0*
GUYENNE ET GASCOGNE	*100.0*
GUILVIDIS	*100.0*
GVTIMM	*51.0*
GYSLAND	*100.0*
HAUTS DE ROYA	*100.0*
HERMES	*100.0*
HYPARLO SAS	*100.0*
IMMAUFFAY	*51.0*
IMMO ARTEMARE	*51.0*
IMMO BACQUEVILLE	*51.0*
IMMO DRIVE	*100.0*
IMMO REBAIS	*51.0*
IMMO VOUNEUIL	*100.0*
IMMOBILIERE CARREFOUR	*100.0*
IMMOCYPRIEN	*51.0*
IMMODIS	*100.0*
IMMODIS (ex HYPARMO)	*100.0*

FRANCE	*Percent interest used in consolidation*
IMMODIVINE	*51.0*
IMMOLOUBES	*51.0*
IMMOPOLO	*100.0*
IMMOTOURNAY	*51.0*
ISAE	*100.0*
INTERDIS	*100.0*
JUNAUDIS	*100.0*
KERGALYS	*99.96*
LA BAUDRIERE	*51.0*
LA BLANCHISSERIE	*100.0*
LA CIOTAT DISTRIBUTION SNC	*100.0*
LA CROIX VIGNON	*51.0*
LA GALERIE	*100.0*
LA GERSOISE	*51.0*
LA GUIDE	*100.0*
LA MESTRASAISE	*51.0*
LA SABLONNIERE	*100.0*
LAEMY	*99.97*
LALAUDIS	*99.0*
LANN KERGUEN	*51.3*
LAPALUS & FILS (ETABS)	*100.0*
LE COURTEMBLET	*100.0*
LEFAUBAS	*100.0*
LES ACACIAS	*51.0*
LES CHARTRETTES	*100.0*
LES TASSEAUX	*51.0*
LES TRANCHEES	*100.0*
LES VALLES	*51.0*
LIMADIS	*100.0*
LIMADOR	*100.0*
LODIAF	*100.0*
LOGIDIS	*100.0*
LOGIDIS COMPTOIRS MODERNES	*100.0*
LOISEAU DISTRIBUTION	*100.0*
LOVAUTO	*100.0*
LUDIS	*100.0*
LVDIS	*100.0*
MAISON JOHANES BOUBEE	*100.0*
MATOLIDIS	*100.0*
MAXIMOISE DE CREATION	*51.0*
MICHEL HOCHARD	*100.0*
MISSERON	*100.0*
MONTECO	*100.0*
MONTEL DISTRIBUTION	*100.0*
MONTELIMAR DISTRIBUTION	*100.0*
MORTEAU DISTRIBUTION	*100.0*

FRANCE	*Percent interest used in consolidation*
MPF PODIROUX	*100.0*
NOBLADIS	*100.0*
NOSAEL	*51.0*
OCDIS	*75.0*
ON LINE CARREFOUR	*100.0*
OOSHOP	*100.0*
OVEA	*99.98*
P.R.M.	*100.0*
PADISMA	*100.0*
PERPIGNAN DISTRIBUTION SNC	*100.0*
PHILCAT	*51.0*
PHILIBERT	*100.0*
PHIVETOL	*100.0*
POTIMMO	*100.0*
PROFIDIS	*100.0*
PROFIDIS & CIE	*100.0*
PROLACOUR	*100.0*
RESSONS	*51.0*
RIOM DISTRIBUTION	*100.0*
RIOMOISE DE DISTRIBUTION SA	*100.0*
ROTONDE	*100.0*
SAGC	*100.0*
SAM PROSPECTIVE	*90.0*
SAMAD	*100.0*
SARL DE SAINT HERMENTAIRE	*100.0*
SCI DIAMARS	*100.0*
SCI LA SEE	*100.0*
SCI LES SABLES	*100.0*
SELIMA	*100.0*
SELOJA	*51.0*
SIGOULIM	*51.0*
SOBADIS	*100.0*
SOBRECO	*100.0*
SOCIETE DES HYPERMARCHES DE LA VEZERE	*50.0*
SOCIETE D'EXPLOITATION AMIDIS & Cie	*100.0*
SOCIETE FECAMPOISE DE SUPERMARCHES	*100.0*
SOCIETE NOUVELLE SOGARA	*100.0*
SODIMOB	*100.0*
SODINI	*100.0*
SODISAL	*100.0*
SODISCAF	*100.0*
SODISOR	*100.0*
SOFALINE	*100.0*
SOFIDIM	*99.0*
SOFODIS	*100.0*
SOGARA	*100.0*

FRANCE	Percent interest used in consolidation
SOGARA DRIVE	100.0
SOGARA FRANCE	100.0
SOGARA STATION SERVICE	100.0
SOLEDIS	100.0
SOMAFRE	100.0
SOPROMAL	100.0
SOVAL	100.0
SOVIDIS	100.0
SOVIDIS PROPRIANO	100.0
STELAUR	100.0
STROFI	100.0
SUPERDIS	96.5
TERTRA	51.0
TOURANGELLE DE PARTICIPATIONS	100.0
TUILE PLAT	100.0
UNICAGES	100.0
UNIVU	100.0
VARJEA	100.0
VASSYMMO	51.0
VAUVERT CAMARGUE	100.0
VEZERE DISTRIBUTION	50.0
VICUS	100.0
VIERDIS	100.0
VISAGE	100.0
VIZEGU	90.0

GERMANY	
CARREFOUR PROCUREMENT INTERNATIONAL AG & CO. KG	100.0

ARGENTINA	
BANCO DE SERVICIOS FINANCIEROS SA	60.0
INC S.A.	100.0

BELGIUM	
ALL IN FOOD	100.0
BIGG'S SA	100.0
BRUGGE RETAIL ASSOCIATE	100.0
CARREFOUR BELGIUM	100.0
CARREFOUR Finance	100.0
CARUM	100.0
CENTRE DE COORDINATION CARREFOUR	100.0
DE NETELAAR	100.0
DEURNE RETAIL ASSOCIATE	100.0
DIKON	100.0
ECLAIR	100.0
EXTENSION BEL-TEX	100.0

BELGIUM	*Percent interest used in consolidation*
FILUNIC	*100.0*
FIMASER	*60.0*
FOMAR	*100.0*
FOURCAR BELGIUM SA	*100.0*
FRESHFOOD	*100.0*
GB RETAIL ASSOCIATES SA	*100.0*
GENT DAMPOORT RETAIL ASSOCIATE	*100.0*
GMR	*100.0*
GROSFRUIT	*100.0*
HALLE RETAIL ASSOCIATE	*100.0*
HEPPEN RETAIL ASSOCIATE	*100.0*
LA LOUVIERE RETAIL ASSOCIATE	*100.0*
MABE	*100.0*
NORTHSHORE PARTICIPATION	*100.0*
OUDENARDE RETAIL	*100.0*
QUIEVRAIN RETAIL ASSOCIATE	*100.0*
R&D FOOD	*100.0*
ROB	*100.0*
RULUK	*100.0*
SAMDIS	*100.0*
SCHILCO	*100.0*
SERCAR	*100.0*
SOCIETE RELAIS	*100.0*
SOUTH MED INVESTMENTS	*100.0*
STIGAM	*100.0*
VANDEN MEERSSCHE NV	*100.0*
VERSMARKT	*100.0*
WAPRO	*100.0*

BRAZIL	
ATACADÃO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA	*100.0*
BANCO CSF S.A.	*51.0*
BREPA COMERCIO PARTICIPACAO LTDA	*100.0*
BSF HOLDING S.A.	*51.0*
CARREFOUR COMMERCIO E INDUSTRIA LTDA	*100.0*
CARREFOUR VIAGENS E TURISMO LTDA.	*100.0*
COMERCIAL DE ALIMENTOS CARREFOUR S.A.	*100.0*
FOCCAR INTERMEDIACAO DE NEGOCIOS LTDA.	*100.0*
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA LTDA	*100.0*
LOJIPART PARTICIPACOES SA	*100.0*
NOVA GAULE COMERCIO E PARTICIPACOES S.A.	*100.0*
POSTO ARRUDA PEREIRA	*100.0*
TROPICARGAS TRANSPORTES LTDA.	*100.0*

CHINA	*Percent interest used in consolidation*
BEIJING CARREFOUR COMMERCIAL CO., LTD.	*55.0*
BEIJING CHAMPION SHOULIAN COMMUNITY CHAIN STORES CO LTD	*100.0*
BEIJING CHUANGYIJIA CARREFOUR COMMERCIAL	*100.0*
BEIJING REPRESENTATIVE OFFICE OF CARREFOUR S.A.	*100.0*
CARREFOUR (CHINA) MANAGEMENT & CONSULTING SERVICES CO.	*100.0*
CHANGCHUN CARREFOUR COMMERCIAL CO., LTD.	*75.0*
CHANGSHA CARREFOUR HYPERMARKET	*100.0*
CHANGZHOU YUEDA CARREFOUR COMMERCIAL CO., LTD.	*60.0*
CHENGDU CARREFOUR HYPERMARKET CO LTD	*80.0*
CHENGDU YUSHENG INDUSTRIAL DEVELOPMENT CO LTD	*100.0*
CHONGQING CARREFOUR COMMERCIAL CO LTD	*65.0*
DALIAN CARREFOUR COMMERCIAL CO., LTD.	*65.0*
DONGGUAN CARREFOUR COMMERCIAL CO., LTD	*100.0*
DONGGUAN DONESHENG SUPERMARKET CO	*100.0*
FOSHAN CARREFOUR COMMERCIAL CO., LTD	*100.0*
FUZHOU CARREFOUR COMMERCIAL CO LTD	*100.0*
GUANGZHOU JIAGUANG SUPERMARKET CO	*100.0*
GUIZHOU CARREFOUR COMMERCIAL CO., LTD	*100.0*
HAIKOU CARREFOUR COMMERCIAL	*100.0*
HANGZHOU CARREFOUR HYPERMARKET CO., LTD	*80.0*
HARBIN CARREFOUR HYPERMARKET CO., LTD	*65.0*
HEBEI BAOLONGCANG CARREFOUR COMMERCIAL CO., LTD.	*51.0*
HEFEI YUEJIA COMMERCIAL CO., LTD.	*60.0*
HUHHOT CARREFOUR COMMERCIAL COMPANY CO., LTD.	*100.0*
JINAN CARREFOUR COMMERCIAL CO., LTD	*100.0*
KUNMING CARREFOUR HYPERMARKET CO., LTD	*100.0*
NANCHANG YUEJIA COMMERCIAL CO., LTD	*60.0*
NANJING YUEJIA SUPERMARKET CO LTD	*65.0*
NINGBO CARREFOUR COMMERCIAL	*80.0*
NINGBO LEFU INDUSTRIAL DEVELOPMENT CO. LTD	*100.0*
QINGDAO CARREFOUR COMMERCIAL	*95.0*
QUJING CARREFOUR HYPERMARKET CO., LTD.	*100.0*
SHANDONG CARREFOUR COMMERCIAL CO., LTD.	*100.0*
SHANGAI CARHUA SUPERMARKET LTD	*55.0*
SHANGHAI GLOBAL SOURCING CONSULTING CO LTD	*100.0*
SHANXI YUEJIA COMMERCIAL CO., LTD	*55.0*
SHENYANG CARREFOUR COMMERCIAL CO LTD	*65.0*
SHENZHEN CARREFOUR COMMERCIAL	*100.0*
SHENZHEN LERONG SUPERMARKET CO LTD	*100.0*
SHIJIAZHUANG CARREFOUR COMMERCIAL CO., LTD.	*51.0*
SICHUAN CARREFOUR COMMERCIAL CO., LTD.	*100.0*
SUZHOU YUEJIA SUPERMARKET CO., LTD	*55.0*
THE CARREFOUR (CHINA) FOUNDATION FOR FOOD SAFETY LTD.	*100.0*
TIANJIN JIAFU COMMERCIAL CO., LTD.	*100.0*
TIANJIN QUANYE CARREFOUR HYPERMARKET CO., LTD	*65.0*
VICOUR LIMITED	*100.0*

CHINA	*Percent interest used in consolidation*
WUHAN HANFU SUPERMARKET CO., LTD.	*100.0*
WUXI YUEJIA COMMERCIAL CO., LTD.	*55.0*
XIAMEN CARREFOUR COMMERCIAL CO LTD	*100.0*
XIAN CARREFOUR HYPERMARKET CO LTD	*100.0*
XINJIANG CARREFOUR HYPERMARKET	*100.0*
XUZHOU YUEJIA COMMERCIAL CO LTD	*60.0*
ZHENGZHOU YUEJIA COMMERCIAL CO., LTD.	*60.0*
ZHUHAI CARREFOUR COMMERCIAL CO., LTD.	*100.0*
ZHUHAI LETIN SUPERMARKET CO., LTD.	*100.0*
ZHUZHOU CARREFOUR COMMERCIAL CO., LTD.	*100.0*

SPAIN	
CARREFOUR ESPANA PROPERTIES, S.L.	*100.0*
CARREFOUR NAVARRA, S.L.	*100.0*
CARREFOUR NORTE, S.L.	*100.0*
CARREFOUR PROPERTY SANTIAGO, S.L.	*100.0*
CARREFOURONLINE S.L (SUBMARINO HISPANIA)	*100.0*
CENTROS COMERCIALES CARREFOUR, S.A.	*100.0*
CORREDURIA DE SEGUROS CARREFOUR	*75.0*
ESTABLECIMIENTOS DE DESCUENTO STONE	*100.0*
GROUP SUPECO MAXOR	*100.0*
INVERSIONES PRYCA, S.A.	*100.0*
NORFIN HOLDER S.L.	*100.0*
SERVICIOS FINANCIEROS CARREFOUR EF.C. (FINANCIERA PRYCA)	*60.1*
SIDAMSA CONTINENTE HIPERMERCADOS, S.A.	*100.0*
SOCIEDAD DE COMPRAS MODERNAS, S.A. (SOCOMO)	*100.0*
SUPERMERCADOS CHAMPION, S.A.	*100.0*
VIAJES CARREFOUR, S.L.UNIPERSONAL	*100.0*

HONG KONG	
CARREFOUR ASIA LTD	*100.0*
CARREFOUR GLOBAL SOURCING ASIA	*100.0*
CARREFOUR TRADING ASIA LTD (CTA)	*100.0*

INDIA	
CARREFOUR INDIA MASTER FRANCHISE LTD	*100.0*
CARREFOUR WC & C INDIA PRIVATE LTD	*100.0*

INDONESIA	
PT ALFA RETAILINDO TBK	*60.0*
PT CARREFOUR INDONESIA (EX CONTIMAS)	*60.0*

IRELAND	
CARREFOUR INSURANCE	*100.0*

ITALY	*Percent interest used in consolidation*
CARREFOUR ITALIA	*100.0*
CARREFOUR ITALIA FINANCE SRL	*100.0*
CARREFOUR PROPERTY ITALIA S.r.l (ex DEMETER ITALIA SPA (ex HYPERMARKET HOLDING))	*99.8*
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BUROLO	*89.0*
CONSORZIO PROPRIETARI CENTRO COMMERCIALE GIUSSANO	*76.8*
CONSORZIO PROPRIETARI CENTRO COMMERCIALE MASSA	*54.1*
CONSORZIO PROPRIETARI CENTRO COMMERCIALE TORINO MONTECUCCO	*87.2*
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BRIANZA	*52.8*
CONSORZIO PROPRIETARI CENTRO COMMERCIALE THIENE	*57.8*
CONSORZIO PROPRIETARI CENTRO COMMERCIALE VERCELLI	*84.2*
DI PER DI SRL	*99.8*
FUTURE SRL (ex TREDI' ESPANSIONE SRL)	*99.8*
GS SpA (EX ATENA)	*99.8*
IL BOSCO SRL	*94.8*
INVESTMENTI COMMERCIALI SAN GIULIANO S.R.L.	*99.8*
INVESTMENTI COMMERCIALI GALLARATE S.R.L.	*99.8*
S.C.A.R.L. Shopville Gran Reno	*57.7*
SOCIETA SVILUPPO COMMERCIALE	*99.8*

LUXEMBOURG	
VELASQUES SA	*100.0*

NETHERLANDS	
CADAM BV	*100.0*
CARREFOUR CHINA HOLDINGS BV	*100.0*
CARREFOUR INTERNATIONAL SERVICES BV (HYPER GERMANY HOLDING BV)	*100.0*
CARREFOUR NEDERLAND BV	*100.0*
CARREFOUR PROPERTY BV	*100.0*
FOURCAR BV	*100.0*
FOURET BV	*100.0*
FRANCOFIN BV	*100.0*
HOFIDIS INVESTMENT AND FINANCE INTERNATIONAL (HIFI)	*100.0*
HYPER GERMANY BV	*100.0*
HYPER INVEST BV	*100.0*
INTERCROSSROADS BV	*100.0*
KRUISDAM BV	*100.0*
MILDEW BV	*100.0*
ONESIA BV	*100.0*
SOCA BV	*100.0*

POLAND	
CARREFOUR POLSKA	*100.0*
CARREFOUR POLSKA WAW	*100.0*
WIGRY	*100.0*

ROMANIA	*Percent interest used in consolidation*
ARTIMA SA	*100.0*
CARREFOUR PROPERTY ROMANIA	*100.0*
CARREFOUR ROUMANIE	*100.0*
CARREFOUR VOIAJ	*100.0*
TERRA ACHIZITII SRL	*100.0*

RUSSIA	
CARREFOUR RUS	*100.0*

SINGAPORE	
CARREFOUR SINGAPOUR PTE LTD	*100.0*
CARREFOUR SOUTH EAST ASIA	*100.0*

SWITZERLAND	
CARREFOUR WORLD TRADE	*100.0*
HYPERDEMA (PHS)	*100.0*
PROMOHYPERMARKT AG (PHS)	*100.0*

TAIWAN	
CARREFOUR INSURANCE BROKER CO	*60.0*
CARREFOUR STORES TAIWAN CO	*60.0*
CARREFOUR TELECOMMUNICATION CO	*30.6*
CHARNG YANG DEVELOPMENT CO	*30.0*
PRESICARRE	*60.0*

TURKEY	
CARREFOUR SABANCI TICARET MERKEZI AS CARREFOURSA	*58.2*

45.2 COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD AT DECEMBER 31, 2012

FRANCE	*Percent interest used in consolidation*
ABREDIS	*50.0*
ALEXANDRE	*50.0*
AZAYDIS	*50.0*
AZIMMO	*50.0*
BORDEROUGE	*40.0*
CARDUTOT	*26.0*
CARGAN	*50.0*
CARTAILLAN	*50.0*
CERBEL	*50.0*
CEVIDIS	*50.0*
CHERBOURG INVEST	*48.0*
CJA DISTRIBUTION	*50.0*
COLODOR	*50.0*
CONCEPT 2003	*50.0*
COROU	*50.0*
COVIAM 21	*50.0*
DE L'ARCHE	*50.0*
DECODIS	*50.0*
DEPOT PETROLIER DE LYON	*50.0*
DEPOTS PETROLIERS COTIERS	*20.0*
DIPLO	*50.0*
DIRIC	*50.0*
DISMONPT	*50.0*
ENTREPOT PETROLIER DE VALENCIENNES	*34.0*
FABCORJO	*50.0*
FARO	*50.0*
FAVICAR	*50.0*
FIVER	*50.0*
FONCIERE MARSEILLAN	*50.0*
FONCIERE PLANES	*50.0*
FRELUM	*50.0*
GANDIS	*50.0*
GERIC GIE	*43.1*
GMDIS	*50.0*
GPVM	*30.0*
GRANDI	*50.0*
GWENDA	*50.0*
HBLP	*25.0*
IDEC	*50.0*
IMMO ST PIERRE EGLISE	*50.0*
JOSIM	*34.0*
LA CATALANE DE DISTRIBUTION	*50.0*

FRANCE	*Percent interest used in consolidation*
LA GUJANNAISE	*26.0*
LAITA BELON DISTRIBUTION	*50.0*
LB LE PLAN	*50.0*
LE CLAUZELS	*50.0*
LE PETIT BAILLY	*50.0*
LES OLIVIERS	*50.0*
LEZIDIS	*50.0*
LUMIMMO	*50.0*
MADIS	*50.0*
MAISON VIZET FABRE	*50.0*
MARIDYS	*50.0*
MASSEINE	*50.0*
MAUDIS	*50.0*
MBD	*50.0*
NASOCA	*50.0*
NOUKAT	*50.0*
OLICOURS	*50.0*
OUISDIS	*50.0*
PAM	*50.0*
PLAMIDIS	*50.0*
PLANE MARSEILLAN	*50.0*
PLORAUDIS	*50.0*
PRODIX	*50.0*
PROPHI	*50.0*
PROVENCIA SA	*50.0*
RIMADIS	*50.0*
ROGER	*50.0*
ROND POINT	*34.0*
ROSE BERGER	*50.0*
SAM	*50.0*
SCA	*50.0*
SCB	*50.0*
SCI IMMODISC	*50.0*
SCI LA CLAIRETTE	*50.0*
SCI LATOUR	*60.0*
SCI PONT D'ALLIER	*50.0*
SCI SOVALAC	*50.0*
SCOMONDIS	*34.0*
SCYCADIS	*50.0*
SEREDIS	*50.0*
SIFO	*50.0*
SMD	*50.0*
SME	*50.0*
SOCADIS CAVALAIRE	*50.0*
SODIBOR	*50.0*
SODITA	*50.0*
SOFIDIS	*50.0*

FRANCE	***Percent interest used in consolidation***
SOQUIMDIS	*50.0*
SOTRESCO	*50.0*
SOVADIS	*50.0*
ST PAUL DE DISTRIBUTION	*50.0*
Ste du Depot pétrolier de Nanterre	*20.0*
STE FINANCIERE GERIC	*34.9*
TURENNE	*50.0*
VALECAR	*50.0*
VALMENDIS	*50.0*

BELGIUM	
MESTDAGH	*25.0*

UNITED ARAB EMIRATES	
MAJID AL FUTAIM	*25.0*

SPAIN	
2011 CAYETANO PANELLES, S.L.	*26.0*
2012 ALVARO EFREM JIMENEZ	*26.0*
2012 CORDOBA RODRIGUEZ	*26.0*
2012 ERIK DAVID	*26.0*
2012 FLORES HERNANDEZ	*26.0*
2012 LIZANDA TORTAJADA	*26.0*
2012 NAYARA S.MARTIN	*26.0*
2012 VICENTE ARLANDIS	*26.0*
ANTONIO PEREZ, S.L	*26.0*
AS CANCELAS S XXI, S.L.	*50.0*
COSTASOL DE HIPERMERCADOS, S.L.	*34.0*
DIAGONAL PARKING, S.C.	*57.5*
GLORIAS PARKING S.A.	*50.0*
HEGERVIS MATARO, S.L.	*26.0*
ILITURGITANA DE HIPERMERCADOS, S.L.	*34.0*
JM.MARMOL SUPERMERCADOS. S.L.	*26.0*
J.CARLOS VAZQUEZ, S.L.	*26.0*
LUHERVASAN, S.L.	*26.0*
SAGRADA FAMILIA, S.L.	*26.0*
SUPERMERCADOS CENTENO S.L.	*26.0*
VALATROZ	*26.0*

ITALY	*Percent interest used in consolidation*
CONSORZIO CIEFFEA	*49.9*
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	*49.9*
CONSORZIO PROPRIETARI CENTRO COMMERCIALE SIRACUSA	*33.3*
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ROMANINA	*46.3*
IPER ORIO SPA	*49.9*
IPER PESCARA SPA	*49.9*
S.C.A.R.L. Shopville Le Gru	*39.3*
SOLEDORO	*25.0*

POLAND	
C SERVICES	*30.0*

ROMANIA	
PLOIESTI SHOPPING CITY	*50.0*

5.7 Statutory Auditors' report on the Consolidated Financial Statements

Year-ended December 31, 2012

This is a free translation into English of the Statutory Auditors' report on the Consolidated Financial Statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the Consolidated Financial Statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Consolidated Financial Statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the Consolidated Financial Statements.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the Consolidated Financial Statements of Carrefour, "the Group", as attached to the present report;
- the justification of our assessments;
- the specific verification required by French law.

