2010
Financial Report

Carrefour

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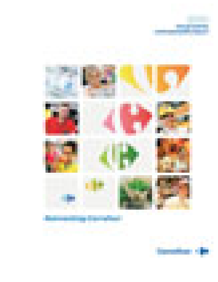

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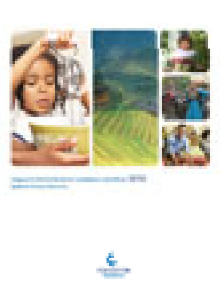

Carrefour Foundation Annual Report

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This is a free translation into English of the Carrefour group's Financial Report for 2010 which is issued in the French language, and is provided solely for the convenience of English speaking users

Consolidated Financial Statements

MANAGEMENT REPORT

ACCOUNTING PRINCIPLES

The Carrefour Group's consolidated financial statements for fiscal 2010 have been drawn up in accordance with IFRS international accounting standards.
The income statement as of December 31, 2009 is presented for the previous period. The 2009 comparative information presented in this report has been restated to comply with the IFRS standards in effect on the financial statements' balance-sheet date and reflects the classification of certain activities in accordance with IFRS 5 as well as corrections made within the scope of IAS 8. These restatements are described in Note 1.4 of the Consolidated Financial Statements.

ACTIVITY/RESULTS

Against the backdrop of a difficult, deflationary environment in several Group countries, Carrefour's 2010 performance reflects the deployment of its transformation plan:

- Sales grew by 5.5% (1.4% at constant exchange rates, excluding petrol), driven by emerging markets;
- Current operating income rose by 9.3%, spurred by purchasing gains and cost savings that exceeded targets;
- Net income from recurring operations - Group share increased as well, by 11.3%, despite exceptional charges that generated a negative non-operating result of 1,137 million euros;
- Free cash flow stood at 0.8 billion euros, down from 2009, principally as a result of lower trade payables and the end of our securitization programme.

Main aggregate values from the income statement

(in millions of euros)	2010	2009	2010-2009 % change
Net sales	**90,099**	**85,366**	**5.5%**
Current operating income	2,972	2,720	9.3%
Net income from recurring operations - Group share	**382**	**343**	**11.3%**
Net income from discontinued operations - Group share	52	(67)	–
Net income - Group share	433	276	56.7%

Net sales by operating division – amount

(in millions of euros)	2010	2009	2010-2009 % change
France	34,907	34,266	1.9%
Europe (excluding France)	24,597	25,058	(1.8)%
Latin America	13,919	10,598	31.3%
Asia	6,923	5,843	18.5%
Hard-discount stores	9,753	9,600	1.6%
Total	**90,099**	**85,366**	**5.5%**

Net sales amounted to 90,099 million euros, up 5.5% as compared with 2009 sales, after the impact of exchange rates. At constant exchange rates, sales rose 2.2%.

Net sales by operating division – percentage

As a %	2010	2009
France	38.7%	40.1%
Europe (excluding France)	27.3%	29.4%
Latin America	15.4%	12.4%
Asia	7.7%	6.8%
Hard-discount stores	10.8 %	11.2%
Total	**100.0%**	100.0%

Current operating income by operating division – amount

(in millions of euros)	2010	2009	2010-2009 % change
France	1,284	1,084	18.5%
Europe (excluding France)	726	805	(9.8)%
Latin America	441	433	1.9%
Asia	289	227	27.5%
Hard-discount stores	232	171	35.3%
Total	**2,972**	**2,720**	**9.3%**

The current operating income stood at 2,972 million euros, up 9.3% from 2009. This represented 3.3% of sales, versus 3.2% in 2009.

Current operating income by operating division – percentage

As a %	2010	2009
France	43.2%	39.9%
Europe (excluding France)	24.4%	29.6%
Latin America	14.8%	15.9%
Asia	9.7%	8.3