The Consolidated Financial Statements have been approved by the Board of Directors. Our role is to express an opinion on these Consolidated Financial Statements based on our audit.

Opinion on the Consolidated Financial Statements

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the Consolidated Financial Statements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position and the assets and liabilities of the Group as of December 31, 2012, and of the results of its operations in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Justification of assessments

The accounting estimates used to prepare the Consolidated Financial Statements were made in an uncertain environment due to the public finances crisis in certain countries in the euro zone, in particular Spain and Italy. This crisis was accompanied by an economic and liquidity crisis, which makes it difficult to anticipate the economic outlook. It is within this context that, in accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

Note 1.3 to the Consolidated Financial Statements states that the Group's Management uses estimates and makes assumptions that may affect the book value of certain assets and liabilities as well as the accompanying notes to the financial statements. Note 1.3 also states that, depending on the evolutions of those assumptions, the book value of these assets and liabilities in the future financial statements may differ from the current estimates.

We have notably verified the followings:

- Your Group has performed at year-end an impairment test of goodwill and also assessed whether there was any indication of impairment of other tangible and intangible assets, according to the methodology described in Note 2.6.4 to the Consolidated Financial Statements. We have reviewed the methodology used to conduct the impairment test and the identification of triggers of impairment, the cash flow forecasts and assumptions used, together with the information provided in Note 17 to the Consolidated Financial Statements. We have reviewed the calculations performed by your Group; we have compared previous periods' accounting estimates with actual results and reviewed Management's approval process of these estimates.
- With respect to provisions, we have assessed the basis upon which such provisions have been set up, reviewed the Group's procedures to identify them, their assessment, and their recording and reviewed the information relating to the risks presented in Notes 29, 30, and 31 to the Consolidated Financial Statements.

These assessments were made as part of our audit of the Consolidated Financial Statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

Specific verification

As required by French law, and in accordance with the professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the Consolidated Financial Statements.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, March 12, 2013

French original signed by

Mazars	KPMG audit Department of KPMG S.A.	Deloitte & Associés
Patrick de Cambourg Pierre Sardet	Eric Ropert	Alain Pons Arnaud de Planta

6

COMPANY FINANCIAL STATEMENTS

6.1 Balance Sheet at December 31, 2012

The financial statements are presented in million euros. There may be rounding differences between the amounts reported in the different statements.

ASSETS

		2012			2011
(in € millions)	Notes	Gross	Depreciation & amortization	Net	Net
Intangible fixed assets		14,976	4,490	10,486	11,849
Tangible fixed assets		3	3	-	-
Financial investments		25,767	1,780	23,987	23,695
Fixed assets	*3*	**40,746**	**6,273**	**34,473**	**35,544**
Accounts receivable	*4*	630	188	442	2,110
Marketable securities	*5*	3,297	54	3,243	808
Current assets		**3,927**	**242**	**3,685**	**2,918**
Prepayments and deferred charges	*4*	59	-	59	49
TOTAL ASSETS		**44,732**	**6,515**	**38,217**	**38,511**

EQUITY AND LIABILITIES

(in € millions)	Notes	2012	2011
Share capital		1,773	1,698
Issue and merger premiums		15,419	15,094
Statutory reserve		179	179
Regulated reserves		378	378
Other reserves		439	1,879
Retained earnings		6	-
Net income for the year		5	(1,077)
Shareholders' equity	*6*	**18,199**	**18,151**
Provisions for contingencies and charges	*7*	527	543
Financial liabilities			
Bonds		9,296	9,124
Bank borrowings		6,000	10,229
Operating liabilities			
Trade payables		227	151
Accrued taxes and payroll costs		29	20
Other operating liabilities		1	1
Miscellaneous liabilities			
Other miscellaneous liabilities		3,938	292
Liabilities	*8*	**19,491**	**19,817**
TOTAL EQUITY AND LIABILITIES		**38,217**	**38,511**

6.2 Income Statement for the year ended December 31, 2012

(in € millions)	2012	2011
Reversals of impairment and provisions, and transferred charges	2	174
Other income	462	501
Total operating income	**464**	**675**
Other purchases and external charges	(532)	(460)
Wages and salaries, payroll taxes	(25)	(26)
Depreciation, amortization, impairment and other provision expense	(68)	(123)
Taxes other than on income, other operating expenses	(4)	(196)
Total operating expenses	**(629)**	**(805)**
Operating loss	**(165)**	**(130)**
Income from shares in subsidiaries and affiliates	1,369	2,809
Interest income, revenue from disposals of marketable securities	119	149
Reversals of impairment and other provisions	308	230
Total financial income	**1,796**	**3,188**
Provision charges and impairment of financial assets	(175)	(1,948)
Interest expense	(592)	(813)
Total financial expenses	**(767)**	**(2,761)**
Financial income, net	**1,029**	**427**
Recurring income before tax	**864**	**297**
Net non-recurring expense from revenue transactions	(1)	-
Net non-recurring expense from capital transactions	(323)	(1,382)
Non-recurring amortization, impairment and other provision expense, net	(910)	(396)
Net non-recurring expense	**(1,234)**	**(1,778)**
Employee profit-sharing	**-**	**-**
Income tax benefit	**375**	**404**
Net income (loss)	**5**	**(1,077)**

6.3 Statement of cash flows for the year ended December 31, 2012

(in € millions)	2012	2011
Net income (loss)	**5**	**(1,077)**
Depreciation and amortization	19	34
Provisions and impairment of financial assets, net of reversals	1,105	2,032
Capital gains and losses on sale of fixed assets	37	58
Net book value of the Carrefour Promodès goodwill (mali de fusion) allocated to the Dia business	-	1,318
Other changes	-	210
Cash flow from operations	**1,166**	**2,575**
Change in other receivables and payables	(106)	71
Net cash from operating activities	**1,060**	**2,646**
Acquisitions of tangible and intangible fixed assets	(18)	(19)
Acquisitions of shares in subsidiaries and affiliates	(242)	(2,325)
Disposals of tangible and intangible fixed assets	-	-
Disposals of shares in subsidiaries and affiliates	12	67
Change in other financial investments	329	(6)
Other cash flows from investing activities (1)	(18)	(152)
Net cash from investing activities	**63**	**(2,435)**
Dividends paid	(145)	(725)
Reduction in capital	-	-
Net change in debt	1,208	(323)
Change in intra-group receivables and payables	231	57
Net cash from financing activities	**1,294**	**(991)**
Net change in cash and cash equivalents	**2,417**	**(780)**
Cash and cash equivalents at beginning of year (2)	700	1,480
Cash and cash equivalents at end of year (2)	3,117	700
Net change in cash and cash equivalents in balance	**2,417**	**(780)**

(1) Of which changes in tresury stock (recorded on the asset sides of the balance sheet as marketable securities
(2) Except tresury stock.

6.4 Notes to the financial statements

CONTENTS

NOTE 1 ACCOUNTING PRINCIPLES

The financial statements of the Company have been prepared and presented in accordance with the principles and methods defined in *Comité de la Réglementation Comptable* (CRC) Regulation 99-03, approved by government order of June 22, 1999.

The financial statements have been prepared on a going concern basis using the accruals method, in accordance with the basic principle of prudence. Accounting policies have been applied consistently from one period to the next.

Assets and liabilities are measured according to the historical cost convention.

There were no changes in measurement or presentation methods in 2012 compared with the previous year.

1.1 TANGIBLE AND INTANGIBLE FIXED ASSETS

Intangible assets are mainly composed of software, stated at acquisition or development cost, and goodwill stated at contributed value, including goodwill arising from the Carrefour-Promodès merger in 2000 and the Carrefour-Hofidis II merger in 2010.

Goodwill is tested for impairment at each year-end, to confirm that its net book value does not exceed its recoverable amount, defined as the higher of fair value less costs to sell and value in use. Value in use is determined by discounting the future cash flows expected to be generated by the use of the asset, adjusted for the net debt of the tested entity if applicable.

Tangible fixed assets are stated at cost, corresponding to the purchase price and ancillary expenses.

Intangible fixed assets are amortized and tangible fixed assets are depreciated over their estimated useful lives, as follows:

- software: 3 to 5 years;
- computer equipment: 3 years;
- building fixtures and fittings: 8 years;
- other: 3 to 10 years.

If the net book value of a tangible or intangible fixed asset is not expected to be recovered through the future economic benefits generated by the asset, an impairment loss is recognized for the difference between its net book value and the higher of its value in use and fair value less costs to sell.

1.2 FINANCIAL INVESTMENTS

Financial investments consist of shares in subsidiaries and affiliates, advances to subsidiaries and affiliates, loans and other financial investments.

1.3 SHARES IN AND ADVANCES TO SUBSIDIARIES AND AFFILIATES

Shares in subsidiaries and affiliates are stated at the lower of cost and either fair value or value in use.

Value in use is estimated based on a range of criteria including the Company's interest in the investee's net assets, projected future cash flows from the investment and a fair value measurement based on reasonable business projections.

Impairment losses are recorded in net financial expense, along with impairments written off on disposal of the interests concerned. Gains and losses on disposal of shares in subsidiaries and affiliates are recorded in non-recurring income and expense.

1.4 LOANS AND OTHER FINANCIAL INVESTMENTS

Loans and other financial investments are stated at nominal value.

An impairment loss is recognized when their estimated recoverable amount is less than their carrying amount.

1.5 ACCOUNTS RECEIVABLE

Accounts receivable mainly correspond to intra-group receivables arising from the provision of services. They are recognized when the service is provided.

Accounts receivable are stated at the lower of their nominal amount and recoverable amount.

1.6 MARKETABLE SECURITIES

Marketable securities include:

- Carrefour shares designated as being held for allocation to employees under stock option and stock grant plans. These shares are stated at cost. They are not written down to market value because they are intended to be allocated to employees and a provision is recorded in liabilities as explained below in the note on provisions;
- Carrefour shares available for allocation to employees or to stabilize the share price. These shares are stated at the lower of cost and market, corresponding to the average share price for the month of December;
- mutual fund units, retail certificates of deposit and commercial paper, stated at the lower of cost and market.

Details of marketable securities at December 31 are presented in Note 5.

1.7 FOREIGN CURRENCY TRANSACTIONS

Revenues and expenses in foreign currencies are recorded at the exchange rate on the transaction date. Receivables, payables and cash in foreign currency are recorded in the balance sheet at the year-end exchange rate or the hedging rate if applicable. The difference arising from the application of the year-end rate is recorded in the balance sheet under "Other miscellaneous liabilities".

1.8 RETIREMENT OBLIGATIONS

The Company's total liability for length-of-service awards payable to employees on retirement is covered by a provision recorded in the balance sheet.

The assumptions used to calculate the provision are as follows:

- inflation rate: 2%;
- rate of future salary increases: 2.5%;
- payroll tax rate: 45%;
- discount rate: 2.98%.

Staff turnover rate: average of the actual turnover rates for headquarters staff over the period 2010-2012, *i.e.* employees with 0 to 5 years' seniority: 18.19%, employees with 6 to 10 years' seniority: 18.59%, employees with 11 to 15 years' seniority: 2.57%. For employees aged over 55, the turnover rate is assumed to be zero.

Mortality table: TH TF 00-02

1.9 SUPPLEMENTARY PENSION PLAN

A defined benefit pension plan was set up in 2009 with the following characteristics:

- plan participants must be employed by the Company when they retire and have completed more than three years' service at the time of retirement, and their annual compensation must be greater 16 times the annual ceiling for calculating Social Security contributions;
- plan participants hired at age 45 or over are credited with up to 10 years' service as follows: age 45 = 0 year; age 46 = 1 year; age 47 = 2 years, etc.;
- years of service taken into account for the calculation of plan benefits are capped at 20 years;
- benefits correspond to 1.5% of the reference compensation per year of service;
- the reference compensation corresponds to the average of the last three years' salary and bonus or 60 times the annual ceiling for Social Security contributions whichever is lower;
- the replacement rate represented by pension benefits from all sources is capped at 50% of the reference compensation, with the annual benefit capped at 25% of the participant's compensation for the last full year of service;
- upon the participant's death, a reversionary pension is payable to the surviving spouse in an amount equal to 50% of the original benefit;
- discount rate: 2.20%;
- expected return on plan assets: 3.00%;
- staff turnover rate: 25% before the age of 55, 0% after 55.

Unrecognized past service cost and actuarial gains and losses amounted to 58 million euros at December 31, 2012. This amount is being recognized over the remaining life of the plan in accordance with *Conseil National de la Comptabilité* (CNC) recommendation 2003-R-01.

1.10 INCOME TAX

Carrefour SA is the lead company of a tax group.

Under the terms of the agreement between the companies in the tax group, each company records in its accounts the income tax expense or benefit that it would have paid or received if it had been taxed on a stand-alone basis, and the tax saving or additional tax charge corresponding to the difference between the sum of the taxes payable by the companies in the tax group and the tax expense or benefit calculated on the basis of the tax group's consolidated profit or loss is recorded by Carrefour SA.

The corporate income tax rate in France is 33.33% and companies are also required to pay a 3.3% surtax (*contribution additionnelle*) corresponding to 3.3% of their tax liability beyond the first 763,000 euros. Plus on additional 5% (*taxe additionnelle*), bringing the total tax rate to 36.10%.

Tax credits deductible from income tax expense are reported in the income statement under "Income tax".

1.11 PROVISIONS

In accordance with Article 212-1 of Regulation CRC 99-03 on liabilities, a provision is recorded when (i) the Company has an obligation towards a third party, (ii) the amount of the obligation can be reliably estimated, (iii) it is probable that an outflow of resources will be necessary to settle the obligation and (iv) no equivalent economic benefit is expected to be received in return.

In accordance with Regulation CRC 2008-15 dated December 4, 2008, a liability is recognized when (i) the decision has been made to set up a stock option or stock grant plan, (ii) the Company has an obligation to deliver existing shares to grantees and (iii) it is probable or certain that an outflow of resources will be necessary to settle the obligation without any equivalent economic benefit being received in return. When the stock rights or stock option rights will be exercisable only at the end of a specified period of employee service, the liability is recognized as a provision that is reduced over the vesting period as the employee service is received.

The main characteristics of stock option plans outstanding at December 31, 2012 or that expired during the year are presented below:

	Grant date (1)	Number of options granted (2)	Contractual life of the plan	Number of grantees	Option exercise period (3)	Number of options outstanding (4)	Exercise price *(in €)* (2)
2005 Presence Plan	April 20, 2005	4,982,917	7 years	457	April 20, 2007-April 19, 2012	0	35.78
2006 Presence Plan	April 25, 2006	7,580,898	7 years	2144	April 25, 2008-April 24, 2013	6,714,436	38.5
2007 Presence Plan	May 15, 2007	4,354,667	7 years	502	May 15, 2009-May 14, 2014	3,792,357	49.45
2008 Presence Plan I	June 6, 2008	4,545,183	7 years	505	June 6, 2010-June 5, 2015	3,568,284	39.68
2008 Presence Plan II	July 7, 2008	17,109	7 years	1	July 7, 2010-July 6, 2015	17,109	39.68
2009 Performance Plan	June 17, 2009	1,252,994	7 years	57	June 17, 2011-June 16, 2016	432,799	29.55
2009 Presence Plan	June 17, 2009	6,974,861	7 years	2571	June 17, 2011-June 16, 2016	5,533,173	29.55
2010 Presence Plan I	May 4, 2010	60,000	7 years	1	May 4, 2012-May 3, 2017	0	32.84
2010 Performance Plan	July 16, 2010	1,439,017	7 years	56	July 17, 2012-July 16, 2017	534,364	29.91
2010 Presence Plan II	July 16, 2010	1,941,610	7 years	507	July 17, 2012-July 16, 2017	1,531,548	29.91
TOTAL						**22,124,070**	

(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.
(3) The options will vest only if the grantee is still employed by the Group at the start of the exercise period. Since 2006, the options vest as follows:
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) The number of options outstanding includes both options exercisable at December 31, 2012 and options that were not yet exercisable at that date.

Details of the stock grant plans in progress at December 31, 2012 are presented below:

	Grant date (1)	Transfer date	Number of shares granted	Number of grantees	Reference share price (spot) (in €) (2)	Number of shares delivered in 2012	Number of shares attributable at December 31, 2012
2009 Presence Plan I	June 17, 2009	June 17, 2012	103,842	57	31.54	58,641	0
2010 Presence Plan I	July 16, 2010	July 16, 2013	517,743	513	34.59	0	392,959
2010 Presence Plan II	April 13, 2010	April 13, 2012	22,812	1	37.65	22,812	0
2010 Presence Plan III	Aug. 30, 2010	Aug. 31, 2012	34,218	1	37.85	34,218	0
2010 Performance Plan	July 16, 2010	July 16, 2012	448,077	56	34.59	0	0
2011 Presence Plan	May 31, 2011	May 31, 2013	15,969	1	26.89	0	15,969
TOTAL						**115,671**	**408,928**

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

1.12 RISK INFORMATION

1.12.1. INTEREST RATE AND FOREIGN EXCHANGE RISK

Interest rate hedging instruments are used mainly to limit the effects of changes in exchange rates on the Company's variable rate borrowings.

The main instruments are interest rate swaps and options and forward foreign exchange purchase and sale contracts, purchased over-the-counter from leading banking counterparties.

Gains and losses on hedging instruments are recognized on a symmetrical basis with the loss or gain on the hedged item. A provision is booked at the year-end for losses on derivative instruments that do not qualify for hedge accounting.

Details of derivative instruments outstanding at December 31 are presented in Note 10.

1.12.2. EQUITY RISK

Equity risk concerns Carrefour shares acquired for allocation upon exercise of stock options. When their market price is less than the option exercise price, the shares are reclassified as "Shares available for allocation" in the marketable securities account, and an impairment loss is recognized for the difference between their purchase price and the average Carrefour share price for the month of December.

See Note 5 for details.

NOTE 2 SIGNIFICANT EVENTS OF THE YEAR

2.1 TENDER OFFER FOR GUYENNE & GASCOGNE

On December 12, 2011, Carrefour announced that it planned to file a cash offer with a stock alternative for Guyenne & Gascogne, its historical partner in south western France.

Carrefour's draft information memorandum was filed with France's securities regulator, *Autorité des Marchés Financiers* (AMF), on February 14, 2012. It was approved by the AMF on February 28, 2012 under *visa* no. 12-095.

At the end of the offer process, Carrefour held 100% of the Guyenne & Gascogne shares, acquired at a total cost of 428 million euros, as follows:

Date	Type of offer	Number of shares acquired	Price per share *(in €)*	Total price *(in €)*
June 7, 2012	Cash offer	3,005,637	74.25	223,168,547.25
June 7, 2012	Stock offer	3,418,269	55.11	188,370,549.78
June 13, 2012	Squeeze-out	217,358	74.25	16,138,831.50
TOTAL		**6,641,264**	**203.61**	**427,677,928.53**

2.2 FINANCIAL INCOME, NET

Financial income, net amounted to 1,029 million euros in 2012 compared with 427 million euros in 2011. The 602 million euros increase can be explained as follows:

- in 2012, a net 165 million euros was reversed from provisions for impairment of shares in subsidiaries and affiliates, whereas in 2011, these provisions were increased by a net 1,660 million euros (positive impact of 1,825 million euros);
- net charges to provisions for impairment of treasury stock were lower, due to the increase in Carrefour's share price between 2011 and 2012 (positive impact of 254 million euros);
- dividend income from subsidiaries was also lower (negative impact of 1,439 million euros);
- interest expense on intra-group and external borrowings decreased year-on-year (positive impact of 49 million euros);
- charges to provisions for contingencies were higher (negative impact of 87 million euros).

2.3 NET NON-RECURRING EXPENSE

Non-recurring items consist mainly of impairment losses recognized during the year and reversals of impairment losses recognized in prior periods on Carrefour Promodès goodwill, recorded following impairment tests performed in accordance with the accounting policies and methods described in Note 1 under "Intangible assets".

This caption also includes goodwill (*mali de fusion*) and shares written off on disposal of subsidiaries and affiliates.

Impairment losses net of reversals represented a net expense of -910 million euros in 2012 and -396 million euros in 2011. In all, non-recurring items represented a net expense of -1,234 million euros in 2012 and -1,778 million euros in 2011.

2.4 DISPOSAL OF OPERATIONS IN INDONESIA

On November 20, 2012, Carrefour Group announced the sale of its 60% interest in Carrefour Indonesia to its local partner, CT Corp. This transaction had no impact on the company financial statements at December 31, 2012. Additional information is provided in Note 13 "Subsequent events".

NOTE 3 FIXED ASSETS

(in € millions)	Intangible fixed assets	Tangible fixed assets	Financial investments	Total
Cost				
At January 1, 2012	15,273	6	25,716	40,995
Acquisitions	19		431 (3)	450
Assets derecognized on disposal	(316) (1)	(3)	(380) (4)	(699)
At December 31, 2012 A	**14,976**	**3**	**25,767**	**40,746**
Amortization, depreciation and impairment				
At January 1, 2012	3,424	6	2,021	5,451
Amortization and depreciation for the period	28			28
Impairment recorded and reversed during the period	1,356 (2)		(206)	1,150
Amortization and depreciation written off on derecognized assets	(318) (1)	(3)	(35)	(356)
At December 31, 2012 B	**4,490**	**3**	**1,780**	**6,273**
NET TOTAL A – B	**10,486**		**23,987**	**34,473**

(1) Including a 285 million euros decrease in intangible assets and related provisions corresponding to the goodwill allocated to Greece, following reorganization of the Company's operations in that country.
(2) Including the net balance of goodwill impairment losses and reversals.
(3) Including the acquisition of Guyenne & Gascogne shares for 428 million euros following the public tender offer carried out in June 2012 (see Significant events of the year).
(4) Including bonds redeemed during the period (329 million euros), Carrefour Marinopulos shares derecognized following reorganization of the Company's operations in Greece (35 million euros) and derecognition of Carrefour Malaysia shares (15 million euros) sold during 2012.

NOTE 4 CURRENT ASSETS, PREPAYMENTS AND DEFERRED CHARGES

4.1 MATURITIES OF RECEIVABLES

(in € millions)	Total	Due within one year
Accounts receivable	630	630
Prepayments and deferred charges	59	59
	689	**689**

Prepayments and deferred charges include bond redemption premiums for 26 million euros and bond issuance costs for 21 million euros. These amounts are amortized over the life of the bonds.

Prepayments also include 6 million euros corresponding to the surplus under a supplementary pension plan funded through an insurance company (see Note 11).

NOTE 5 MARKETABLE SECURITIES

Marketable securities include:

- 6,147,949 Carrefour shares available for allocation to the employees of Carrefour and its subsidiaries, for 174 million euros;
- units in money market funds, for 3,117 million euros;
- premiums paid on call options on Carrefour shares intended to cover stock options outstanding at December 31, 2012. The premiums totaled 6 million euros at December 31, 2012, after amortization for the year of 3 million euros.

In 2012, changes in Carrefour shares held by the Company were as follows:

		Assets *(in € millions)*		Provision
	Number	Cost	Impairment	*(in € millions)*
At December 31, 2011	**5,598,650**	**165**	**(63)**	**(153)**
Forward shares purchases	664,970	17		
Shares delivered upon exercise of stock grant rights and stock options	(115,671)	(4)		4
Reduction in cost following reclassification of shares at their net book value		(4)	4	
Provision on shares purchased forward				30
Impairment of shares not yet allocated to specific share-based payment plans, or allocated to out-of-the-money stock options			9	
Provisions on shares allocated to specific share-based payment plans				10
AT DECEMBER 31, 2012	**6,147,949**	**174**	**(50)**	**(109)**

The market value of Carrefour shares held at December 31, 2012, based on the final quoted price for 2012 of 19.35 euros, was 118.9 million euros.

NOTE 6 SHAREHOLDERS' EQUITY

6.1 SHARE CAPITAL

The share capital is made up of 709,214,653 shares with a par value of 2.50 euros each.

6.2 APPROPRIATION OF PROFIT (ARTICLES 25 AND 26 OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION)

1. Income or loss for the year consists of the difference between revenue and expenses for the year after deducting depreciation, amortization and provision expense, as shown in the income statement.
2. At least 5% of income for the year, less any losses brought forward from the prior year, is allocated to the statutory reserve until such time as the reserve represents one-tenth of the share capital, or to increase the statutory reserve if it falls below one-tenth of the capital.

The remaining balance plus any retained earnings brought forward from the prior year is available for distribution.

The Annual Shareholders' Meeting may decide to offer shareholders the option of reinvesting all or part of their dividend.

The Board of Directors may decide to pay an interim dividend, in cash or in shares, during the fiscal year or after the year-end, in accordance with the applicable laws and regulations.

(in € millions)	Share capital	Issue and merger premiums	Other reserves, retained earnings and net income	Total shareholders' equity
Shareholders' equity at December 31, 2011	**1,698**	**15,094**	**1,359**	**18,151**
Distribution of dividends*				
Decided at the 2012 Annual Shareholders' Meeting			(363)	(363)
2012 stock dividends	42	170		212
Change in premiums, reserves and retained earnings			6	6
Other movements for the year				
Public tender offer for Guyenne & Gascogne (see Significant events of the year)	33	155		188
Shareholders' equity at December 31, 2012 before income for the year	**1,773**	**15,419**	**1,002**	**18,194**
Net income for the year			**5**	**5**
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2012 INCLUDING INCOME FOR THE YEAR	**1,773**	**15,419**	**1,007**	**18,199**

* *The 2012 dividend was paid in cash for 145 million euros and in Carrefour shares for 212 million euros.*
Dividends not paid on Carrefour shares held in treasury on the ex-dividend date, in the amount of 6 million euros, were credited to retained earnings.

6.3 TREASURY SHARE RESERVE

The carrying amount of Carrefour shares held in treasury at December 31, 2012 was 124 million euros.

NOTE 7 PROVISIONS AND IMPAIRMENT

(in € millions)	January 1, 2012	Increases	Reversals Used	Reversals Unused	Reclassifications [3]	December 31, 2012
Provisions for contingencies and charges						-
Obligations to deliver shares	22		(3)	(4)		15
Pension obligations	12	7		(2)	(14)	3
Other [1]	511	132		(137)		506
Provisions for impairment						
On intangible assets [2]	1,307	1,650	(249)	(298)		2,410
On financial investments	2,021	45	(35)	(250)		1,781
On accounts receivable	184	1				185
Other (marketable securities)	65	2		(13)		54
TOTAL	**4,122**	**1,837**	**(287)**	**(704)**	**(14)**	**4,954**
Analysis						
Movements recorded in operating income and expense	104	42		(2)	(14)	130
Movements recorded in financial income and expense	2,458	175	(38)	(311)		2,284
Movements recorded in non-recurring income and expense	1,560	1,620	(249)	(391)		2,540
Reclassifications						
TOTAL	**4,122**	**1,837**	**(287)**	**(704)**	**(14)**	**4,954**

(1) Provisions for risks related to subsidiaries and affiliates and provisions for miscellaneous contingencies and litigations.
(2) The increase for the year concerned impairment losses on purchased goodwill for 30 million euros and impairment losses on goodwill corresponding to merger deficits for 1,620 million euros. Reversals of impairment provisions amounted to 547 million euros and concerned goodwill corresponding to merger deficits.
(3) Reclassified under “Prepayments and deferred charges” (see Note 4).

NOTE 8 CHANGE IN FINANCIAL LIABILITIES

(in € millions)	2011	Increases	Decreases	2012	*o/w accrued interest*
Bonds	9,124	1,500	1,328	9,296	*145*
Bank borrowings	10,229	6,005	10,234	6,000	
TOTAL	**19,353**	**7,505**	**11,562**	**15,296**	***145***

MATURITIES OF LIABILITIES (EXCLUDING DIVIDENDS PAYABLE)

(in € millions)	Amount	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds	9,296	1,595	5,201	2,500
Bank borrowings [(1)]	6,000	6,000		
Trade payables	227	227		
Accrued taxes and payroll costs	29	20		
Other miscellaneous liabilities [(1)]	3,938	3,938		
TOTAL	**19,490**	**11,780**	**5,201**	**2,500**

(1) Bank borrowings and other miscellaneous liabilities due within one year correspond for the most part to amounts due to related companies.

NOTE 9 RELATED PARTY TRANSACTIONS

Assets	12/31/2012	Liabilities	12/31/2012
Financial investments	23,987	Financial liabilities	6,000
Accounts receivable	471	Operating liabilities	212
		Miscellaneous liabilities	3,903
TOTAL ASSETS	**24,458**	**TOTAL LIABILITIES**	**10,115**

Expenses	12/31/2012	Revenue	12/31/2012
Operating expenses	(302)	Operating revenue	455
Interest expense	(110)	Dividend and interest income	1,376
		Income tax benefit	354
TOTAL EXPENSES	**(412)**	**TOTAL REVENUE**	**2,185**

There were no material transactions with related parties other than wholly-owned subsidiaries that were not entered into on arm's length terms.

NOTE 10 OTHER COMMITMENTS

(in € millions)	Guarantee amount	o/w Related parties
Commitments given		
Guarantees	575	544
Forward purchases of Carrefour Shares [(1)]	429	
Subsidiaries' tax losses utilized by Carrefour SA	775	775
Rent guarantees [(2)]	230	230
Other guarantees given	126	
Total	**2,134**	**1,548**
Commitments received		
Undrawn syndicated lines of credit	4,350	-
TOTAL	**4,350**	**-**

(1) Forward share purchase agreement.
In 2009, 18,638,439 Carrefour shares were purchased forward at a price of 28.725 euros per share.
In 2010, 2,774,041 shares were purchased under the contract. At December 31, 2010, 15,620, 200 shares were available for purchase under the contract at a price of 28.725 euros per share.
In 2011, 2,196,200 shares were delivered for repurchase under the contract and the forward price was reduced from 28.725 euros to 25.184 euros. In addition, 106,646 shares were purchased at the new price of 25.184 euros.
In 2012, 664,970 shares were purchased at the price of 25.184 euros. At December 31, 2012, 17,044,784 shares were available for purchase under the contract at a price of 25.184 euros per share, representing a total commitment of 429 million euros.
(2) Rent guarantees correspond to the future minimum payments due under non-cancellable real estate leases.

NOTIONAL AMOUNT OF DERIVATIVE INSTRUMENTS BY MATURITY AT DECEMBER 31

(in € millions)	December 31, 2012	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2011	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Interest rate swaps (Carrefour fixed rate borrower)								
Euribor/fixed quarterly rate E/360	2,251	750	1,501	0	3,101	850	2,251	0
Weighted average rate								
Forward rate agreement (*Carrefour fixed rate borrower*)								
Euribor/fixed quarterly rate E/360	0	0	0	0	750	750	0	0
Weighted average rate								
Issuer swap (Carrefour variable rate borrower)								
Euribor/fixed rate	500	0	500	0	250	0	0	250
Cross currency swap								
Euribor/GBP fixed rate (Carrefour variable rate borrower)	0	0	0	0	796	796	0	0
Purchased interest rate options (*caps/floors/collars*)								
Notional amount	4,250	1,750	2,500	0	4,500	3,500	1,000	0
Strike price								
Weighted average premium								

FAIR VALUE OF DERIVATIVE INSTRUMENTS AT DECEMBER 31

(in € millions)	December 31, 2012
Interest rate swaps (Carrefour fixed rate borrower)	
Euribor/fixed quarterly rate E/360	(94)
Issuer swap (Carrefour variable rate borrower)	
Euribor/fixed rate	39
Purchased interest rate options (*caps/floors/collars*)	**(9)**

NOTE 11 AVERAGE NUMBER OF EMPLOYEES

Average number of employees	2012
Managers	9
Supervisors	0
Administrative staff	0
TOTAL	**9**

11.1 REMUNERATION

Statutory and discretionary profit-sharing plans have been set up by the Company for all employees with at least three months' service with the Carrefour Group.

The amounts payable under these plans were as follows in 2012 and 2011:

(in €)	2012	2011
Discretionary profit shares paid in respect of the prior year and invested in the discretionary profit sharing fund	0	0
Statutory profit shares in respect of the prior year invested in the statutory profit-sharing fund	95,879	112,639

Details of management remuneration are provided in the management report.

11.2 TRAINING

Individual training entitlement under the "DIF" plan:

- at December 31, 2012, employees' cumulative entitlement to training under the "DIF" plan totaled 403 hours;
- no requests to use "DIF" training hours were received in 2012.

11.3 EMPLOYEE RETIREMENT AND PENSION BENEFITS

LENGTH-OF-SERVICE AWARDS PAYABLE TO EMPLOYEES ON RETIREMENT

The provision recorded in the balance sheet for length-of-service awards payable to employees on retirement amounted to 3 million euros at December 31, 2012.

SUPPLEMENTARY PENSION PLAN

In 2012, an amount of 6 million euros was recorded under "Prepayments" in assets, corresponding to the difference between the contributions paid to the insurance company that funds the supplementary pension plan and the projected benefit obligation.

The plan cost for the year of 7 million euros was added to the related provision and the total provision of 14 million euros was cancelled by recognizing an equivalent amount in "Prepayments" as the contributions paid to the insurance company exceeded the projected benefit obligation at December 31, 2012 (see Note 7).

Unrecognized past service cost at December 31, 2012 amounted to 40 million euros. Unrecognized actuarial gains and losses totaled 18 million euros, after taking into account the effect of lower interest rates and higher taxes in 2012.

The total of 58 million euros is included in off-balance sheet commitments given by the Company (see Note 10).

NOTE 12 INCOME TAX

UNRECOGNIZED DEFERRED TAXES

CHANGE IN UNRECOGNIZED DEFERRED TAXES

	December 31, 2012		December 31, 2011		Changes	
Permanent and temporary differences	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
1 – Temporarily non-deductible expenses						
■ Provisions for pension obligations	1		4		(3)	
■ Provisions for impairment of receivables	64		63		1	
■ Provisions for contingencies and charges	57		13		44	
2 – Temporarily non-taxable revenue						
■ Capital gains on mergers and asset contributions qualifying for rollover relief		363		363		
TOTAL	**122**	**363**	**80**	**363**	**42**	**0**

BREAKDOWN OF NET INCOME AND CORRESPONDING TAX

(in € millions)	Before tax	Tax	After tax
Recurring income before profit-sharing	864	145	1,009
Non-recurring items	(1,234)	1	(1,233)
Employee profit-sharing			-
Group relief		229	229
BOOK INCOME	**(370)**	**375**	**5**

NOTE 13 SUBSEQUENT EVENTS

DIVESTMENT OF OPERATIONS IN INDONESIA

On November 20, 2012, Carrefour announced the sale of its 60% stake in Carrefour Indonesia at a price of 525 million euros to its local partner, CT Corp, which has become Carrefour's exclusive franchisee in this country.

Carrefour SA owns 39.02% of the capital of Carrefour Indonesia, which is carried in the balance sheet at a cost of 59 million euros.

The transaction was completed on January 16, 2013, after the necessary approvals had been obtained from the Indonesian authorities.

NOTE 14 SUBSIDIARIES AND AFFILIATES

FINANCIAL INFORMATION

Some information has not been provided because its disclosure would be seriously prejudicial to the Company's interests.

(in € millions)	Share capital	Reserves and retained earnings	% interest	Investment at cost	Investment net	Last published income	Last published revenue	Dividends received	Notes
A – Detailed information									
1. Subsidiaries (over 50%-owned)									
France									
Alodis	42.8	(38.2)	99.99	43.7	43.7	4.7	2.0		(1)
Amidis et Cie	22.8	1,204.4	71.60	1,032.6	1,032.6	(14.1)	38.0		(1)
Boedim	75.9	25.2	100.00	76.9	76.9	24.1			
Carrefour France	1,166.9	453.2	99.35	1,561.7	1,561.7	215.5	263.6		(1)
Carrefour Import	0.0	1.7	99.99	27.9	1.7	(9.4)	937.0		
CRFP 4	20.2	2.1	100.00	20.5	20.5	0.0			
CRFP 8	3,381.5	155.1	74.76	2,528.0	2,528.0	135.5	0.0	10.1	
CRFP13	41.3	(8.6)	100.00	41.3	32.7	2.5	0.0		
Guyenne et Gascogne	106.4	146.9	100.00	427.7	427.7	30.5	552.6		(1)
Hyparlo	63.0	206.3	100.00	449.6	449.6	3.2	711.9	178.9	(1)
PRM	151.5	24.5	100.00	151.9	151.9	24.1	0.0		
Carrefour Banque (ex-S2p)	100.0	415.8	56.33	95.5	95.5	62.5	365.0		(1)
Finifac	3.7	72.3	49.32	18.0	18.0	8.5	16.2		(1)
Soval	1.8	37.5	72.98	28.7	28.7	4.0	11.5	2.9	(1)
Total				**6,504.1**	**6,469.3**	**491.7**	**2,897.7**	**191.9**	

(in € millions)	Share capital	Reserves and retained earnings	% interest	Investment at cost	Investment net	Last published income	Last published revenue	Dividends received	Notes
International									
Carrefour Asia	16.5	(54.4)	100.00	22.9	0.0				(1)
Carrefour Nederland	3,396.2	(264.1)	100.00	3,457.4	3,457.4			1,100.0	(1)
GMR	8,129.5	1,839.6	35.96	3,219.6	3,219.6				(1)
Norfin Holder	2.0	4,998.1	79.94	3,177.1	3,177.1				(1)
Northshore	6,334.1	(0.3)	99.99	6,334.1	6,334.1				(1)
PT Carrefour Indonesia	36.2	87.3	39.02	58.7	58.7				(1)
Total				**16,269.8**	**16,246.9**		0.0	**1,100.0**	
2. Affiliates (10%-50%-owned)									
France									
Euromarché	24.7	929.6	13.44	419.2	274.8	104.6	186.2	14.1	(1)
Logidis	49.8	138.1	14.53	38.2	38.2	26.5	47.0	3.8	(1)
Total				**457.4**	**313.0**		**233.2**	**17.9**	
International									
Carrefour Italia	1,090.0	(708.2)	31.15	1,865.5	460.8				(1)
Total				**1,865.5**	**460.8**	0.0	0.0	0.0	
B – Aggregate information									
1. Other subsidiaries									
France				76.2	67.6			40.0	
International				3.6	2.0			0.0	
2. Other affiliates									
France				13.5	13.2			5.3	
International				267.4	162.7			13.7	
C – General information about investments									
French subsidiaries (total)				**6,580.3**	**6,536.9**			**231.9**	
International subsidiaries (total)				**16,273.4**	**16,248.9**			**1,100.0**	
French affiliates (total)				**470.9**	**326.2**			**23.2**	
International affiliates (total)				**2,132.8**	**623.6**			**13.7**	
TOTAL				**25,457.4**	**23,735.6**			**1,368.8**	

(1) The columns "Share capital", "Reserves and retained earnings", "Last published income" and "Last published revenue" correspond to information for 2011, because the 2012 figures are not yet available.

6.5 Statutory Auditors' report on the annual financial statements

This is a free translation into English of the Statutory Auditors' report on the annual financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report also includes information relating to specific verifications of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year-ended December 31, 2012

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the annual financial statements for Carrefour, "the Company", as attached to the present report;
- the justification of our assessments;
- the specific verifications and information required by French law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the annual financial statements

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall financial statements presentation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the annual financial statements give a true and fair view of the results of the operations for the year ended as of December 31, 2012, and of the financial position and its assets and liabilities, in accordance with French accounting principles.

2. Justification of assessments

The accounting estimates used to prepare the financial statements were made in an uncertain environment due to the public finances crisis in certain countries in the euro zone, in particular Spain and Italy. This crisis was accompanied by an economic and liquidity crisis, which makes it difficult to anticipate the economic outlook. It is within this context that, in accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

- as stated in Note 1 to the financial statements, intangible assets for which future cash flows do no longer support the ability to recover their carrying amount, are depreciated. This impairment is determined by comparing the carrying amount to the recoverable amount, which is the higher of the asset's value in use and its market value;
- as stated in Note 1 to the financial statements, equity investments are subject to impairment by comparing their carrying amount to their market value or their value in use; the value in use was estimated by the Company based on the value of the shareholders' equity, future cash flows or reasonable operating forecasts.

6

We assessed the information and assumptions on which the calculations of values in use are based, in particular cash flow forecasts prepared by your Company's Management. We have reviewed the calculations performed by your Company; we have compared previous periods' accounting estimates with actual results and reviewed Management's approval process of these estimates. We remind however that, since these estimates are based on forecasts which by nature are uncertain, the actual results may differ, sometimes significantly, from the current estimates.

These assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by French law.

We have nothing to report on the fair presentation and consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to shareholders regarding the financial position and the annual financial statements.

With regard to the information provided in accordance with Article L. 225-102-1 of the French Commercial Code on remunerations and benefits received by corporate officers, as well as any other commitments granted in their favor, we have verified their consistency with the financial statements or with the underlying information used to prepare the financial statements and, where necessary, with the information collected by your Company from companies controlling or controlled by your Company. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the management report provides you with all the required information relating to the acquisition of investments and controlling stakes and the identity of the shareholders and holders of the voting rights.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, March 6, 2013

French original signed by

Mazars	KPMG audit Department of KPMG S.A.	Deloitte & Associés
Patrick de Cambourg Pierre Sardet	Eric Ropert	Alain Pons Arnaud de Planta

7

INFORMATION ABOUT THE COMPANY AND CAPITAL

7.1 Information about the Company

7.1.1 CORPORATE NAME/TRADE AND COMPANIES REGISTER

Carrefour
Nanterre Trade and Companies Register no. 652 014 051

7.1.2 HEAD OFFICE

33 Avenue Émile-Zola, Boulogne-Billancourt (92100), France.

7.1.3 LEGAL FORM/TERM

Public limited company (*société anonyme*) formed under French law and governed by the provisions of the French Commercial Code.

By decision of the Shareholders' Meeting of April 20, 2005, the Company was converted into a public limited company (*société anonyme*) with a Management Board and Supervisory Board. By decision of the Shareholders' Meeting of July 28, 2008, the Company changed its governance structure and adopted the form of public limited company (*société anonyme*) with a Board of Directors, with the positions of Chairman and Chief Executive Officer separated. Following its discussions on June 21, 2011, the Board decided to consolidate the duties of Chairman of the Board of Directors and Chief Executive Officer. The Board's decision to consolidate the duties of Chairman of the Board of Directors and Chief Executive Officer was designed to simplify the decision-making process and enhance the efficiency and responsiveness of the Company's governance.

The term of the Company, which began on July 11, 1959, will expire on July 10, 2058, except in the event of early dissolution or extension.

7.1.4 MAIN PROVISIONS OF THE BYLAWS

7.1.4.1 CORPORATE PURPOSE (ARTICLE 3 OF THE BYLAWS)

The purpose of the Company is to:

- create, acquire and operate, in France and abroad, stores for the sale of all items, products, foodstuffs and merchandise and, secondarily, to provide within the said stores all services that may be of interest to customers;
- purchase, manufacture, sell, represent and package the said products, foodstuffs and merchandise; and
- in general, carry out all industrial, commercial, financial, movable and immovable property operations relating directly or indirectly to the said purpose or which may facilitate the said purpose or ensure its development.

The Company may act, directly or indirectly, and conduct all of these operations in all countries, on its own behalf or on behalf of third parties, either alone or within partnerships, alliances, groups or companies, with any other persons or companies, and carry out and complete them in any manner whatsoever.

The Company may also acquire all interests and stakes in any French or foreign companies or businesses, regardless of their purpose.

7.1.4.2 THE BOARD OF DIRECTORS (ARTICLES 11, 12, 13 AND 14 OF THE BYLAWS)

The Company is administered by a Board of Directors comprising three to eighteen members.

As soon as the number of directors over age 70 is greater than one third of the directors in office, the oldest director is automatically deemed to have resigned and his/her appointment will end on the date of the next Ordinary Shareholders' Meeting.

Each director must own at least 1,000 shares during the term of his/her appointment.

The members of the Board of Directors are appointed for a three-year term, and one-third (or as close a percentage as possible) of its members are replaced each year. During the Board of Directors' meeting following the first appointments, the names of the directors whose terms will expire early at the end of the first and second years are determined by drawing lots. The outgoing directors may be reappointed.

The directors' duties end following the Ordinary Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which their term expires.

The Board of Directors elects a Chairman from among its members, who must be a private individual. The age limit for the position of Chairman is 70. The Chairman may perform his/her duties until the Ordinary Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which he/she reaches age 70.

The Chairman may be appointed for the entire term of his/her appointment as director.

The Board of Directors appoints a Vice-Chairman from among its members, who is asked to replace the Chairman in case of absence, temporary unavailability, resignation, death or non-renewal of his/her term of office.

In the event of temporary unavailability, this replacement is valid only as long as the Chairman is unavailable; in all other cases, it is valid until a new Chairman is elected.

The Chairman organises and directs the Board of Directors' work, on which it reports to the Shareholders' Meeting.

The Chairman ensures the proper functioning of the Company's bodies and, in particular, sees to it that the directors are able to perform their duties.

The Board of Directors meets as often as required to serve the Company's interests, either at the head office or at any other place indicated in the notice of meeting.

The directors are called to meetings by the Chairman or, where necessary, by the Vice-Chairman, by any means, including verbally.

Board of Directors' meetings are chaired by the Chairman of the Board of Directors or, where necessary, by the Vice-Chairman.

Proceedings are conducted under the conditions of *quorum* and majority prescribed by law.

The Secretary of the Board of Directors is authorised to certify copies and extracts of the proceedings' minutes.

The Board of Directors determines the Company's business strategy and oversees its implementation.

Subject to the powers expressly attributed to the Shareholders' Meetings and within the scope of the corporate purpose, it deals with all matters relating to the proper management of the Company and, through its proceedings, handles other matters concerning the Board.

The Board conducts the controls and audits that it deems appropriate. The directors receive all information needed to perform their duties and may consult any documents that they deem appropriate.

7.1.4.3 MANAGEMENT (ARTICLE 16 OF THE BYLAWS)

As provided by law, management of the Company comes under the responsibility of either the Chairman of the Board of Directors or another private individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Based on a majority of the directors present or represented, the Board of Directors chooses between the two aforementioned management methods.

The Board of Directors appoints, from among its members or otherwise, the Chief Executive Officer, who must be a private individual under the age of 65 and who has the broadest powers to act on the Company's behalf under all circumstances. The Chief Executive Officer exercises his/her powers within the scope of the corporate purpose and subject to those powers expressly attributed by law to the Shareholders' Meetings and Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

The age limit for the position of Chief Executive Officer is 65. The duties of a Chief Executive Officer who reaches this age end following the Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which this age is reached.

When the Company is managed by the Chairman, the provisions of the laws and regulations or bylaws relating to the Chief Executive Officer are applicable to him/her. The Chairman assumes the title of Chairman-Chief Executive Officer and may perform his/her duties until the Ordinary Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which he/she reaches age 65.

The Board of Directors may determine the areas in which the Chief Executive Officer must consult the Board in performing his/her duties.

During its meetings on July 28, 2008, October 6, 2009 and April 13, 2010, the Board of Directors decided that the Chief Executive Officer could not carry out the following transactions or actions, in the name and on behalf of the Company, without the Board's prior consent:

- commitments for any bond, security or guarantee in the name of the Company greater than 500 million euros (no limit for commitments concerning tax and customs authorities);
- disposals of buildings exceeding a value of 50 million euros, the full or partial disposal of equity interests exceeding a value of 10 million euros or the granting of security interests on Company property;
- direct establishment of overseas sites by forming a company, a direct or indirect subsidiary, or by acquiring an interest, or deciding to withdraw from these sites;
- any merger, spin-off or contribution of transfer;
- acquisition in any form (particularly through investment, subscription to a capital increase or borrowing) of fixed assets for an enterprise value (including assumed debt) greater than or equal to 100 million euros or sales greater than or equal to 150 million euros;
- any entry by minority shareholders into the current or potential capital of any controlled entity;
- the transfer, in any form including a contribution of assets, of fixed assets in an amount greater than 100 million euros;
- the total or partial disposal of non-financial assets not valued on the balance sheet, including brands and customer data;
- any decision to borrow (excluding the EMTN programme) beyond a cumulative amount greater than 500 million euros in a single fiscal year;
- in the event of a dispute, any settlement or compromise in an amount greater than the values established by the Board, which the Board may update;
- any contractual mechanism to establish any share subscription or purchase option plans or free share allocation plans;
- any change to the Company's organization;
- the remuneration policy for the Company's main executives;
- any hire within Carrefour of an individual whose gross annual remuneration (fixed and variable) is to exceed 16 times the French social-security ceiling or is likely to exceed this ceiling within the near future. The same applies to the transfer or promotion of any individual into a position that offers equivalent remuneration;

- the definition of performance criteria (quantitative and/or qualitative) that are used to determine the variable portion of the remuneration of any employee, if, on the basis of these criteria, that employee's gross remuneration (fixed and variable) may exceed 16 times the French social-security ceiling.

7.1.4.4 BREACH OF THRESHOLDS (ARTICLE 7 OF THE BYLAWS)

Pursuant to **Article 7 of the bylaws**, in addition to compliance with the legal obligation to inform the Company when holding certain percentages of the capital and related voting rights, any private individual or legal entity, acting alone or in concert, that holds a number of shares representing a proportion of the share capital or voting rights greater than or equal to 1% of the share capital or voting rights, or any multiple of this percentage, must inform the Company of the total number of shares and voting rights held, as well as the securities giving future access to the capital and the voting rights potentially related to them, by registered mail with return receipt within five trading days of the date on which the threshold is breached.

The obligation to inform the Company also applies when the shareholder's percentage of capital or voting rights falls below each of the aforementioned thresholds.

The penalties provided by law for failure to comply with the obligation to declare a breach of the statutory thresholds also apply in the event of non-declaration of breach of the thresholds stipulated in these bylaws, at the request, as noted in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least 5% of the Company's capital or voting rights.

7.1.4.5 SHAREHOLDER RIGHTS (ARTICLE 9 OF THE BYLAWS)

Double voting rights are conferred on all fully paid up registered shares that have been registered in the name of the same shareholder for at least two years.

The Extraordinary Shareholders' Meeting is solely authorised to modify shareholders' rights, as provided by law.

7.1.4.6 SHAREHOLDERS' MEETINGS (ARTICLES 20 TO 23 OF THE BYLAWS)

All shareholders are entitled to attend Shareholders' Meetings in person or by proxy, upon presentation of proof of identity and share ownership (in the form and at the place indicated in the notice of meeting) by no later than midnight Paris time three business days prior to the date of the Shareholders' Meeting.

Any shareholder may be represented by his/her spouse or by another shareholder at any Shareholders' Meetings. Shareholders may also vote by mail under the conditions stipulated by law.

Any shareholder may, if the Board of Directors so decides when convening the Shareholders' Meeting, also participate in and vote at Shareholders' Meetings *via* videoconference or any other means of telecommunication (including the Internet) that enables him/her to be identified under the conditions and according to the procedures laid down by the laws in force. Shareholders are notified of such a decision in the meeting notice published in the *Bulletin des Annonces Légales Obligatoires* (French bulletin of compulsory legal notices).

Those shareholders who use, for this purpose and within the required periods, the electronic voting form provided on the website set up by the Shareholders' Meeting's centraliser are considered shareholders present or represented. The electronic form may be completed and signed directly on this site through a user Code and password, as provided for in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

The proxy or vote thus cast electronically prior to the Shareholders' Meeting, as well as the acknowledgement of receipt provided, will be considered irrevocable documents that are valid against all persons, it being specified that, in case of a transfer of shares occurring prior to midnight Paris time of the third business day preceding the Shareholders' Meeting, the Company will invalidate or modify accordingly, depending on the situation, the proxy or vote cast prior to the said date and time.

Shareholders' Meetings are convened by the Board of Directors under the conditions and within the times prescribed by law. They are held at the head office or in any other place indicated in the notice of meeting.

The Shareholders' Meeting is presided over by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman or a director designated by the Board.

Returning officer duties are fulfilled by the two shareholders, present and willing, who hold the greatest number of votes, both in their own name and as agents.

The committee appoints a secretary, who does not need to be a member of the Shareholders' Meeting.

Ordinary and Extraordinary Shareholders' Meetings voting under the conditions of *quorum* and majority prescribed by law exercise the powers assigned to them in accordance with the law.

7.1.4.7 PROVISION OF THE ISSUER'S BYLAWS THAT WOULD CAUSE A CHANGE IN ITS CONTROL TO BE DELAYED, POSTPONED OR PREVENTED

None.

7.2 Information on capital

7.2.1 CHANGE IN SHARE CAPITAL

At December 31, 2012, the share capital was 1,773,036,632.50 euros (one thousand seven hundred and seventy-three million, thirty-six thousand, six hundred and thirty-two euros and 50 euro cents). It is divided into 709,214,653 shares of 2.50 euros each.

On December 12, 2011, Carrefour and Guyenne & Gascogne announced a final memorandum of understanding for Carrefour's acquisition of Guyenne & Gascogne. Following the authorisation given by the Board of Directors on December 11, 2011, the Company filed a tender offer with a secondary exchange offer for the shares of Guyenne & Gascogne. The offer was approved by France's securities supervisor, the *Autorité des Marchés Financiers* (AMF), on February 28, 2012. The AMF consequently appended endorsement no. 12-095 to the information memorandum filed by the Company.

The Company's share capital was increased by a nominal amount of 33,328,125 euros through the creation of 13,331,250 new and fully paid up shares in payment of the transfer of shares to the secondary exchange offer.

Following this operation, the share capital amounted to 1,731,668,125 euros (one thousand seven hundred and thirty-one million, six hundred and sixty-eight thousand, one hundred and twenty-five euros). It was divided into 692,667,250 shares of 2.50 euros each, of the same category and fully paid up.

The Combined Shareholders' Meeting of June 18, 2012, under its sixth resolution, resolved to offer each shareholder the option of payment of the net dividend, to which the shareholder is entitled by virtue of shares held, in the form of new Company shares.

The Company's share capital was accordingly increased by a nominal amount of 41,368,507.50 euros through the creation of 16,547,403 new Company shares, which were fully paid up as of their issue, carried dividend rights as of January 1, 2012 and rank *pari passu* with the other shares comprising the Company's share capital.

At December 31, 2011, the share capital was 1,698,340,000 euros divided into 679,336,000 shares.

CHANGE IN THE COMPANY'S CAPITAL

Event	Change in the number of shares	Capital *(in euros)*
Position at June 30, 1999	**233,069,544**	**582,673,860.00**
Capital increase in payment of the exchange offer initiated on the shares of Promodès	109,427,940	
Capital increases following the exercise of share subscription options	4,866	
Position at December 31, 1999	**342,502,350**	**856,255,875.00**
Capital increase in payment of the takeover merger of Promodès	6,387,126	
Cancellation of 15,000 CDV in connection with the above merger	(15,000)	
Allotment of free shares (at a rate of one new share per old share)	348,874,476	
Capital increases following the exercise of share subscription options	6,600	
Capital increases following the exercise of stock purchase warrants	8,412	
Capital increases following bond conversions	1,062,032	
Capital increase reserved for employees	12,317,444	
Position at December 31, 2000	**711,143,440**	**1,777,858,600.00**
Capital increases following the exercise of share subscription options	12,300	
Capital increase following the exercise of stock purchase warrants	84	
Capital increase following bond conversions	30	
Position at December 31, 2001	**711,155,854**	**1,777,889,635.00**
Capital increases following the exercise of share subscription options	9,000	
Capital increase following bond conversions	72	
Capital increase in payment of the takeover merger of Bontemps	4,535,604	
Cancellation of the shares received in connection with the above merger	(4,535,604)	
Capital increase in payment of the exchange offer initiated on the shares of Centros Comerciales Carrefour (Spain)	4,976,845	
Position at December 31, 2002	**716,141,771**	**1,790,354,427.50**
Capital increase following the exercise of stock purchase warrants	612	
Position at December 31, 2003	**716,142,383**	**1,790,355,957.50**
Capital reduction through cancellation of shares	(11,022,833)	
Position at December 31, 2004	**705,119,550**	**1,762,798,875.00**
Capital increase in payment of the takeover merger of Paroma	79,158,600	
Cancellation of the shares received in connection with the above merger	(79,159,434)	
Position at April 20, 2005	**705,118,716**	**1,762,796,790.00**
Capital reduction through cancellation of shares	(216,000)	
Position at December 31, 2005	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2006	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2007	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2008	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2009	**704,902,716**	**1,762,256,790.00**
Capital reduction through cancellation of shares	(25,566,716)	
Position at December 31, 2010	**679,336,000**	**1,698,340,000.00**
Position at December 31, 2011	**679,336,000**	**1,698,340,000.00**
Capital increase in payment of the Guyenne & Gascogne exchange offer	13,331,250	
	692,667,250	**1,731,668,125.00**
Capital increase resulting from the option to pay the dividend in shares	16,547,403	
Position at December 31, 2012	**709,214,653**	**1,773,036,632.50**

Shares not representing capital; number and main characteristics

None.

Amount of convertible or exchangeable securities or securities with stock purchase warrants

None.

Information on the conditions governing any right of acquisition and/or any obligation relating to unpaid share capital, or on any undertaking to increase the capital

None.

Information on the capital of any member of the Group that is under option or agreed, conditionally or unconditionally, to be put under option, and the details of such options

None.

7.2.2 TREASURY SHARES BUYBACKS

TREASURY SHARES

At December 31, 2012, the Company held 6,147,949 treasury shares (0.87% of capital) with a nominal value of 2.50 euros. None of the Issuer's subsidiaries held Carrefour company shares.

SHARE BUYBACK

The Shareholders' Meeting of June 18, 2012, deliberating pursuant to Article L. 225-209 of the French Commercial Code, the General Regulations of the *Autorité des Marchés Financiers* (AMF) and European Commission Regulation 2273/2003 of December 22, 2003, authorised the Board of Directors to purchase Company shares, enabling it to use the option of dealing in its own treasury shares, in particular to:

- ensure an active market for Carrefour shares through an investment services provider, on the basis of a liquidity contract and in accordance with the Code of Good Conduct recognised by the Autorité des marchés financiers (AMF);
- fulfil share purchase options granted to Carrefour Group employees and managers under plans implemented in accordance with Articles L. 225-179 *et seq.* of the French Commercial Code;
- allocate free shares in accordance with Article L. 225-197-1 *et seq.* of the French Commercial Code;
- carry out share remittances or swaps during the exercise of rights attached to marketable securities giving access to the Company's capital, or during external growth, merger, demerger or contribution operations;
- cancel these, subject to adoption by the Shareholders' Meeting of the fourteenth resolution under the terms indicated therein, or authorisation of the same kind.

For each of the goals pursued, the number of shares purchased was as follows:

1. Liquidity contract

   During 2012, the Company did not carry out any purchases or sales under a liquidity contract.

2. Hedging of share purchase option plans and free share allocation plans

   As part of its long-term share purchase plan, Carrefour purchased 664,970 shares at a unit price of 25.184 euros on June 20, 2012, for a total of 16,746,604.48 euros.

3. Cancellation

   The Company did not cancel any shares during 2012.

DESCRIPTION OF THE SHARE BUYBACK PROGRAMME APPROVED BY THE SHAREHOLDERS AT THE SHAREHOLDERS' MEETING OF JUNE 18, 2012

1. **Date of the Shareholders' Meeting that approved the share buyback programme and implementation decision:**

   Approval of the programme: Shareholders' Meeting of June 18, 2012.

   Implementation decision: Board of Directors' meeting of July 11, 2012.

2. **Number of shares and percentage of capital held directly or indirectly by the issuer:**

   At June 30, 2012, the Company held 6,182,167 treasury stocks, *i.e.* 0.89% of the share capital.

3. **Purposes for which shares are held by the Company:**

   All of the treasury shares are used to cover share purchase option plans and free share allocation plans based on years of service and/or performance.

4. **Objectives of the buyback programme:**

Purchases are made, in descending order of priority, to:

- ensure an active market for Carrefour shares through an investment services provider, on the basis of a liquidity contract and in accordance with the Code of Good Conduct recognised by the Autorité des marchés financiers (AMF);
- futhfil share purchase options granted to Carrefour Group employees and managers under plans implemented in accordance with Article L. 225-177 *et seq.* of the French Commercial Code;
- allocate free shares in accordance with Article L. 225-197-1 *et seq.* of the French Commercial Code;
- carry out share remittances or swaps during the exercise of rights attached to marketable securites giving acess to the Company's capital, or during external growth, merger, demerger or contribution operations;
- cancel them.

The purchase, sale or transfer of shares may be carried out and paid for by any means, on one or more occasions, on the open market or through a private transaction, including the use of option mechanisms, derivatives – in particular the purchase of call options – or securities giving a right to shares of the Company, under the terms set forth by the market authorities. Moreover, the maximum portion of capital that can be transferred as blocks of securities may extend to the entire share buyback programme.

The Company may not use the authority granted by the Shareholders' Meeting of June 18, 2012 and continue to implement its share buyback programme in the event of a tender offer involving shares or other securities issued or initiated by the Company.

5. **Maximum percentage of capital, maximum number and characteristics of the shares the Company intends to acquire and maximum purchase price:**

The maximum purchase price per share is 35 euros and the maximum number of shares that may be purchased is 65,000,000 (*i.e.* approximately 10% of the capital at December 31, 2011). The total amount that the Company may use to buy back its own shares may not exceed 2,275,000,000 euros.

Given that the Company already held 6,182,167 treasury stock at June 30, 2012, *i.e.* 0.89% of share capital as of that date, the maximum number of shares that may be purchased under this authorisation is 63,084,558 (approximately 9.10% of capital).

6. **Term of the buyback programme:**

18 months from June 18, 2012 pursuant to the authorisation granted at the Shareholders' Meeting of June 18, 2012, *i.e.* until December 18, 2013.

7. Transactions carried out by way of acquisition, disposal or transfer under the previous buyback programme

Percentage of capital held directly and indirectly by the Company (in shares + as percentage) at the beginning of the previous programme on May 31, 2011.	**4,404,189/0.65%**
Number of shares cancelled over the past 24 months:	
Number of shares held at May 31, 2011 (in shares + as a percentage)	**5,575,838/0.80%**
Gross book value of the portfolio	164,730,155
Market value of the portfolio	77,755,061

	Total gross flows		**Open positions on the day of the programme description's publication**			
	Purchases	**Sales/ Transfers**	**Open purchase position**		**Open sale position**	
			Call options purchased	Forward purchases	Call options sold	Forward sales
Number of shares	**3,527,754**	2,356,105				
Average maximum maturity			1,049 days	1,170 days		
Average transaction price	**35.76**					
Average exercise price			34.49	25.184		
Amount	**126,152,483**					

2012 ALLOCATION OF OPTIONS AND SHARES

Carrefour fully shares with Group managers and senior managers the benefits of its growth by offering them share subscription and or purchase options as well as free shares in the Company which are issued in accordance with Articles L. 225-177 to L. 225-184 and L. 225-197-1 *et seq.* of the French Commercial Code, and within the scope of authorisations by the Extraordinary Shareholders' Meeting.

- The number of shares delivered by recipients of free share allocations granted by the Management Board and/or Board of Directors held in previous years totalled to 115,671 shares for the 2012 fiscal year.

7.2.3 SUMMARY OF DELEGATIONS OF POWER AND AUTHORITY CONCERNING CAPITAL INCREASES

Type	Amount	Duration	Expiration
Issue of shares and marketable securities with preferential subscription rights maintained			
■ Shares	€500 million	26 months	August 21, 2013
■ Other marketable securities	€7,500 million	26 months	August 21, 2013
Issue of shares and marketable securities with preferential subscription rights cancelled			
■ Shares	€175 million	26 months	August 21, 2013
■ Other marketable securities	€2,500 million	26 months	August 21, 2013
Issue of shares and marketable securities to remunerate contributions-in-kind granted to the Company in an amount of up to 10% of capital	10%	26 months	August 21, 2013
Capital increase through capitalisation of reserves, profits, premiums or otherwise	€500 million	26 months	August 21, 2013
Capital increase for Group employees (shareholder waiver of preferential subscription right)	€35 million	26 months	August 21, 2013
Issue of shares and marketable securities giving access to capital in the event of a tender offer initiated by the Company for the securities of another listed company with preferential subscription rights cancelled	€100 million	26 months	August 21, 2013

7.3 Shareholders

7.3.1 PRINCIPAL SHAREHOLDERS

At December 31, 2012, the share capital was 1,773,036,632.50 euros (one thousand seven hundred and seventy-three million, thirty-six thousand, six hundred and thirty-two euros and 50 euro cents). It is divided into 709,214,653 shares of 2.50 euros each.

The Company is authorised to identify bearer shares. On the basis of extrapolations carried out using the identifiable bearer securities report as of December 2012, the number of listed shareholders exceeds 250,000 (slightly more than 2,200 of which are registered shareholders).

The number of voting rights at December 31, 2012 was 810,772,886. After deducting the voting rights that cannot be exercised from this figure, the total number of voting rights is 804,624,937.

CAPITAL (AT DECEMBER 31, 2012)

Shareholders	Number of shares	*As a %*	Number of ordinary voting rights	*As a %*	Number of extraordinary voting rights	*As a %*
Blue Capital *	66,556,464	9.38%	130,604,274	16.23%	130,604,274	16.23%
Colony Blue Investor **	15,166,771	2.14%	15,166,771	1.88%	15,166,771	1.88%
CZ2 Blue SARL ***	860,148	0.12%	860,148	0.11%	860,148	0.11%
Blue AIV SARL ****	176,691	0.02%	176,691	0.02%	176,691	0.02%
Groupe Arnault SAS *****	2,656,752	0.37%	2,656,752	0.33%	2,656,752	0.33%
BUNT ******	25,370,250	3.58%	25,370,250	3.15%	25,370,250	3.15%
Subtotal	110,787,076	15.62%	174,834,886	21.73%	174,834,886	21.73%
Employee	8,267,870	1.17%	15,258,370	1.90%	15,251,036	1.90%
Shares owned	6,147,949	0.87%				
Controlled shares						
Public	584,011,758	82.35%	614,531,681	76.37%	614,531,681	76.37%
TOTAL	**709,214,653**	**100.00%**	**804,624,937**	**100.00%**	**804,624,937**	**100.00%**

*   *Of which 2,508,612 Carrefour shares held through assimilation under a call option.*
** *Held through assimilation of Carrefour shares lent by Colony Blue Investor SARL with right of recall at its sole initiative.*
** *Held through assimilation of the number of Carrefour shares resulting from the delta of cash-settled call options (at December 31, 2012).*
**** *Held through assimilation of Carrefour shares that can be acquired by Blue AIV SARL under call options.*
***** *Held through assimilation of Carrefour shares that can be acquired under a call option.*
****** *Formerly Blue Participations et Gestion, of which 24,999,996 shares held through assimilation of Carrefour shares that can be acquired under a call option. At December 31, 2012, Blue Capital owned 65,302,137 shares granting double voting rights.*

Blue Capital (1), a *société à responsabilité limitée* (limited liability company) formed under Luxembourg law (2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg), Colony Blue Investor (2), a *société à responsabilité limitée* formed under Luxembourg law (2) (2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg), CZ2 Blue (3), a *société à responsabilité limitée* formed under Luxembourg law (2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg), Blue AIV (4), a *société à responsabilité limitée* formed under Luxembourg law (2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg), Groupe Arnault SAS (5), a *société par actions simplifiée* (joint stock company) (41 Avenue Montaigne, 75008 Paris, France) and Bunt (6), a *société à responsabilité limitée* formed under Luxembourg law (2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg), have declared that they are acting in concert (7).

(1) Blue Capital, a *société à responsabilité limitée* formed under Luxembourg law, is held as follows: (i) 50% by Blue Partners Sàrl, a company formed under Luxembourg law and indirectly controlled by Colony Investors VIII, LP and Colyzeo Investors II, LP investment funds, advised by Colony Capital LLC, an investment firm headed by Thomas J. Barrack, Jr. And (ii) 50% by Cervinia SA, a company formed under Belgian law indirectly controlled by Groupe Arnault SAS.

(2) Company formed under Luxembourg law indirectly controlled by the Colony Investors VIII, LP investment fund advised by Colony Capital LLC, an investment firm headed by Thomas J. Barrack, Jr.

(3) Company formed under Luxembourg law, 100% controlled by Colyzeo Investors II, LP.

7

(4) Company formed under Luxembourg law, 100% controlled by Colyzeo Investors II Blue AIV, LP.

(5) Controlled by Bernard Arnault and family.

(6) *Société à responsabilité limitée* formed under Luxembourg law indirectly controlled by Groupe Arnault SAS, itself controlled by Bernard Arnault and family.

(7) Colony Blue Investor and Groupe Arnault SAS are, pursuant to Article L. 233-10, section II, point 2, deemed to act in concert with Blue Capital Sàrl, a company that they control jointly (directly or indirectly).

No other shareholder has informed the Company that it held more than 5% of the capital and voting rights at December 31, 2012.

CARREFOUR SHAREHOLDER AGREEMENT

There is no shareholder agreement at Carrefour.

As a reminder, the breakdown of capital and voting rights at December 31, 2011 and December 31, 2010 was as follows:

CAPITAL (AT DECEMBER 31, 2011)

Shareholders	Number of shares	*As a %*	Number of ordinary voting rights	*As a %*	Number of extraordinary voting rights	*As a %*
Blue Capital	64,047,813	9.43%	128,095,623	16.45%	128,095,623	16.45%
Colony Blue Investor *	15,166,770	2.23%	15,166,770	1.95%	15,166,770	1.95%
Groupe Arnault SAS **	5,156,752	0.76%	5,156,752	0.66%	5,156,752	0.66%
Blue Participations et Gestion ***	25,359,996	3.73%	25,359,996	3.26%	25,359,996	3.26%
Employee	8,260,536	1.22%	15,251,036	1.96%	15,251,036	1.96%
Shares owned	5,598,650	0.82%				
Controlled shares						
Public	555,745,483	81.81%	589,571,180	75.72%	589,571,180	75.72%
TOTAL	**679,336,000**	**100.00%**	**778,601,357**	**100.00%**	**778,601,357**	**100.00%**

* *Of which 15,166,769 shares lent by Colony Blue Investor with right of recall at its sole initiative.*
** *Held through assimilation of Carrefour shares that can be acquired under a call option.*
*** *Of which 24,999,996 shares held through assimilation of Carrefour shares that can be acquired under a call option.*

CAPITAL (AT DECEMBER 31, 2010)

Shareholders	Number of shares	*As a %*	Number of ordinary voting rights	*As a %*	Number of extraordinary voting rights	*As a %*
Blue Capital *	75,326,258	11.09%	139,349,924	17.79%	139,349,924	17.79%
Colony Blue Investor **	15,166,770	2.23%	15,166,770	1.94%	15,166,770	1.94%
Groupe Arnault SAS ***	5,000,000	0.74%	5,000,000	0.64%	5,000,000	0.64%
Employee	7,085,137	1.04%	14,118,137	1.80%	14,118,137	1.80%
Shares owned	3,657,589	0.54%				
Controlled shares						
Public	573,100,246	84.36%	609,501,691	77.83%	609,501,691	77.83%
TOTAL	**679,336,000**	**100.00%**	**783,136,522**	**100.00%**	**783,136,522**	**100.00%**

* *Of which 11,278,447 lent shares treated as owned shares pursuant to Article L. 233-9, section I, point 6 of the French Commercial Code.*
** *Of which 15,166,769 lent shares treated as owned shares pursuant to Article L. 233-9, section I, point 6 of the French Commercial Code.*
*** *Share purchase options treated as owned shares pursuant to Article L. 233-9, point 4 of the French Commercial Code.*

EMPLOYEE SHAREHOLDING

At year-end, Group employees held 1.17% of the Company's share capital through the Company mutual fund.

7.3.2 INFORMATION REFERRED TO IN ARTICLE L. 233-13 OF THE FRENCH COMMERCIAL CODE

At the end of the 2012 fiscal year, Blue Capital, whose head office is located at 2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg, acting in concert with Colony Blue Investor, a *société à responsabilité limitée* formed under Luxembourg law (2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg), CZ2 Blue (3), a *société à responsabilité limitée* formed under Luxembourg law (2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg), Blue AIV (4), a *société à responsabilité limitée* formed under Luxembourg law (2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg), the Groupe Arnault SAS joint stock company (41 Avenue Montaigne, 75008 Paris, France) and Bunt SARL (2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg), held more than one-tenth of the share capital and more than one-fifth of the voting rights.

7.3.3 INFORMATION REFERRED TO IN ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE.

There is nothing likely to have an effect in the event of a public tender offer on the Company.

7.4. Stock market information

Carrefour is listed on the Paris Stock Exchange (Euronext Paris – Compartment A – ISIN Code: FR0000120172). It is eligible for the Deferred Settlement Service. It is included in the CAC 40, SBF 120, FTSE Eurotop 100 and DJ Euro STOXX 50 indices.

At December 31, 2012, the Carrefour share was in 22nd position in the CAC 40 index in terms of market capitalisation, with a weighting of 1.6%.

	2007 (1)	2008 (1)	2009 (1)	2010 (1)	2011	2012
Closing price (in euros):						
– highest *	58.10	52.52	33.79	41.28	36.08 (price not adjusted for the Dia transaction) 31.52 (price adjusted for the Dia transaction)	19.63
– lowest *	42.95	24.68	22.89	30.85	15.07	13.07
At December 31 *	53.29	27.52	33.56	30.85	17.62	19.35
Number of shares at December 31	704,902,716	704,902,716	704,902,716	679,336,000	679,336,000	709,214,653
Market capitalisation at December 31 *(in billion euros)*	37.6	19.4	23.7	21.0	12.0	13.7
Average daily volume *	4,337,980	4,168,131	2,927,925 (2)	2,874,196 (2)	3,935,400 (1) (2)	3,239,839 (2)
Net income per share from recurring operations – Group share *(in euros)*	2.67	1.83	0.56	0.56	(3.35)	0.17
Net dividend	1.08	1.08	1.08	1.08	0.52	0.58 (3)
Yield	2.03%	3.92%	3.22%	3.50%	2.95%	3.00%

** Source: NYSE Euronext.*
(1) Data not adjusted for the distribution-in-kind on July 5, 2011 (Dia).
(2) Average daily volume on Euronext.
(3) Subject to approval by the shareholders at the Shareholders' Meeting on April 23, 2013.

CHANGE IN SHARE PRICE

Carrefour share price in 2012 in relation to the CAC 40, BEFOODR * and STOXX Europe 600 Retail ** indices (base 100)

Source Bloomberg.

* *Composition of the Bloomberg Europe Food Retailers Index (BEFOODR): Ahold, Carrefour SA, Casino, Colruyt, Delhaize, Dia, Sainsbury, Jeronimo Martins, Kesko OYJ, Metro, Morrison, Tesco.*

** *Composition of the STOXX Europe 600 Retail (SXRP): Ahold, Booker Group, Carrefour, Casino, Celesio, Colruyt, Debenhams, Delhaize, Dia, Dufry, Galenica, H&M, Inchcape, Inditex, Jeronimo Martins, Kesko, Kingfisher, Marks & Spencer, Metro, Morrison, Next, PPR, Sainsbury, Tesco.*

7

CARREFOUR SHARE PRICE IN EUROS (MONTHLY AND VOLUMES) FROM SEPTEMBER 1, 2011 TO FEBRUARY 28, 2013

Date	Highest (€)	Lowest (€)	Average closing price (€)	Number of shares traded	Capital (€)
2011					
September	18.62	14.66	16.39	115,729,038	1,894,758,213
October	20.18	16.61	17.81	91,647,587	1,638,772,613
November	20.51	16.91	18.83	88,099,557	1,665,389,519
December	20.50	15.82	17.70	67,716,298	1,210,965,778
2012					
January	18.62	16.27	17.21	74,901,959	1,294,862,401
February	19.10	17.13	18.01	52,029,240	940,032,088
March	19.34	17.19	18.49	69,439,594	1,283,723,877
April	18.52	14.53	15.96	68,109,370	1,087,341,045
May	15.40	13.38	14.22	74,103,012	1,054,892,475
June	14.83	13.43	14.05	80,191,604	1,127,934,319
July	15.01	12.87	14.00	94,184,461	1,316,296,549
August	17.67	14.19	15.88	72,678,649	1,162,339,915
September	17.46	16.06	16.93	57,940,723	980,784,862
October	18.95	15.68	17.12	82,119,457	1,425,003,231
November	19.40	17.58	18.58	58,674,562	1,090,724,751
December	19.85	18.50	19.30	45,026,033	867,866,942
2013					
January	21.63	18.76	20.32	72,138,001	1,464,678,919
February	21.44	19.86	20.69	56,750,655	1,174,071,307

Source: NYSE Euronext, data adjusted for the distribution-in-kind on July 5, 2011.

8

ORDINARY AND EXTRAORDINARY SHAREHOLDER'S MEETING

8.1 Agenda and resolutions

8.1.1 AGENDA

MEETING AS AN ORDINARY SHAREHOLDERS' MEETING

- approval of corporate financial statements for fiscal year 2012;
- approval of Consolidated Financial Statements for fiscal year 2012;
- allocation of earnings and setting the dividend; option for payment of the dividend in shares;
- renewal of the appointment of Mr. Sébastien Bazin as a director;
- renewal of the appointment of Mr. Thierry Breton as a director;
- renewal of the appointment of Mr. Charles Edelstenne as a director;
- renewal of the appointment of Ms. Anne-Claire Taittinger as a director; and
- authorization for the Board of Directors to trade in the Company's own shares for a period of 18 months pursuant to Article L. 225-209 of the French Commercial Code.

MEETING AS AN EXTRAORDINARY SHAREHOLDERS' MEETING

- amendment to Article 20 of the Company's articles of association;
- authorization granted for a period of 24 months to the Board of Directors to reduce the share capital by cancelling shares already acquired through a share repurchase program;
- authorization granted for a period of 26 months to the Board of Directors to issue shares and securities giving access to share capital and securities giving access to the allotment of debt securities, with preferential subscription rights for shareholders, for a maximum nominal amount of 500 million euros;
- authorization granted for a period of 26 months to the Board of Directors to issue shares and securities granting entitlement to the share capital and securities giving access to the allotment of debt securities, cancelling the shareholders' preferential rights, by way of public offering, for a maximum nominal amount of 90 million euros;
- authorization granted for a period of 26 months to the Board of Directors to issue shares and securities giving access to share capital and securities giving access to the allotment of debt securities, cancelling the shareholder's preferential subscription rights, by way of private placement, within the scope of Article L. 411-2 II of the French Monetary and Financial Code, for a maximum nominal amount of 90 million euros;
- authorization granted for a period of 26 months to the Board of Directors to issue shares and securities giving access to share capital, not exceeding 10% of the share capital, to remunerate contributions in kind granted to the Company;
- authorization granted for a period of 26 months to the Board of Directors to issue, cancelling the shareholder's preferential subscription rights, shares and securities giving access to the share capital, by way of public exchange offering for the securities of another company implemented by the Company, for a maximum nominal amount of 90 million euros;
- authorization granted for a period of 26 months to the Board of Directors to increase share capital by incorporation of reserves, benefits or issue premiums, for a maximum nominal amount of 500 million euros;
- authorization granted for a period of 26 months to the Board of Directors to increase the share capital, cancelling the shareholders' preferential rights, in favor of employees who are members of a company savings plan, for a maximum nominal amount of 35 million euros.

8.1.2 RESOLUTIONS

FOR CONSIDERATION BY THE MEETING AS AN ORDINARY GENERAL MEETING

First Resolution

(Approval of the corporate financial statements)

The shareholders' general meeting, deliberating under the conditions required for ordinary shareholders' general meetings as to *quorum* and majority, and having been informed of the Board of Directors' and Statutory Auditors' reports, approves the corporate financial statements for fiscal year 2012 including the balance sheet, the income statement and the notes, as presented, together with the transactions reflected in those financial statements and summarized in those reports.

Second Resolution

(Approval of the Consolidated Financial Statements)

The shareholders' general meeting, deliberating under the conditions required for ordinary shareholders' general meetings as to *quorum* and majority, and having been informed of the Board of Directors' and Statutory Auditors' reports, approves the Consolidated Financial Statements for fiscal year 2012 including the balance sheet, the income statement and the notes, as presented, together with the transactions reflected in those financial statements and summarized in those reports.

Third Resolution

(Allocation of earnings – Amount and payment date of dividend)

The shareholders' general meeting, under the conditions required for ordinary shareholders' general meetings as to *quorum* and majority, on a proposal from the Board of Directors resolves to allocate the profit for year 2012 which amounts to 4,943,747.27 euros as follows it being noted that there is no requirement to fund the legal reserve, which has already reached an amount of a tenth of the Company's share capital:

Profit for fiscal year 2012	€4,943,747.27
Retained earnings	€6,395,679.16
Total distributable profit	€11,339,426.43
Other reserves	€438,811,289.99
2012 Dividends	€411,344,498.74
Paid out of	
Distributable profit	€11,339,426.43
Other reserves	€400,005,072.31
Balance of other reserves	€38,806,217.68

The amount of retained earnings after tax for fiscal year 2011 was increased owing to 2011 dividends not paid out on treasury shares.

It is specified that the total dividend of 411,344,498.74 euros, which represents a dividend of 0.58 euro per share, before payroll taxes and non final withholding tax of 21% provided for in Article 117 *quater* of the French General Tax Code, qualifies, for individuals who are French tax resident, for the tax relief equal to 40% of the amount of the dividend in accordance with Section 2° of paragraph 3 of Article 158 of the French General Tax Code.

The General Meeting, in accordance with Article L. 232-18 of the French Commercial Code and Article 26 of the articles of association, noting that share capital has been paid up in full, decide to offer each shareholder the option to choose for his/her dividend to be paid either:

- in cash; or
- in new shares of the Company.

The new shares, if the option is exercised, will be issued at a price equal to 95% of the average opening prices listed during the twenty stock market trading sessions on Euronext Paris prior to the date of this shareholders' general meeting, less the amount of the dividend that is the subject of this resolution and rounded up to the nearest euro cent. Such issued shares will immediately be entitled to dividends as of January 1, 2013 and will be part of the share capital of the Company alongside other shares.

Shareholders may opt for payment of the dividend in cash or in new shares from May 2, 2013 to May 23, 2013 inclusive, by sending their request to the financial intermediaries that are authorized to pay the dividend or, for registered shareholders listed in the issuer-registered accounts held by the Company, to its authorized agent (CACEIS Corporate Trust 14, rue Rouget de Lisle – 92862 Issy-les-Moulineaux Cedex 09).

For shareholders who have not exercised their option by May 23, 2013, the dividend will only be paid in cash.

For shareholders who have not opted for a payment in shares, the dividend will be paid in cash on June 7, 2013 after the expiration of the option period. For shareholders who have opted for a dividend payment in shares, the settlement and delivery of shares will take place on the same date.

If the amount of the dividends for which the option is exercised does not correspond to a whole number of shares, shareholders may obtain the immediately higher number of shares by paying the difference in cash on the date they exercise the option, or receive the immediately lower number of shares, with the balance in cash.

The shareholders' general meeting gives full powers to the Board of Directors, with the option of sub-delegation to the Chairman of the Board, in accordance with the conditions provided for by law, in order to make the payment of the dividend in new shares, to specify the terms and conditions of application and implementation thereof, to record the number of shares issued pursuant to this resolution and to make all requisite amendments to the articles of association concerning the share capital and the number of shares that make up the share capital and, in general, to take all requisite action.

It is recalled in accordance with the law, that the dividends paid on each share for the three preceding fiscal years and the income eligible for tax relief under Section 2° of paragraph 3 of Article 158 of the French General Tax Code per share, were as follows:

Fiscal year	Gross dividend paid	Dividends eligible for tax relief of 40%
2009	€1.08	€1.08
2010	€1.08	€1.08
2011	€0.52	€0.52

Fourth Resolution

(Renewal of the appointment of Mr. Sébastien Bazin as a director)

The shareholders' general meeting, deliberating under the conditions required for ordinary shareholders' general meetings as to *quorum* and majority, renews the term of office of Mr. Sébastien Bazin, as a member of the Board of Directors of the Company for a period of three years, until the shareholders' general meeting called to approve the financial statements for fiscal year 2015.

Fifth Resolution

(Renewal of the appointment of Mr. Thierry Breton as a director)

The shareholders' general meeting, deliberating under the *quorum* and majority conditions required for ordinary shareholders' general meetings, renews the term of office of Mr. Thierry Breton, as a member of the Board of Directors of the Company for a period of three years, until the shareholders' general meeting called to approve the financial statements for fiscal year 2015.

Sixth Resolution

(Renewal of the appointment of Mr. Charles Edelstenne as a director)

The shareholders' general meeting, deliberating under the *quorum* and majority conditions required for ordinary shareholders' general meetings, renews the term of office of Mr. Charles Edelstenne, as a member of the Board of Directors of the Company for a period of three years, until the shareholders' general meeting called to approve the financial statements for fiscal year 2015.

Seventh Resolution

(Renewal of the appointment of Ms Anne-Claire Taittinger as a director)

The shareholders' general meeting, deliberating under the *quorum* and majority conditions required for ordinary shareholders' general meetings, renews the term of office of Ms Anne-Claire Taittinger, as a member of the Board of Directors of the Company for a period of three years, until the shareholders' general meeting called to approve the financial statements for fiscal year 2015.

Eighth Resolution

(Authorization for the Board of Directors to trade in the Company's own shares for a period of 18 months)

The shareholders' general meeting, deliberating under the *quorum* and majority conditions required for ordinary shareholders' general meetings and having reviewed the report of the Board of Directors, authorizes the Board of Directors, with the option of sub-delegation, to trade in the shares of the Company as provided below, in accordance with Article L. 225-209 of the French Commercial Code, the General Regulation of the French Financial Markets Authority (*Autorité des Marchés Financiers*) and the European Commission's Regulation n° 2273/2003 of December 22, 2003.

The maximum purchase price of the shares is set at 35 euros per share and the maximum number of shares that may be acquired is 70,000,000 (approximately 10% of the share capital as of December 31, 2012).

The total amount that the Company may allocate to the share repurchase program shall not exceed 2,450,000,000 euros.

In the event of an alteration of the Company's share capital structure, in particular by a share capital increase through the capitalization of reserves, grant of free shares, share split or consolidation, the number of shares and the aforementioned purchase price will be adjusted to take account of the impact of such transactions on the value of the shares.

This authorization intends to allow the Company to use the possibilities of intervention on its own shares, in particular for the following purposes:

- to engage in market making activities with respect to Carrefour shares through an investment services provider, in the context of a liquidity contract conforming to the professional rules approved by the French Financial Markets Authority (*Autorité des Marchés Financiers)*;
- to fulfill any stock option plan in respect of the Company, free share allocation or other forms of allocation of shares or compensation related to the share price, to employees or corporate officers of the Company or a Group company;
- to allot or exchange shares, upon the exercise of rights attached to securities giving access to share capital;
- to keep shares and subsequently use them as payment or as exchange within the scope of acquisitions, mergers, demergers or contributions, and under the limits set by the applicable regulations;
- to cancel shares, subject to the approval by the shareholders' general meeting of the tenth resolution, according to the terms and conditions stated therein or any other similar authorization; or
- engage in any market making activities that may be recognized by law or the French Financial Markets Authority (*Autorité des Marchés Financiers*).

The shareholders' general meeting resolves that (i) the purchase, sale or transfer of shares may be effected and financed by all means and in one or several installments, on the market, off-market or over the counter, including by use of options, derivatives – including the purchase of options – or securities giving access to shares of the Company, as provided for by the market authorities, and (ii) the maximum number of shares that can be transferred in the form of blocks of shares may be equal to the entirety of the share repurchase program.

The shareholders' general meeting resolves that the Company shall not use this authorization and at the same time continue its repurchase program in the event a public offer on the shares or other securities issued by the Company is made.

The shareholders' general meeting gives full powers to the Board of Directors, with the option of sub-delegation, pursuant to the conditions provided for by law and by the articles of association, to decide upon and implement this authorization, by placing any stock exchange orders, entering into any agreements, carrying out all formalities and declarations (in particular, in accordance with the regulations set out by the French Financial Markets Authority (*Autorité des Marchés Financiers*)), allocate or reallocate the shares acquired for various purposes in accordance with any legal and regulatory requirements, and more generally taking any necessary action for the implementation of this resolution.

This authorization is granted for a period of eighteen months from the date of this General meeting, and supersedes, for the remainder of its on-going validity period the authorization granted by the shareholders' general meeting on June 18, 2012.

EXTRAORDINARY GENERAL MEETING

Ninth Resolution

(Amendment to Article 20 of the Company's articles of association)

The shareholders' general meeting, deliberating under the conditions required for extraordinary shareholders' general meetings as to *quorum* and majority, after having reviewed the report of the Board of Directors, resolves:

- to amend Article 20 of the Company's articles of association as follows:

Current version:

"**2.** Every shareholder has the right to participate in shareholders' general meetings by way of a proxy given to another shareholder, or to his or her spouse, and may also participate by sending their proxy and mail voting forms, subject to the conditions set forth under applicable laws and regulations."

Proposed new wording:

"**2.** Every shareholder has the right to participate in shareholders' general meetings by way of a proxy given to any other person of his or her choice, and may also participate by sending their proxy and mail voting forms, subject to the conditions set forth under applicable laws and regulations."

The other provisions of Article 20 remain unchanged.

Tenth Resolution

(Authorization granted to the Board of Directors for a period of 24 months, to reduce the share capital by cancelling shares)

The shareholders' general meeting, deliberating under the conditions required for ordinary shareholders' general meetings as to *quorum* and majority, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, authorizes the Board of Directors, with the option of sub-delegation, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, to reduce the share capital, on one or more occasions, at its sole discretion and at any time it deems appropriate, through the cancellation of shares already held by the Company and/or shares the Company might acquire through a share repurchase program.

As required by law, the reduction may be made on no more than 10% of the share capital during each twenty-four month period.

All powers are granted to the Board of Directors, with the option of sub-delegation, in order to:

- perform and record the capital reduction transactions;
- perform and determine the terms and conditions for the cancellation of shares;

- modify accordingly the Company's articles of association;
- deduct the difference between the carrying value of the cancelled shares and their par value on all reserves or premiums; and
- generally, take all necessary measures, enter into all agreements and carry out all formalities in order to successfully complete the proposed share capital reduction, record its completion and subsequently amend the Company's articles of association.

This authorization is granted for a period of twenty-four months from the date of this General Meeting. It supersedes the authorization granted by the shareholders' general meeting on June 18, 2012.

Eleventh Resolution

(Authorization granted to the Board of Directors for a period of 26 months to issue shares and securities giving access to share capital, and securities giving access to the allotment of debt securities with preferential subscription rights for shareholders for a maximum nominal amount of five hundred (500) million euros)

The shareholders' general meeting, deliberating under the *quorum* and majority required for extraordinary general meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with Articles L. 225-129-2 to L. 225-129-6, L. 225-132, L. 225-134, L. 228-91 and L. 228-92 of the French Commercial Code:

- delegates to the Board of Directors, with the option of sub-delegation, subject to applicable law, in the proportions and at the times it sees fit, both in France and abroad, its authority to decide on one or more issues in euro or in any other currency or currency unit established by reference to more than one currency, with the maintenance of shareholder preferential subscription rights, the Company's shares and/or securities giving access, immediately and/or in the future, to the Company's share capital;
- resolves to expressly exclude any issue of preference shares and securities conferring the right to preference shares;
- resolves that securities issued may consist of debt securities or be related to the issuance of such securities or take the form of subordinated or non-subordinated securities with a fixed or indefinite duration;
- resolves that the total amount of share capital increases likely to be performed, immediately and/or in the future, under this authorization shall not exceed a maximum par value amount of five hundred (500) million euros, this amount being increased, if necessary, to preserve, in accordance with the law and, where applicable, to contractual provisions allowing for other adjustments, to preserve the rights of the holders of the marketable securities or other rights giving access to the share capital;
- resolves that, in the event of an issue of debt securities granting access to the Company's share capital the maximum nominal amount of all debt securities shall not exceed 4 billion euros (or the equivalent thereof in the event of an issue in another currency or monetary unit calculated by reference to multiple currencies);
- resolves that the shareholders may, in compliance with the applicable law, exercise their preferential subscription rights, in the proportions and limits set by the Board of Directors. The Board of Directors may also grant the right to shareholders to subscribe to securities in excess of the minimum number to which they have preferential subscription rights, in proportion to the subscription rights they hold and within the limits of their requests. If the subscriptions made by the shareholders *pro rata* to their existing shareholding and, as the case may be, over and above their existing shareholding, have not resulted in the purchase of all of the shares or marketable securities, the Board of Directors may use, in the order it shall deem appropriate, the options set forth in Article L. 225-134 of the French Commercial Code, or only some of them, including the offer to the public of all or part of the unsubscribed shares;
- resolves that issuances of warrants entitling their holders to subscribe for shares of the Company may be carried out by subscription offer but also by a free issue to holders of existing shares, and in the event of a free issue of equity warrants, the Board of Directors would have the right to decide that the rights of allotment forming fractional allocations will not be negotiable and that the corresponding securities shall be sold;
- resolves that the amount paid or due to the Company for each of the shares issued, as a result of this authorization, will be at least equal to the nominal value of the shares, as calculated on the date of issue;
- acknowledges, where necessary, that this authorization entails a waiver by the shareholders, for the benefit of the holders of securities conferring access to the share capital of the Company, of their preferential subscription right in respect of the ordinary shares of the Company to which such securities give entitlement to.

This authorization is granted for a period of twenty-six months from the date of this meeting and replaces, in relation to ineffective parts, that granted on June 21, 2011.

Twelfth Resolution

(Authorization granted for a period of 26 months to the Board of Directors to issue shares and securities granting entitlement to the share capital as well as securities granting right to as well as securities granting allotment of debt securities, cancelling the shareholders' preferential rights to subscribe for shares by way of public offering, for a maximum nominal value of ninety (90) million euros)

The shareholder's general meeting deliberating under the *quorum* and majority required for extraordinary general meetings, in accordance with the provisions of the Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-91 to L. 228-93 of the French Commercial Code:

- delegates to the Board of Directors, with the option of sub-delegation, subject to applicable law, in the proportion and at the time it sees fit, its authority to issue, cancelling the preferential subscription rights:
  - shares and/or securities giving access to the Company's share capital,
  - shares and/or securities giving access to the Company's share capital to be issued by companies in which the Company, directly or indirectly, owns more than half of all securities giving access to the Company's share capital,

  - shares and/or securities of the Company giving access to the share capital of a company of which the Company directly or indirectly owns more than half of the share capital;
- resolves that all issuances of preference shares and securities conferring the right to preference shares shall be expressly excluded;
- resolves that the total amount of the share capital increases likely to be performed immediately and/or in the future, under this authorization shall not exceed ninety (90) million euros, it being specified that such amount shall be counted towards the aggregate limit of five hundred (500) million euros provided for by the eleventh resolution of this meeting, and, where applicable, this amount will be increased by the nominal value of the issued shares to preserve the rights of holders of the marketable securities or other rights giving access to the share capital;
- resolves that the securities issued may consist of debt securities or be related to the issue of such securities or take the form of subordinated or non-subordinated securities with a fixed or indefinite period;
- resolves that the amount of the debt securities which are likely to be issued shall not exceed 720 million euros (or the equivalent thereof in the event of an issue in another currency or monetary unit), it being specified that this amount shall be counted towards the aggregate limit of 4 billion euros provided for in the eleventh resolution of this meeting;
- resolves that the issuances made under this authorization will be made by way of public offering, it being specified that they are made in conjunction with an offer, pursuant to section II of Article L. 411-2 of the French Monetary and Financial Code;
- resolves to cancel any preferential subscription right to shares and securities to be issued under this resolution;
- resolves that the Board of Directors will confer to shareholders the option of a preferential subscription right over irrevocable and revocable shares, for a period determined in compliance with the law and regulatory requirements, to all or part of the issued shares as set forth in the provisions of Article L. 225-135 paragraph 2 of the French Commercial Code,
- acknowledges, where necessary, that this authorization will constitute a waiver by existing shareholders of their preferential subscription rights in respect of new shares, in favor of holders of securities to be issued under this resolution;
- resolves that:
  - the issue price of shares will be at least equal to the minimum amount within the legal and regulatory requirements applicable on the day of issue (which at the present date is the weighted average stock market price over the last three stock market trading days preceding the fixing of the price) and if needed, after correction of this amount and taking into account differences in dividend eligibility dates,
  - the issue price of the securities giving access to the Company's share capital issued pursuant to this resolution will be determined such that the amount received by the Company plus any amount that may be received by it for every share issued, shall be at least equal to the minimum as defined in the paragraph above.

This authorization is granted for a period of 26 months from the date of this meeting and supersedes, in relation to ineffective parts, to that granted on June 21, 2011.

Thirteenth Resolution

(Authorization granted for the period of 26 months to the Board of Directors to issue ordinary shares and securities granting entitlement to share capital including securities granting entitlement to an allotment of debt instruments, cancelling the preferential subscription right of the shareholders, by way of private placement, within the scope of Article L. 411-2 II of the French Monetary and Financial Code, for a maximum nominal amount of ninety (90) million euros)

The shareholder's general meeting deliberating under the *quorum* and majority required for extraordinary general meetings, in accordance with the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-91 to L. 228-93 of the French Commercial Code and having reviewed the report of the Board and the report of the auditors:

- delegates to the Board of Directors, with the option of sub-delegation, subject to applicable law, in the proportion and at the time it sees fit, its authority to issue, cancelling the preferential subscription right of the shareholder:
  - shares and/or securities giving access to the Company's share capital,
  - shares and/or securities giving access to the Company's share capital to be issued further to the issue of any securities giving access to the Company's share capital by companies of which the Company, directly or indirectly, owns more than half of all securities,
  - shares and/or securities of the Company giving access to the share capital of a company of which the Company, directly or indirectly, owns more than half of the share capital;
- resolves that all issuances of preference shares and securities conferring the right to preference shares shall be expressly excluded;
- resolves that the total amount of the share capital increases likely to be performed immediately and/or in the future, under this authorization shall not exceed ninety (90) million euros, it being specified that such amount shall be counted against the maximum nominal amount of ninety (90) million euros provided for by the twelfth resolution of this meeting, and to the amount of the aggregate limit of five hundred (500) million euros provided for by the eleventh resolution of this meeting, and, where applicable, this amount will be increased by the nominal value of the issued shares to preserve the rights of holders of the marketable securities or other rights giving access to the share capital;

- resolves that the securities issued may consist of debt securities or be related to the issue of such securities or take the form of subordinated or non-subordinated securities with a fixed or indefinite period;
- resolves that the amount of the debt securities which are likely to be issued shall not exceed 720 million euros (or the equivalent thereof in the event of an issue in another currency or monetary unit), it being specified that this amount will be counted against the aggregate limit of 720 million euros provided for in the twelfth resolution of this meeting, and to the aggregate limit of 4 billion euros provided for in the eleventh resolution of this meeting;
- resolves that the issuances made under this authorization by way of public offering pursuant to II of Article L. 411-2 of the French Monetary and Financial Code, which can be undertaken conjointly in a tender or in a public tender;
- resolves to cancel any preferential subscription right to shares and securities to be issued under this resolution;
- acknowledges, where necessary, that this authorization shall automatically give for the benefit of the holders of the securities to be issued under this resolution and entails a waiver by shareholders of their preferential subscription right in respect of the new shares to which such securities give entitlement to;
- resolves that:
  - the issue price of shares is at least equal to the minimum amount within the legal and regulatory requirements applicable on the day of issue (which at the present date is the weighted average stock market price over the last three stock market trading days preceding the fixing of the price) and if needed, after correction of this amount and taking into account differences in dividend eligibility dates,
  - the issue price of the securities giving access to the Company's share capital shall be determined so that the amount received immediately by the Company plus any amount which may be received in the future so that each of these securities shall be at least equal to the minimum issue price as defined in the paragraph above.

This authorization is granted for the duration of 26 months from the date of this meeting.

Fourteenth Resolution

(Authorization granted for a period of 26 months to the Board of Directors in order to issue the shares and/or securities, not exceeding 10% of the share capital and giving access to share capital to remunerate contributions in kind granted to the Company)

The shareholder's general meeting deliberating under the *quorum* and majority required for extraordinary general meetings, in accordance with the provisions of the Articles L. 225-147 paragraph 6 of the French Commercial Code and having examined the report of the Board and the report of the auditors:

- delegates to the Board of Directors, with the option of sub-delegation, subject to applicable law, in the proportion and at the time it sees fit, its authority to issue shares and/or securities giving access to the Company's share capital and to remunerate contributions in kind consisting of equity securities or securities giving access to the share capital, if the provisions of L. 225-148 of the French Commercial Code are not applicable;
- resolves that the total amount of the share capital increase to be undertaken pursuant to this authorization shall not exceed 10% of the share capital of the Company at the time of the issue within the limits of the nominal amount of ninety (90) million euros, being specified that such amount shall be counted against the maximum nominal amount of ninety (90) million euros provided for by the twelfth resolution and to the amount of the aggregate limit of five (500) hundred million euros provided for by the eleventh resolution of this meeting;
- acknowledges, where necessary, that this authorization entails a waiver by the shareholders of their preferential right in respect of shares of the Company to which such securities may give entitlement to.

Full authority is granted to the Board of Directors to implement this authorization, in particular to determine all terms and conditions of the authorized operations and evaluate contributions as well as grants, where applicable, of specific benefits, to determine the number of shares to be issued in return for the contributions as well as the entitlement date of the shares to be issued, to charge to the premium account the expenses arising from the issuance, to complete the share capital increase and amend the articles of association accordingly, to prepare all agreements and to take necessary measures to conclude all agreements to ensure successful completion of the operation.

This authorization is granted for a period of 26 months from the date of this meeting and supersedes, in relation to ineffective parts the authorization granted on June 21, 2011.

Fifteenth Resolution

(Authorization granted for a period of 26 months to the Board of Directors to issue shares and/or securities giving access to the share capital, cancelling the preferential subscription right of the shareholders, to remunerate contributions in kind granted to the Company, by way of public offering implemented by the Company on the securities of another company, for the maximum nominal amount of ninety (90) million euros)

The shareholder's general meeting deliberating under the *quorum* and majority required for extraordinary general meetings, in accordance with the provisions of the Articles L. 225-129-2, L. 225-148, L. 228-91 and L. 228-92 of the French Commercial Code and having reviewed the report of the Board and the auditors:

- delegates to the Board of Directors, with the option of sub-delegation, subject to applicable law, in the proportion and at the time it sees fit, its authority to issue shares and/or securities giving access to share capital, to remunerate contributions given through public tender in France and abroad;
- resolves that the amount of the share capital increases which may be executed through the issue of shares or securities giving access to the share capital shall not exceed ninety (90) million euros, it being specified that this amount will be counted against the maximum nominal amount of ninety (90) million euros provided for by the twelfth resolution and to the amount of the aggregate limit of five hundred (500) million euros provided for by the eleventh resolution of this meeting;
- resolves that the total amount of the debt securities to be issued in respect of this resolution shall not exceed 720 million euros (or the equivalent thereof calculated in another currency or monetary unit), it being specified that the said amount shall be counted against the limit of 720 million euros provided for by the twelfth resolution of this meeting and to the aggregate limit of 4 billion euros provided for by the eleventh resolution of this meeting;
- resolves to cancel preferential subscription rights to shares and securities to be issued under this resolution to the benefit of holders of securities;
- acknowledges, where necessary, that this authorization entails a waiver by the shareholders of their preferential right in respect to shares of the Company to which such securities may give entitlement to;

This authorization is granted for a period of 26 months from the date of this meeting and supersedes, in relation to its ineffective parts, the authorization granted on June 21, 2011.

Sixteenth Resolution

(Authorization granted for a period of 26 months to the Board of Directors to increase share capital by incorporation of reserves, benefits or issue premiums for a maximum nominal amount of five hundred (500) million euros)

The shareholder's general meeting deliberating under the *quorum* and majority required for ordinary general meetings, in accordance with the provisions of the Articles L. 225-129-2 and L. 225-130 of the French Commercial Code:

- delegates to the Board of Directors, with the option of sub-delegation, subject to applicable law, in the proportion and at the time it sees fit, its authority to decide upon the share capital increase by capitalizing premiums, reserves and profits, which will be lawful and compliant with the articles of association, either through free allocation of new shares or by increasing the nominal value of existing shares, or a combination of these two processes;
- resolves that the nominal amount of share capital increases that may thus be carried out through the issue of shares and securities shall not exceed five hundred (500) million euros, it being specified that this nominal amount will be counted against the aggregate limit of five hundred (500) million euros provided for in the eleventh resolution of this meeting and that this amount shall increase, where applicable, the nominal value of shares, in accordance with the law, where applicable contractual provisions, stock options or the purchase of or right to free shares;
- resolves, in the event of a grant of free shares, that (i) the rights forming fractional allotments will not be negotiable and that the corresponding shares will be sold; it being specified that the sums derived from the sale will be allocated to the right's holders in accordance with applicable legal and regulatory provisions, and that (ii) the shares allotted under this authorization will benefit from double voting rights in relation to this issuance.

This authorization is granted for a period of 26 months from the date of this meeting and supersedes, in relation to ineffective parts, the authorization granted on June 21, 2011.

Seventeenth Resolution

(Authorization granted to the Board of Directors for a maximum period of 26 months in order to increase the share capital, cancelling the preferential subscription rights of the shareholders, in favor of employees who are members of a company savings plan, for a maximum nominal amount of thirty-five (35) million euros)

The shareholders' general meeting, deliberating under the *quorum* and majority required for extraordinary shareholders' general meetings in accordance with the provisions of Articles L. 225-129, L. 225-129-2 to L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-1 *et seq.* of the French Labor Code, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors:

- delegates to the Board of Directors, with the option of sub-delegation within the law, its authority to increase the share capital, on one or more occasions, at the time and under the terms and conditions it will determine, to a maximum nominal amount of thirty-five (35) million euros by issuing shares or any other securities conferring immediate or deferred access to the share capital of the Company to participants of the Company's employee saving plan, and that this nominal amount shall be counted against the aggregate nominal value of five hundred (500) million euros provided for in the eleventh resolution of this meeting and that this amount will be increased, as may be necessary, by reason of any adjustments made in accordance with applicable legislative and regulatory provisions and, as the case may be, of contractual stipulations to preserve the rights of holders of marketable securities or other rights conferring access to share capital;
- resolves to cancel the preferential subscription rights of shareholders to the new shares or other securities to be issued giving rights to the share capital of the Company reserved for the participants in one or more company savings plans (or any other plan within the scope of Article L. 3332-18 of the French Labor Code, whereby a share capital increase may be reserved under equivalent conditions) which may be put in place within the Group formed by the Company and the French and foreign companies, included within the scope of consolidation of the Company's financial statements under Article L. 3344-1 of the French Labor Code;
- recognizes that this authorization will constitute a waiver by existing shareholders of their preferential subscription rights in respect of new shares, in favor of holders of securities to be issued under this resolution;
- resolves that the subscription price for the new shares will be at least 80% of the average of the opening price of existing shares on the NYSE Euronext Paris market over the 20 trading days immediately preceding the date on which the issue price is set. However, the shareholders' general meeting expressly authorizes the Board of Directors to reduce the aforementioned discounts within the legal and regulatory limits so as to take account, where required, of locally applicable legal, accounting, tax and social security regimes provisions in the country of residence of members of a savings plan who are beneficiaries of the share capital increase. The Board of Directors may also replace all or part of the discount through the grant of free shares or other securities, in existence or to be issued, giving access to the Company's share capital, it being understood that the total advantage resulting from this allotment and, if applicable, the discount described above, shall not exceed the benefit that members of the Company savings plan would have enjoyed if this difference had been 20%;
- the Board of Directors may proceed, in accordance with Article L. 3332-21 of the French Labor Code, with the grant of free shares or securities conferring access to the share capital of the Company, by way of subscription, and/or in lieu of the discount.

This authorization is granted for a period of twenty-six months from the date of this meeting. It supersedes the authorization granted by the shareholders' general meeting of June 18, 2012.

8.2 Board of Directors' report to the Ordinary and Extraordinary Shareholders' Meeting of April 23, 2013

This Shareholders' Meeting will be asked to vote on ordinary resolutions, for which a majority of the votes is required for adoption, and extraordinary resolutions, for which two-thirds of the votes are required for adoption.

8.2.1 ORDINARY RESOLUTIONS

The Board of Directors asks that you vote on the following ordinary resolutions:

First, Second and Third resolutions: approval of the financial statements, allocation of net income and setting of dividend

In its first and second resolutions, the Board of Directors asks that you approve the annual and Consolidated Financial Statements for the fiscal year ended December 31, 2012.

The purpose of the third resolution is to propose the allocation of net income and to set the dividend per share for fiscal year 2012 at 0.58 euro, payable in cash or in shares.

New shares would be issued at a price equal to 95% of the average of the opening prices quoted on the Euronext Paris regulated market during the 20 trading sessions preceding the date of the Shareholders' Meeting, reduced by the net amount of the dividend and rounded up to the nearest euro cent.

The quotation date of the ex-dividend shares is set at May 2, 2013. The option period during which shareholders may opt for a payment of the dividends in cash or in new shares would begin on May 2 and continue until May 23, 2013 inclusive. Shareholders may submit their request to the financial intermediaries authorised to pay the dividend or, for shareholders listed in the registered accounts held by the Company, to its agent, CACEIS Corporate Trust, 14 Rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 09, France.

Payment of the dividend and delivery of the new shares would occur on June 7, 2013.

The full dividend amount of 411,344,498.74 euros, which represents a dividend per share of 0.58 euro before social security contributions and the compulsory levy (*prélèvement obligatoire non libératoire*) of 21% stipulated in Article 117, subparagraph four, of the French General Tax Code, is, for private individuals who are residents in France for tax purposes, eligible for the 40% tax reduction described in Article 158-3-2 of the French General Tax Code.

Fourth, Fifth, Sixth and Seventh resolutions: renewal of the terms of four directors

The terms of Sébastien Bazin, Thierry Breton, Charles Edelstenne and Anne-Claire Taittinger are due to expire at the end of this Shareholders' Meeting.

The biography of each candidate whose term is up for renewal may be viewed on the Company's website within the statutory periods.

At the recommendation of the Appointments Committee, the Board of Directors asks that you renew their term for a period of three years.

At the recommendation of the Appointments Committee, the Board of Directors re-examined the status of Thierry Breton, Charles Edelstenne and Anne-Claire Taittinger as independent directors.

On the basis of public information in which reference was made to Thierry Breton's strictly potential role, in the future, as a member of a committee of experts that would be formed only in case of Mr. Bernard Arnault's unavailability in order to ensure the proper implementation of his personal recommendations, the Board of Directors followed the recommendations of the Appointments Committee. This committee unanimously decided that such an event would in no way compromise Thierry Breton's independence in completing his current term as director of the Company. It also noted that Thierry Breton holds no corporate appointments, in France or abroad, other than those of director of the Company and Chief Executive Officer of Atos SE. After discussing the matter, the Board of Directors unanimously agreed with the findings of the Appointments Committee regarding Thierry Breton's independence.

In accordance with the AFEP-MEDEF Corporate Governance Code, the Board of Directors decided that these three members can continue to be considered independent directors.

Eighth resolution: buyback programme

Pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, the General Regulations of the *Autorité des Marchés Financiers* (AMF) and European Commission Regulation no. 2273/2003 of December 22, 2003, the Board of Directors proposes that you renew, for a period of 18 months, the authorisation granted to it by the Shareholders' Meeting held on June 18, 2012 to buyback and sell the Company's shares, except during a tender offer, in particular to:

- ensure an active market in Carrefour shares through an investment services provider;
- honour the obligations related to stock option plans, free share allocation programmes and any other restricted sharetypes of share allocation or compensation related to the share price;
- proceed with deliveries or exchanges of shares during the exercise of rights attached to marketable securities giving access to the Company's share capital;
- retain them and deliver them at a later date as payment or exchange in connection with external growth operations;
- cancel them; or
- engage in any acceptable market practice that may be recognised by law or by the AMF.

The maximum purchase price per share will be set at 35 euros (*i.e.* the same maximum price stipulated in the current authorisation), with the maximum number of shares that may be purchased set at 70,000,000 (*i.e.* nearly 10% of the capital stock as of December 31, 2012).

In accordance with the regulations in force, the Company may not hold, at any given time, more than 10% of the shares comprising its share capital.

The total amount that the Company may use to buyback its own shares may not exceed 2,450 million euros.

This authorisation will be granted for a period of 18 months from the date of this Shareholders' Meeting.

8.2.2 EXTRAORDINARY RESOLUTIONS

The Board of Directors asks that you vote on the following extraordinary resolutions:

Ninth resolution: amendment to the by-laws

The purpose of the amendment to Article 20 of the Company's by-laws is to update the provisions related to shareholder representation.

Tenth resolution: capital reduction through cancellation of treasury shares

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the Board of Directors proposes that you renew, for a period of 24 months, the authorisation granted to it to reduce the share capital, on one or more occasions, by cancelling shares already held by the Company and/or shares that it may purchase as part of a share buyback.

As provided by law, such a reduction may not exceed 10% of the share capital per 24-month period.

This authorisation will be granted for a period of 24 months from the date of this Shareholders' Meeting.

From Eleventh to Sixteenth resolutions: financial authorisations

The Board of Directors was granted financial authorisations by the Shareholders' Meeting of June 21, 2011 (other than the thirteenth resolution), which are due to expire this year.

The Board of Directors has not used the previous authorisations. These resolutions are proposed to you so that your Board of Directors can, at the right time, immediately take the most appropriate measures regarding the financing of planned investments or external growth operations in the interest of the Company.

The Board of Directors asks that you cancel these authorisations and grant it new delegations of power and authority for a uniform period of 26 months.

The Board of Directors proposes a new resolution (thirteenth resolution) for the purpose of issuing shares and marketable securities giving access to share capital as well as marketable securities entitling holders to the allotment of debt securities by a private placement in addition to the twelfth resolution (in the context of a tender offer) so as not to request a joint vote on transactions aimed at different recipients (public or qualified investors only).

Overall ceiling for issues giving access to share capital:

The Board of Directors asks that you set the overall ceiling for the requested issue authorisations at 28.20% of share capital as of the Shareholders' Meeting date, *i.e.* a maximum nominal amount of 500 million euros for issues of ordinary shares.

This overall ceiling includes the ceiling for:

- issues with preferential subscription rights maintained (eleventh and sixteenth resolutions);
- issues with cancellation of preferential subscription rights (twelfth, thirteenth, fourteenth and fifteenth resolutions);
- issues reserved for members of a Company savings plan (seventeenth resolution).

The ceiling for issues with preferential subscription rights maintained (eleventh and sixteenth resolutions) will be equal to the aforementioned overall ceiling.

The ceiling for issues with cancellation of preferential subscription rights (twelfth, thirteenth, fourteenth and fifteenth resolutions) will be limited to 5% of share capital as of the Shareholders' Meeting date, *i.e.* a maximum nominal amount of 90 million euros for issues of ordinary shares.

The total amount of issues completed pursuant to all the aforementioned resolutions may therefore not exceed 500 million euros and the total amount of issues completed with cancellation of preferential subscription rights may not exceed 90 million euros.

The delegations related to the eleventh, twelfth, thirteenth and fifteenth resolutions also pertain to the issue of marketable securities representing debt securities that give access to the Company's share capital or to debt securities:

- up to 4,000 million euros pursuant to the eleventh resolution;
- up to 720 million euros pursuant to the twelfth, thirteenth and fifteenth resolutions.

The total amount of issues completed pursuant to said resolutions may not exceed 4,000 million euros and the total amount of issues of marketable securities representing debt securities carried out pursuant to the twelfth, thirteenth and fifteenth resolutions may not exceed 720 million euros.

Seventeenth resolution: capital increase reserved for employees

Given that the Shareholders' Meeting must vote on authorisations to increase the Company's capital, a resolution regarding a capital increase reserved for employees must, pursuant to the provisions of Articles L. 225-129, L. 225-129-2 to L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-1 *et seq.* of the French Labour Code, be voted on by the Shareholders' Meeting.

This resolution provides for:

- a maximum nominal amount of the capital increase set at thirty-five million euros (35 million euros);
- this amount will be charged against the overall nominal ceiling of 500 million euros specified in the eleventh resolution;
- the subscription price for new shares will not be less than 80% of the average share price quoted on NYSE Euronext Paris during the 20 trading sessions preceding the date of the decision that sets the opening date of subscriptions;
- this delegation will automatically entail the shareholders' waiver, in favour of the holders of marketable securities issued pursuant to this resolution that give access to the Company's share capital, of their preferential right to subscribe for the shares to which these marketable securities entitle their holders.

This delegation will be granted for a period of 26 months from the date of this Shareholders' Meeting. It cancels and replaces the authorisation granted by the Shareholders' Meeting of June 18, 2012.

8.3 Auditors' special reports

8.3.1 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory Auditors' special reports on regulated agreements and commitments with third parties issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2012

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on the regulated agreements and commitments.

It is our duty to inform you, on the basis of the information provided to us, of the main features and terms and conditions of the agreements and commitments of which we were notified or of which we became aware during the course of our assignment. We are not required to determine whether they are useful or appropriate or whether other agreements and commitments exist. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the benefits resulting from these agreements and commitments prior to their approval.

It is also our duty, where applicable, to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code in relation to the implementation during the year, of the agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with profesionnal standards applicable in France for such engagements. These procedures consisted in verifying that the information provided to us was consistent with the source documents from which it was taken.

Agreements and commitments subject to the approval of the Shareholders' Meeting

Agreements and commitments authorized during the past year

We hereby inform you that we have not been advised of any agreement or commitment authorized during the past year which needs to be submitted to the Shareholders' Meeting for approval in accordance with the provisions of Article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the Shareholders' Meeting

Agreements and commitments approved during previous years

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by the Shareholders' Meeting during previous years, remained in force during the past year.

Syndicated loan with a syndicate of banks of which BNP Paribas is a member

- Person concerned:

  Jean-Laurent Bonnafé, company director and director of BNP Paribas.

- Nature and purpose:

  At its meeting on July 15, 2010, your Board of Directors authorized the signing of a syndicated loan with a syndicate of banks of which BNP Paribas is a member.

- Terms and conditions:

The syndicated loan agreement provides a revolving line of credit in the amount of 1,750 million euros (multi-currencies), which includes a 300 million euros backup line of credit (swingline loan). The term of this loan is 60 months (due July 2015).

The interest due on the amounts used is calculated as follows:

- revolving credit: EURIBOR (or LIBOR for amounts in US dollars) plus an initial margin of 0.60% and mandatory costs;
- swingline loan: EONIA plus an initial margin of 0.60% and mandatory costs.

The initial margin of 0.60% is adjusted on the basis of a credit margin grid. In addition to interest, a utilization fee is charged based on the portion of the loan used.

If the line of credit is not used, Carrefour must pay a non-utilization fee equal to 35% of the margin (initial margin of 0.60% adjusted on the basis of the credit margin grid).

At December 31, 2012, the Company had not drawn on these lines of credit.

Lease of a future building located in Massy and owned by the Colony Group

- Person concerned:

  Sébastien Bazin, company director and Chief Executive Officer of Colony Europe.

- Nature and purpose:

  At its meeting on October 12, 2010, your Board of Directors authorized the lease of a future office and commercial building located in Massy and owned by Colmabu S.A.S., a subsidiary of Colony Europe.

- Terms and conditions:

The lease is granted and accepted for a firm term of 12 years and will take effect on the date of completion, scheduled for December 20, 2013, in return for a total annual lease payment, excluding taxes and charges, of 20,997,980 euros. This lease payment will be adjusted based on the actual number of square metres of leasable floor area.

This lease payment, payable quarterly in advance, will be indexed to the change in the INSEE construction index. Carrefour has also been granted a rent-free period of 12 months as of the effective date of the lease.

Assistance assignment entrusted by the Board of Directors to one of its members

- Person concerned:

  René Brillet, company director.

- Nature and purpose:

  At its meeting on August 30, 2011, your Board of Directors entrusted an assistance assignment to René Brillet for the purpose of conducting a complete analysis of the situation in France, which ended in 2012.

- Terms and conditions:

The assignment entrusted by your Board of Directors involved two key areas of focus: (i) coaching hypermarket managers and (ii) assessing and providing assistance to under-performing stores (points of sale with a negative activity contribution) by proposing turnaround plans.

The assignment was entrusted for a six-month period starting in September 2011 in return for a monthly compensation of 20,000 euros and the provision of a car and driver as well as the communication devices (telephone, computer) needed to complete the assignment.

René Brillet chose not to accept the proposed compensation.

Agreements and commitments approved during the past year

We have also been informed of the implementation, during the past year, of the following agreements and commitments, already approved by the Shareholders' Meeting of June 18, 2012, upon a Statutory Auditors' special report of May 25, 2012.

Commitments made by the Company for the benefit of Mr Lars Olofsson, CEO, concerning the termination of his appointment

- Person concerned:

  Lars Olofsson, Chief Executive Officer (as of the date of the Board of Directors' meeting on January 29, 2012).

- Nature and purpose:

  At its meeting on January 29, 2012, your Board of Directors approved the terms relating to the termination of Mr Lars Olofsson's appointment.

- Terms and conditions:

At its meetings on January 13, 2009 and June 17, 2009, the Board of Directors had approved the terms and conditions of Lars Olofsson's termination. These terms and conditions stipulate that, in the event of termination of his appointment, Carrefour will offer Lars Olofsson, under a settlement involving waiver of recourse on his part, a settlement payment in an amount equal to two years' (24 months') remuneration if the termination occurs on or after January 1, 2010, with the annual remuneration used to determine the amount of this payment being the gross annual average fixed and bonus remuneration, including on-target earnings (excluding repatriation bonuses, benefits-in-kind, reimbursement of personal and professional expenses and employee shareholder schemes such as performance shares, free shares and stock options) paid under any corporate appointment within the Carrefour Group by any Carrefour Group company during the 24 months preceding the termination. Moreover, at its meeting on October 6, 2009, the Board of Directors approved Lars Olofsson's eligibility for the supplemental pension plan pursuant to the Rules of October 6, 2009. These commitments were approved by your Shareholders' Meeting of May 4, 2010.

At its meeting on January 29, 2012, the Board of Directors decided to revise these terms of departure as follows, to which Lars Olofsson agreed: Lars Olofsson

- will receive no severance payment for termination of his duties within the Group;
- will be exempt from the continued employment requirements stipulated in the performance stock option plans of June 17, 2009 (for which the exercise price is 29.55 euros) and July 16, 2010 (for which the exercise price is 29.91 euros) and in the performance share plan of July 16, 2010, with all other terms and conditions of the aforementioned plans, including those related to performance, remaining in full force;
- will, moreover, be required to comply with a non-competition obligation, barring him from taking on responsibilities as a manager, consultant or director and, more generally, acting as a corporate officer for competing companies for a 12-month period from the date of his departure from the Group. In exchange, Lars Olofsson will receive a payment of 1,500,000 euros gross;
- may take advantage of the defined benefit supplemental pension plan, pursuant to the Rules of June 23, 2011, which updated the Rules of October 6, 2009 (authorised by the Board of Directors on October 6, 2009 and approved by the Shareholders' Meeting of May 4, 2010) and the most recent legislative changes that occurred in 2010 under the pension reform act (law no. 2010-1330 of November 9, 2010 on pension reform and, in particular, the legal age for eligibility for pension benefits). This top-up defined benefit pension scheme is intended for the Group's main executives (Chief Executive Officer, members of the Executive Committee and certain key executives) working in France or as expatriates outside of France for at least three years, whose gross annual compensation is more than 16 times France's social security ceiling. The scheme's main features are:
  - a minimum of three years' actual seniority to benefit from the scheme,
  - a single contribution rate equal to 1.5% of remuneration (base salary + bonus),
  - recognition of seniority for newly hired persons aged 45 and up (age 45 = 0, age 46 = one year, age 47 = two years etc.),
  - the retirement pension is calculated on the average of the last three annual remunerations, capped at 60 times France's social security ceiling,
  - starting at age 60, continued rights to the plan if no new position is taken,
  - maximum replacement rate of 50% of benchmark remuneration as described above (all schemes combined),
  - recognition of a maximum 20 years' seniority under the scheme,
  - in case of death, a death benefit for the surviving spouse is provided at 50% of the beneficiary's retirement pension.

Commitments made by the Company for the benefit of Mr Georges Plassat, Chief Operating Officer then Chief Executive Officer, in the event that his duties are terminated

- Person concerned:

  Georges Plassat, Chief Operating Officer (from April 2, 2012), then Chief Executive Officer (from May 23, 2012).

- Nature and purpose:

  At its meeting on January 29, 2012, your Board of Directors approved a severance clause for the benefit of the interested party. At its meetings on February 8 and March 7, 2012, the Board of Directors approved the performance conditions under which this severance payment would be made.

- Terms and conditions:

In the event of termination of his appointment, except in cases of non-renewal, resignation, involuntary or voluntary retirement or removal for serious misconduct or wrongful act, the Chief Executive Officer will be entitled to receive, under a settlement involving waiver of recourse on his part, a settlement payment in an amount equal to one year's fixed and variable remuneration, if the termination of the appointment as Chief Executive Officer occurs before April 2, 2015.

The performance conditions to which this settlement is subject are as follows: like-for-like sales targets for 2012 and 2013 respectively achieve at least 98% of like-for-like sales budgeted for 2012 and 2013 and 85% of the recurring operating income targets are achieved or, alternatively, sales and recurrent operating income achieved in 2012 and 2013 increase by 3% and 10% respectively as compared with the previous year.

In case of departure before the end of two fiscal years, like-for-like sales targets for 2012 must be achieved at a rate of 98% of like-for-like sales budgeted for 2012 and 85% of the recurrent operating income targets budgeted for 2012 must be achieved or, alternatively, sales and recurrent operating income achieved in 2012 must increase by 3% and 10% respectively as compared with the previous year.

Commitments made by the Company for the benefit of Mr Georges Plassat, Chief Operating Officer then Chief Executive Officer, concerning the supplemental pension plan

- Person concerned:

  Georges Plassat, Chief Operating Officer (from April 2, 2012), then Chief Executive Officer (from May 23, 2012).

- Nature and purpose:

  On January 29, 2012, your Board of Directors approved George Plassat's eligibility for the supplemental pension plan.

- Terms and conditions:

This top-up defined benefit pension scheme is intended for the Group's main executives (Chief Executive Officer, members of the Executive Committee and certain key executives) working in France or as expatriates outside of France for at least three years, whose gross annual compensation is more than 16 times France's social security ceiling.

The scheme's main features are:

- a minimum of three years' actual seniority to benefit from the scheme;
- a single contribution rate equal to 1.5% of remuneration (base salary + bonus);
- recognition of seniority for newly hired persons aged 45 and up (age 45 = 0, age 46 = one year, age 47 = two years etc.). Starting at age 60, continued rights to the plan if no new position is taken;
- the retirement pension is calculated on the average of the last three annual remunerations, capped at 60 times France's social security ceiling;
- maximum replacement rate of 50% of benchmark remuneration as described above (all schemes combined);
- recognition of a maximum 20 years' seniority under the scheme;
- in case of death, a death benefit for the surviving spouse is provided at 50% of the beneficiary's retirement pension.

The Statutory Auditors,

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, March 29, 2013

French original signed by

Mazars	KPMG audit Department of KPMG S.A.	Deloitte & Associés
Patrick de Cambourg Pierre Sardet	Eric Ropert	Alain Pons Arnaud de Planta

8.3.2 STATUTORY AUDITORS' REPORT ON THE TRANSACTIONS AFFECTING CAPITAL

This is a free translation into English of the Statutory Auditors' report on the transactions affecting capital issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Combined Shareholders' Meeting of April 23, 2013

Resolutions 10, 11, 12, 13, 14, 15 and 17

To the Shareholders:

In our capacity as Statutory Auditors of your Company and pursuant to the duties set forth in the French Commercial Code, we hereby report to you on the transactions affecting capital on which you have been asked to vote.

Report on the capital reduction through cancellation of shares (10th resolution)

Pursuant to the duties set forth in Article L. 225-209 of the French Commercial Code governing capital reductions through cancellation of acquired shares, we have prepared this report to provide you with our assessment of the bases for and terms and conditions of the proposed capital reduction.

Your Board is requesting that you delegate to it, for a period of 24 months, full authority to cancel, on one or more occasions and up to a limit of 10% of its capital per 24-month period, the shares acquired pursuant to an authorisation that allows the Company to purchase its own shares in accordance with the provisions of the aforementioned article. We conducted our work in accordance with the professional standards of the National Auditors Association (*Compagnie Nationale des Commissaires aux Comptes*) applicable to our assignment. This work entailed determining whether the bases for and terms and conditions of the proposed capital reduction, which is consistent with the principle of equality of shareholders, are appropriate.

We have no matters to report as to the bases for and terms and conditions of the proposed capital reduction.

Report on issues of shares and/or various marketable securities with preferential subscription rights maintained or cancelled (11th, 12th, 13th, 14th and 15th resolutions)

Pursuant to the duties set forth in Articles L. 228-92 and L. 225-135 *et seq*. of the French Commercial Code, we hereby submit to you our report on the proposals to delegate to the Board of Directors the authority to issue shares and/or various marketable securities, transactions on which you have been asked to vote.

On the basis of its report, your Board of Directors asks that you:

- delegate to it, for a period of 26 months, the authority to approve the following transactions and determine the final terms and conditions of these issues; it also asks, where applicable, that you cancel your preferential subscription rights:
  - the issue of ordinary shares of the Company and/or marketable securities giving immediate or future access to the Company's capital and/or entitling holders to the allotment of debt securities, with preferential subscription rights maintained (11th resolution),
  - the issue of ordinary shares of the Company and/or marketable securities giving immediate or future access to the capital of the Company or, pursuant to Article L. 228-93 of the French Commercial Code, of any company in which it holds, directly or indirectly, more than one half of the capital, and/or marketable securities entitling holders to the allotment of debt securities, with preferential subscription rights cancelled, by means of public offers (12th resolution),
  - the issue of ordinary shares of the Company and/or marketable securities giving immediate or future access to the capital of the Company or, pursuant to Article L. 228-93 of the French Commercial Code, of any company in which it holds, directly or indirectly, more than one half of the capital, and/or marketable securities entitling holders to the allotment of debt securities, with preferential subscription rights cancelled, by means of offers stipulated in section II of Article L. 411-2 of the French Monetary and Financial Code (13th resolution),

- the issue of ordinary shares of the Company and/or marketable securities giving immediate or future access to the Company's capital and/or marketable securities entitling holders to the allotment of debt securities, in the event of an exchange offer initiated by your Company, with preferential subscription rights cancelled (15th resolution),
- the issue of ordinary shares of the Company and/or marketable securities giving access to the Company's capital as a result of the issue by the Company's subsidiaries of marketable securities giving access to ordinary shares of the Company (12th and 13th resolutions);

- delegate to it, for a period of 26 months, the authority to set the terms and conditions of an issue of ordinary shares of the Company and/or marketable securities giving immediate or future access to the Company's capital, in order to remunerate contributions-in-kind granted to the Company and made up of equity securities or marketable securities giving access to capital, with preferential subscription rights cancelled, up to a limit of 10% of share capital (14th resolution).

The overall nominal amount of the capital increases that may be carried out, immediately or in the future, may not exceed:

- 500 million euros pursuant to the 11th resolution;
- 90 million euros pursuant to the 12th, 13th, 14th and 15th resolutions, it being stipulated that this amount will be charged against the ceiling specified in the 11th resolution.

The overall nominal amount of issues of marketable securities representing debt securities may not exceed:

- 4,000 million euros pursuant to the 11th resolution;
- 720 million euros pursuant to the 12th, 13th and 15th resolutions, it being stipulated that this amount will be charged against the ceiling specified in the 11th resolution.

Your Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fairness of the financial information taken from the financial statements, on the proposal made to you to cancel preferential subscription rights, and on certain other information provided in this report concerning these transactions.

We conducted our work in accordance with the professional standards of the National Auditors Association (*Compagnie Nationale des Commissaires aux Comptes*) applicable to our assignment. This work entailed verifying the content of the Board of Directors' report regarding these transactions and the rules for determining the issue price of the equity securities to be issued.

Subject to a subsequent review of the terms and conditions of the issues that may be approved, we have no matters to report as to the rules provided in the Board of Directors' report for determining the issue price of the equity securities to be issued pursuant to the 12th and 13th resolutions.

Moreover, as this report does not specify the rules for determining the issue price of the equity securities to be issued pursuant to the 11th, 14th and 15th resolutions, we cannot express an opinion on the choice of elements used to calculate this issue price.

As the final terms and conditions under which the issues would be carried out have not been determined, we cannot express an opinion on them and, therefore, on the proposal made to you in the 12th, 13th, 14th and 15th resolutions to cancel preferential subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report, where applicable, when these delegations are used by your Board of Directors in the event of issues of marketable securities giving access to capital and/or entitling holders to the allotment of debt securities and in the event of issues of shares with preferential subscription rights cancelled.

Report concerning the issue of shares and marketable securities giving access to capital reserved for members of a company savings plan (17th resolution)

Pursuant to the duties set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code, we hereby report to you on the proposal to delegate to the Board of Directors the authority to approve an issue of ordinary shares and any other marketable securities giving immediate or future access to the Company's capital, with preferential subscription rights cancelled, reserved for members of a company savings plan, a transaction on which you have been asked to vote. The maximum nominal amount of the capital increase that may result from this issue is 35 million euros, it being stipulated that this amount will be charged against the overall ceiling of 500 million euros specified in the 11th resolution.

This issue is subject to your approval in accordance with the provisions of Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 *et seq.* of the French Labour Code.

Based on its report, your Board of Directors asks that you delegate to it, for a period of 26 months, the authority to approve one or more issues and to cancel your preferential subscription rights to the securities to be issued. Where applicable, it will determine the final terms and conditions of this transaction.

Your Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fairness of the financial information taken from the financial statements, on the proposal to cancel preferential subscription rights and on certain other information provided in this report concerning the issue.

We conducted our work in accordance with the professional standards of the National Auditors Association (*Compagnie Nationale des Commissaires aux Comptes*) applicable to our assignment. This work entailed verifying the content of the Board of Directors' report regarding this transaction and the rules for determining the issue price of the equity securities to be issued.

Subject to a subsequent review of the terms and conditions of the issue that may be approved, we have no matters to report as to the rules provided in the Board of Directors' report for determining the issue price of the equity securities to be issued.

As the final terms and conditions under which the issue would be carried out have not been determined, we cannot express an opinion on them and, therefore, on the proposal made to you to cancel preferential subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report, where applicable, when this delegation is used by your Board of Directors.

The Statutory Auditors,

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, March 26, 2013

French original signed by

Mazars	KPMG audit Department of KPMG S.A.	Deloitte & Associés
Patrick de Cambourg Pierre Sardet	Eric Ropert	Alain Pons Arnaud de Planta

9

ADDITIONAL INFORMATION

9.1 Publicly available documents

Documents concerning the Company and, in particular, its bylaws, financial statements and reports presented to its Shareholders' Meetings by the Board of Directors and the Statutory Auditors may be consulted at the head office at 33 Avenue Émile-Zola, 92100 Boulogne-Billancourt, France.

These documents are also available on the Company's website at www.carrefour.com.

9.2 Person responsible for the Registration Document and annual financial report

Mr Georges Plassat, Chairman and CEO.

9.3 Certification by the person responsible for the Registration Document and annual financial report

"I hereby certify, having taken all reasonable measures to this end, that the information contained in this Registration Document is, to the best of my knowledge, true and correct, and that there are no omissions that could alter its scope.

I hereby certify that, to the best of my knowledge, the financial statements were prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial situation and income of the Company and of all the consolidated companies, and that the attached management report gives a true and fair view of the changes in the business, results and financial situation of the Company and of all the consolidated companies, as well as a description of the main risks and uncertainties to which they are subject.

I have obtained a letter from the Statutory Auditors stating that they have completed their assignment, which included checking the information concerning the financial situation and the financial statements provided in this document and reading the entire document."

April 3, 2013

Georges Plassat

Chairman and Chief Executive Officer

9.4 Persons responsible for auditing the financial statements and fees

Principal Statutory Auditors

Deloitte & Associés

185 Avenue Charles-de-Gaulle, (92524) Neuilly-sur-Seine Cedex, France

Signatories: Messrs Alain Pons and Arnaud de Planta

Represented by Mr Arnaud de Planta

Date of initial appointment: Ordinary Shareholders' Meeting of April 15, 2003

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2014.

KPMG SA

3 Cours du Triangle, 92939 Paris la Défense Cedex, France

Signatory: Mr Eric Ropert

Date of initial appointment: Ordinary Shareholders' Meeting of May 9, 1968

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2014.

Cabinet MAZARS

61 Rue Henri-Régnault, (92075) Paris La Défense, France

Signatories: Messrs Patrick de Cambourg and Pierre Sardet

Date of initial appointment: AGM of June 21, 2011

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2016.

Alternate Statutory Auditors

BEAS

7-9 Villa Houssay, (92524) Neuilly-sur-Seine Cedex, France

Date of initial appointment: Ordinary Shareholders' Meeting of April 15, 2003

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2014.

Mr Bernard Perot

32 Rue du 19 Janvier, (92500) Rueil Malmaison, France

Date of initial appointment: Ordinary Shareholders' Meeting of April 28, 2009

Expiration of the current appointment: Appointment expiring during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2014.

Mr Thierry Colin

61 Rue Henri-Regnault, (92400) Courbevoie, France

Date of initial appointment: AGM of June 21, 2011

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2016.

STATUTORY AUDITORS' FEES (FISCAL YEAR 2011-2012)

	Deloitte & Associés				KPMG				MAZARS			
	Amount *(in € thousands)*		%		Amount *(in € thousands)*		%		Amount *(in € thousands)*		%	
Fiscal year	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**
Audit												
Audit of financial statements, certification, review of individual and Consolidated Financial Statements												
Issuer	288	360	9.57	12.11	525	716	5.15	7.19	300	363	12.54	3.65
Fully consolidated subsidiaries	2,066	2,018	68.64	67.90	6,961	7,674	68.29	77.10	2,057	2,400	85.99	80.08
Other work and services directly relating to the Statutory Auditors' assignment												
Issuer	0	23	0.00	0.77	158	164	1.55	1.65	35	98	1.46	0.91
Fully consolidated subsidiaries	595	266	19.77	8.95	2,409	1,210	23.63	12.16		51	0.00	0.51
Subtotal	2,949	2,667	97.97	89.74	10,053	9,764	98.63	98.10	2,392	2,912	100.00	96.93
Other services provided by the networks to fully consolidated subsidiaries												
Legal, fiscal, labour	61	305	2.03	10.26	16	69	0.16	0.69		3	0.00	0.03
Others	0	0	0.00	0.00	124	120	1.22	1.21		0	0.00	0.89
Subtotal	61	305	2.03	10.26	140	189	1.37	1.90	0	3	0.00	0.92
TOTAL	**3,010**	**2,972**	**100.00**	**100.00**	**10,193**	**9,953**	**100.00**	**100.00**	**2,392**	**2,915**	**100.00**	**100.00**

9.5 Information included by reference

In accordance with Article 28 of EU Regulation 809/2004 of April 29, 2004, this Registration Document includes by reference the following information, to which the reader is invited to refer:

- for the fiscal year ended December 31, 2011: Consolidated Financial Statements, corporate financial statements and related Statutory Auditors' reports included in the Registration Document filed with the *Autorité des marchés financiers* (AMF – French Markets Authority) on March 21, 2012 under number D. 12-0182, on pages 100 to 185, 186 to 206, 247 to 252 and 250 to 252 respectively;
- for the fiscal year ended December 31, 2010: Consolidated Financial Statements, corporate financial statements and related Statutory Auditors' reports included in the Registration Document filed with the AMF on April 28, 2011 under number D. 11-0397, on pages 70 to 173, 174 to 189, 229 to 231 and 232 to 234 respectively. The Statutory Auditors' report on the Consolidated Financial Statements contains a comment.

The information included in these two Registration Documents, other than that indicated above, is, where applicable, replaced or updated by the information included in this Registration Document. These two Registration Documents are available under the conditions described in Section 9.1 – Publicly available documents of this Registration Document.

9.6 Annual Information Document

BALO

Dates	Publications
July 18, 2012	2011 annual and Consolidated Financial Statements approved by the Shareholders' Meeting of June 18, 2012
June 1, 2012	Notice convening the Combined Shareholders' Meeting of June 18, 2012
May 14, 2012	Official notice convening the Combined Shareholders' Meeting of June 18, 2012

Websites: www.journal-officiel.gouv.fr; www.carrefour.com.

AMF

Dates	Publications
Threshold	
June 27, 2012	Declaration of breach of thresholds (Article L. 233-7 of the French Commercial Code)
March 29, 2012	Declaration of breach of thresholds (Article L. 233-7 of the French Commercial Code)
Operations	
February 28, 2012	Clearance decision regarding the proposed tender offer, with a secondary exchange offer, for the shares of Guyenne & Gascogne
February 14, 2012	Filing of a proposed tender offer for the shares of Guyenne & Gascogne
Registration Documents	
March 21, 2012	Filing of the 2011 Registration Document
Declarations	
November 2, 2012	Publication of significant net short positions on shares in accordance with Article 9 of EU Regulation 236/2012
October 22, 2012	Declaration of net short positions in accordance with Article 223-37 of the AMF General Regulations
July 31, 2012	Individual declaration concerning operations of the persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code on the Company's shares
July 31, 2012	Individual declaration concerning operations of the persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code on the Company's shares
July 31, 2012	Individual declaration concerning operations of the persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code on the Company's shares
July 18, 2012	Individual declaration concerning operations of the persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code on the Company's shares
July 10, 2012	Declaration of net short positions in accordance with Article 223-37 of the AMF General Regulations
July 6, 2012	Declaration of net short positions in accordance with Article 223-37 of the AMF General Regulations
June 22, 2012	Individual declaration concerning operations of the persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code on the Company's shares
June 18, 2012	Declaration of net short positions in accordance with Article 223-37 of the AMF General Regulations
June 5, 2012	Declaration of net short positions in accordance with Article 223-37 of the AMF General Regulations
April 16, 2012	Declaration of net short positions in accordance with Article 223-37 of the AMF General Regulations
March 19, 2012	Declaration of net short positions in accordance with Article 223-37 of the AMF General Regulations
January 30, 2012	Declaration of net short positions in accordance with Article 223-37 of the AMF General Regulations
January 19, 2012	Declaration of net short positions in accordance with Article 223-37 of the AMF General Regulations
January 3, 2012	Declaration of purchases and sales during a tender offer (Article 231-46 of the AMF General Regulations)

Website: www.amf-france.org.

COURT REGISTRY – INFORMATION FILED WITH THE REGISTRY OF THE COMMERCIAL COURT OF NANTERRE

Dates		Publications
December 7, 2012	Filing no. 37722	Minutes of the Board of Directors' meeting – expirations of various director appointments
		Written instrument – expirations of various director appointments
September 17, 2012	Filing no. 28433	Extract of the minutes of the Board of Directors' meeting – share capital increase
		Minutes of the Board of Directors' meeting – change in Chairman of the Board of Directors and Chief Executive Officer
		Decision(s) – share capital increase
		Extract of the minutes of the Combined Shareholders' Meeting – appointment(s) of director(s)
		Extract of the minutes of the Combined Shareholders' Meeting – Confirmation of appointment(s) of director(s)
		Bylaws updated
September 17, 2012	Filing no. 28444	Extract of the minutes of the Combined Shareholders' Meeting – share capital increase
		Extract of the minutes of the Board of Directors' meeting – share capital increase
		Chairman's decision(s) – various decisions regarding completion of the share capital increase
		Bylaws updated
April 13, 2012	Filing no. 11785	Extract of the minutes of the Board of Directors' meeting – appointment of Deputy Managing director(s)

Website: www.infogreffe.fr.

9

CARREFOUR – ANNOUNCEMENTS AND REGULATED INFORMATION

Dates	Publications
November 20, 2012	Indonesia: continuing its strategy of refocusing on its core activities, the Carrefour Group today announced the 525 million sale of its 60% stake in Carrefour Indonesia to its local partner, CT Corp, which becomes Carrefour's exclusive franchisee in the country
October 31, 2012	Malaysia: Carrefour is selling its operations in Malaysia to the Japanese Aeon Group for an enterprise value of 250 million
October 18, 2012	Colombia: Carrefour is selling its operations in Colombia to Chile's Cencosud Group for an enterprise value of 2,000 million
August 30, 2012	Filing of the semi-annual financial report as of June 30, 2012
August 30, 2012	2012 half-yearly results
October 11, 2012	**2012 third-quarter sales**
July 24, 2012	Result of the option to pay the 2011 dividend in shares
July 16, 2012	Resignation of the four representatives of Sabanci Holding
July 12, 2012	**2012 second-quarter sales**
July 11, 2012	Description of the share buyback programme approved by the shareholders during the June 18, 2012 Shareholders' Meeting
July 3, 2012	Option to pay the 2011 dividend in shares
June 15, 2012	Carrefour and Marinopoulos reorganise their partnership in Greece
June 14, 2012	Carrefour consolidates its leadership position in Argentina with the acquisition of 129 EKI convenience stores
June 6, 2012	Carrefour's implementation of the squeeze-out procedure to acquire the shares of Guyenne & Gascogne
June 4, 2012	Successful completion of the tender offer with a secondary exchange offer initiated by Carrefour for the shares of Guyenne & Gascogne; Carrefour will implement a squeeze-out
May 31, 2012	A new real estate division for the Carrefour Group
May 30, 2012	Dividends for 2011
May 24, 2012	Resignation on May 23, 2012 of Lars Olofsson from his position as director and his duties as Chairman and Chief Executive Officer, effective immediately; co-optation of Georges Plassat as director and appointment of Mr Plassat as Chairman and Chief Executive Officer
May 10, 2012	Carrefour announces the Competition Authority's approval of the proposed merger between Carrefour and Guyenne & Gascogne; the closing date of the tender offer is set at May 30, 2012
April 12, 2012	**2012 first-quarter sales**
March 21, 2012	Publication of the Registration Document and information regarding Carrefour's legal, financial, accounting and other attributes
March 21, 2012	Carrefour announces the opening of its tender offer on Guyenne & Gascogne
March 8, 2012	2011 Annual results
February 28, 2012	Publication of the information memorandum regarding Carrefour's tender offer on Guyenne & Gascogne
February 14, 2012	Filing of Carrefour's proposed tender offer with a secondary exchange offer for the shares of Guyenne & Gascogne
February 13, 2012	Carrefour Group: Carrefour wins the 2011 Qualiweb Award for the way it handles customer relations on its corporate website
January 30, 2012	Lars Olofsson, Carrefour's Chairman and Chief Executive Officer, announces the departure of Pierre Bouchut, Executive director – Growth Markets; Lars Olofsson will temporarily oversee the Growth Markets region until Pierre Bouchut's replacement is appointed
January 30, 2012	The Board of Directors chooses Georges Plassat to become Chairman and Chief Executive Officer of the Carrefour Group on June 18, 2012
January 19, 2012	**2011 fourth-quarter and annual sales**

Websites: www.journal-officiel.gouv.fr; www.info-financiere.fr.

Information regarding the total number of voting rights and shares comprising the share capital

Dates	Publications
December 10, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at November 30, 2012
November 7, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at October 31, 2012
October 10, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at September 30, 2012
September 5, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at August 31, 2012
August 10, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at July 31, 2012
July 6, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at June 31, 2012
June 4, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at May 31, 2012
May 4, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at April 30, 2012
April 2, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at March 31, 2012
March 2, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at February 29, 2012
February 1, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at January 31, 2012
January 3, 2012	Declaration pursuant to Article 226-16 of the General Regulations of the *Autorité des marchés financiers* (AMF – French Market Authority) at December 31, 2011

9.7 CSR cross-reference tables

GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the Registration Document/management report
Strategy and analysis			
1.1	Principle 9	General principle 1	16; AA&RC *
1.2		Disclosure 4 and 5	16-20; 38-73
Company profile			
2.1		Disclosure 3	AA&RC, Cover
2.2		Disclosure 1	AA&RC
2.3		Disclosure 3	8-12
2.4		Disclosure 3	8
2.5		Disclosure 3	8-12; 24
2.6		Disclosure 3	281-282
2.7		Disclosure 3	8-12; AA&RC
2.8		Disclosure 3	23; 4; AA&RC
2.9			4-13; 72-73
2.10			
Report scope			
3.1		Disclosure 2	71-78; 79-81
3.2		Disclosure 2	71-78; 79-81
3.3		Disclosure 2	71-78; 79-81
3.4		Disclosure 2	Inside back cover
3.5		Disclosure 2	16; 20-22
3.6		Disclosure 2	71-78; 79-81
3.7		Disclosure 2	71-78; 79-81
3.8		Disclosure 2	71-78; 79-81
3.9		Disclosure 2	71-78; 79-81
3.10		Disclosure 2	71-78; 79-81
3.11			71-78; 79-81
3.12			79-82
3.13		Disclosure 2	79-81
Governance			
4.1-4.7		General principle 6	16-21; 84-115
4.8		General principles 7 and 6 Disclosure 5	16-18; 84-115
4.9			16-18; 84-123
4.11		Environment 3 and 4 Principle 7	43-49
4.12		General principles 7 and 8 Disclosure 2, 3, 5 and 12	40-41; 46
4.13			20-22; 38-39; 45-46
4.14			20-22
4.15			20-22
4.16			20-22
4.17		Disclosure 5	20-22

**AA&RC : Annual Activity and Responsible Commitment report*

GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the Registration Document/management report
Management and performance			
Finance			
Financial performance			
EC1		Disclosure 1 and 4a	21, 70; 281-282; AA&RC
EC2			52-57; 71-78; 117-118
Market presence			
EC6			
EC7			34; 64-65;
Indirect economic impact			
EC8			40-48; 65-67
Environment			
Materials			
EN1	Principle 8		50-51; 52-69; 71-78
EN2	Principle 8		45; 50-69; 71-78
Energy			
EN3	Principle 8		54-57; 71-78
EN5	Principle 8		53-57; 71-78
EN6	Principles 8 and 9	Environment 6.b	43-49; 53-57; 71-78
Water			
EN8	Principle 8		43-49; 53-58; 71-78
Biodiversity			
EN12	Principle 8		41-42; 43-50; 52-58; 71-78
EN14	Principle 8		41-50; 52-58; 71-78
EN15	Principle 8		45-49; 53-54
Emissions, effluents and waste			
EN16	Principle 8		52-57; 71-78
EN17	Principle 8		52-57; 71-78
EN18	Principles 8 and 9		52-57; 71-78
EN22	Principle 8		45; 52-60
Emissions, effluents and waste			
EN26	Principle 8		19-20 ; 41-42 ; 50 ; 71-78
Transporting			
EN29	Principle 8		52; 61-63; 71-78
Labour relations			
Employment			
LA1			23-25; 71-78
LA2			23-25; 71-78
Workplace health and safety			
LA7			29-32; 71-78
Training and education			
LA10		General principle 4	34-35; 71-78
LA13			24-26

GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the Registration Document/management report
Human rights			
Investment and purchasing practices			
HR1	Principle 1	General principle 2	16-18; 38
HR2	Principles 1 and 2	General principle 10	16-18; 38-42
Child labour			
HR6	Principle 5	Employment and relationships industrial 1.b	16-18; 38-42
Society			
Communities			
SO9			45-50; 64-69
Corruption			
SO4	Principle 10	Anti-corruption 1, 2, 3, 4 and 5	16-18; 38-42
Public policies			
SO5			20-22
Product liability			
Consumer health and safety			
PR1		Consumer interests 1 and 6	43-51; 71-78
Labelling of products and services			
PR5		Consumer interests 3	43-51; 71-78

Article 225 Grenelle II Law	Article 116 NER Law	Pages of the Registration Document/management report or comments
1° Labour information		
a) Employment: ■ total workforce and breakdown of employees by gender, age and geographic region; ■ new hires and dismissals; ■ salaries and changes.	1.1 and 1.3	23 25 36
b) Work organisation: ■ organisation of work schedules; ■ absenteeism.	1.2	32 and 33
c) Labour relations: ■ organisation of workplace dialogue, and specifically procedures for notifying, consulting and negotiating with employees; ■ overview of collective bargaining agreements.	1.4 and 1.8	28 and 29
d) Health and safety: ■ workplace health and safety; ■ overview of the agreements signed with trade unions or staff representatives regarding workplace health and safety; ■ workplace accidents, particularly their frequency and severity, as well as occupational illnesses.	1.5	29 to 32
e) Training: ■ policies implemented with regard to training; ■ total number of training hours.	1.6	34 to 36
f) Equal treatment: ■ measures taken to promote equal treatment of men and women; ■ measures taken to promote employment of the disabled and their integration into the job market; ■ anti-discrimination policy.	1.3 and 1.7	25 to 27

Article 225 Grenelle II Law	Article 116 NER Law	Pages of the Registration Document/management report or comments
g) Promotion of and compliance with the provisions of the International Labour Organization's fundamental conventions regarding:		
■ respect for freedom of association and the right to collective bargaining;		
■ elimination of discrimination in respect of employment and occupation;		
■ elimination of forced or compulsory labour;		
■ effective abolition of child labour.	1.8	16
2° Environmental information		
a) General environmental policy:	2.3, 2.4, 2.6 2.5: Expenditures incurred to prevent the Company's environmental impact: the costs incurred to limit the effects of the Company's activity on the environment correspond to the operating costs of the Sustainable Development department and its networks in the countries, as well as budgets for specific projects and outside consultant fees.	
■ organisation of the Company to handle environmental issues and, where applicable, procedures for conducting environmental assessments or certifications;		52
■ actions taken to train and educate employees regarding environmental protection;		19-20
■ resources devoted to environmental and pollution risk prevention;		117 and 118
■ the amount of provisions and guarantees for environmental risks, provided that this information is not likely to seriously harm the Company in the context of pending litigation.		2.7: Amount of provisions and guarantees for environmental pollution: none (scope France) 2.8: Amount of indemnities paid during the year pursuant to a legal ruling on environmental pollution: none (scope France)
b) Pollution and waste management:		
■ measures taken to prevent, reduce or redress any discharge into the air, water or soil that has a serious impact on the environment;		60
■ measures taken with regard to waste prevention, recycling and disposal;		45, 50, 58 and 59
■ steps taken to reduce noise pollution and any other form of pollution specific to an activity.	2.9	61
c) Sustainable use of resources:		
■ water consumption and water supply based on local requirements;		58
■ consumption of raw materials and measures taken to use them more efficiently;		60
■ energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources;	2.1, 2.9	54 to 56
■ land use.		Information not available in 2012
d) Climate change:		
■ greenhouse gas emissions;	2.2, 2.9	54 to 57
■ adaptation to the consequences of climate change.		119
e) Biodiversity protection:		
■ measures taken to preserve and develop biodiversity.	2.2, 2.9	43 to 45 and 49
3° Information regarding sustainable development commitments		

9

Article 225 Grenelle II Law	Article 116 NER Law	Pages of the Registration Document/management report or comments
a) Local, economic and social impact of the Company's activity:		64 to 66
■ on employment and regional development;		
■ on nearby or local populations.	Article 1	
b) Relations with the people and organisations affected by the Company's activities, including integration associations, educational institutions, environmental protection associations, consumer groups and local populations:	Article 1	
■ conditions for building dialogue with these people and organisations;		20 to 22
■ partnership and sponsorship activities.	Article 1	68 and 69
c) Subcontracting and suppliers:		
■ attention to social and environmental concerns as a factor in purchasing decisions;		38 and 39
■ use of subcontracting and consideration of suppliers' and subcontractors' social and environmental responsibility in dealings with them.	The use of subcontracting is not available in 2012	
	Supplier relations	38 to 42
d) Fair practices:	1.1	
■ actions taken to prevent corruption;	1.1.5	17 and 18
■ measures taken to promote consumer health and safety.		43, 120-121
e) Other actions taken pursuant to this Section 3 to promote human rights.	1.8	38 to 41

9.8 Registration Document concordance table

9

9.9 Annual financial report concordance table

Sections of Article L. 451-1-2 of the French Monetary and Financial Code	Pages no.	Chapters no.
1/ Management report		
Analysis of change in sales	134-142	4.1
Analysis of results	134-142	4.1
Analysis of financial situation	143-146	4.2
Principal risks and uncertainties	116-123	3.5
Capital structure and factors that could have an impact in case of a tender offer	275-277, 281-283	7.2.1, 7.3
Company buybacks of its own shares	277-279	7.2.2
2/ Consolidated Financial Statements	153-246	5
3/ Corporate financial statements	249-268	6
4/ Statutory Auditors' reports on the corporate and Consolidated Financial Statements	247-248, 269-270	5, 6
5/ Statutory Auditors' fees	310	9.4
6/ Chairman of the Board of Directors' report on governance and internal control	84-130	3
7/ Statutory Auditors' report on the Chairman of the Board of Directors' report on governance and internal control	131	3
8/ Declaration of the private individuals assuming responsibility for the annual financial report	308	9.3

9.10 Management report concordance table

Reference texts			Pages no.	Chapters no.
		Comment on the fiscal year		
French Commercial Code	L. 225-100, L. 225-100-2, L. 232-1, L. 233-6 and L. 233-26	Objective, comprehensive analysis of changes in the business, results and financial situation of the Company and of the Group	134-152	4
French Commercial Code	L. 225-100 and L. 225-100-2	Key non-financial performance indicators relating to the Company's specific activity	70-73	2.7
French Commercial Code	L. 233-6	Significant acquisitions during the fiscal year of equity interests in companies whose head office is located in France	148-149	4.4.2
French Commercial Code	L. 232-1 and L. 233-26	Significant events between the fiscal year closing date and the report preparation date	149	4.4.3
French Commercial Code	L. 232-1 and L. 233-26	Foreseeable change in the situation of the Company and of the Group	147	4.3
French General Tax Code	243 bis	Dividends distributed for the three previous fiscal years and amount of income distributed for these same fiscal years eligible for the 40% tax reduction	151	4.5.3
		Presentation of the Group		
French Commercial Code	L. 225-100 and L. 225-100-2	Description of the principal risks and uncertainties to which the Company is subject	116-123	3.5
French Commercial Code	L. 225-100 and L. 225-100-2	Use of financial instruments by the Company: financial risk management objectives and policy	119-121	3.5.1
French Commercial Code	L. 225-100 and L. 225-100-2	The Company's exposure to price, credit, liquidity and, cash flow risks	119-121	3.5.1
French Commercial Code	L. 225-102-1, L. 225-102-2 and R. 225-104	Social and environmental consequences of the business (including "Seveso" installations)	16-81	2
French Commercial Code	L. 232-1	Research and development activities	152	4.5.5
		Information regarding corporate governance		
French Commercial Code	L. 225-102-1	List of all corporate officers and duties they performed at any company during the fiscal year	91-101	3.2
French Commercial Code	L. 225-102-1	Total remuneration and benefits of any kind paid during the fiscal year to each corporate officer	107-114	3.4
French Commercial Code	L. 225-102-1	Commitments of any kind made by the Company in favour of its corporate officers relating to remuneration, compensation or benefits owed or likely to be owed due to the assumption or termination of or change in these duties or subsequent thereto	107-114	3.4
French Commercial Code	L. 225-184	Options granted to or subscribed or purchased by the corporate officers and each of the top 10 non-executive employees of the Company during the fiscal year, and options granted to all employees, by category	115	3.4
French Commercial Code	L. 225-185	Conditions under which options may be exercised and held by the executive directors	108	3.4.2

Reference texts			Pages no.	Chapters no.
French Commercial Code	L. 225-197-1	Conditions under which free shares allotted to the executive directors may be held		N/A
French Monetary and Financial Code	L. 621-18-2	Transactions involving the Company's shares carried out by managers and related persons	115	3.4.4
		Information about the Company and capital		
French Commercial Code	L. 225-100-3	Rules applicable to the appointment and replacement of members of the Board of Directors or Management Board and to the amendment of the Company's bylaws	272-274	7.1
French Commercial Code	L. 225-100-3	Powers of the Board of Directors or Management Board, including in particular the issue or buyback of shares	102, 106, 272-273	3.2.2, 3.3, 7.1
French Commercial Code	L. 225-211	Details of purchases and sales of treasury stock during the fiscal year	277	7.2.2
French Commercial Code	R. 228-90	Possible adjustments for securities giving access to capital in case of buybacks of shares or financial operations		N/A
French Commercial Code	L. 225-100	Summary of outstanding delegations of power granted by the Shareholders' Meeting to the Board of Directors or Management Board regarding capital increases	280	7.2.3
French Commercial Code	L. 225-100-3 and L. 233-13	Structure of and change in the Company's capital	275-276, 281-283	7.2.1, 7.3
French Commercial Code	L. 225-100-3	Restrictions pursuant to the bylaws on the exercise of voting rights and share transfers or contractual clauses brought to the Company's attention		N/A
French Commercial Code	L. 225-100-3	Direct or indirect interests in the Company's capital known to the Company	281-283	7.3
French Commercial Code	L. 225-102	Report on employee profit-sharing as of the last day of the fiscal year, and proportion of capital represented by shares held by employees under the Company savings plan and by current and former employees under the Company mutual funds	282	7.3
French Commercial Code	L. 225-100-3	List of holders of any securities conferring special rights of control, and description of these securities		N/A
French Commercial Code	L. 225-100-3	Control mechanisms provided under an employee share ownership scheme when the rights of control are not exercised by employees		N/A
French Commercial Code	L. 225-100-3	Agreements between shareholders that are known to the Company and which may result in restrictions on share transfers and the exercise of voting rights		N/A
French Commercial Code	L. 225-100-3	Agreements made by the Company that are amended or terminated in the event of a change in control of the Company, unless this disclosure would seriously harm its interests (except in cases of a legal obligation to disclose)		N/A

Reference texts			Pages no.	Chapters no.
		Information about the Company and capital		
French Commercial Code	L. 225-100-3	Agreements providing for payments to members of the Board of Directors or Management Board or employees if they resign or are dismissed without real and serious cause or if their employment ends as a result of a tender offer	107-114	3.4
French Commercial Code	L. 464-2	Injunctions or financial penalties for anti-competitive practices		N/A
		Information related to the financial statements		
French Commercial Code	L. 232-6	Possible changes in the presentation of the financial statements and the valuation methods used		N/A
French Commercial Code	R. 225-102	Company earnings performance in the last five fiscal years	152	4.5.6

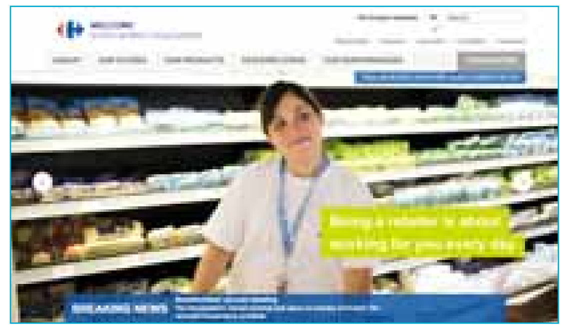
Contacts

Carrefour group

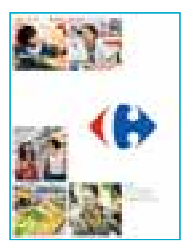
Head office
33, avenue Émile Zola
TSA 55 555
92649 Boulogne-Billancourt Cedex

Get the latest news on Carrefour group's website

www.carrefour.com

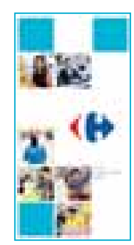


Discover our other publications



2012 annual activity and responsible commitment report

2012 Carrefour Foundation annual report



2013 Shareholder's guide (in French version)

Conception:
Carrefour group Communications and Legal Departments

Design and production:

Labrador +33 (0)1 53 06 30 80

This document was produced according to a management systems ISO14001:2004 certified.

www.carrefour.com
Société Anonyme with capital of €1,773,036,632.50
Head office: 33, avenue Emile Zola – 92100 Boulogne-Billancourt - France
652 014 051 RCS Nanterre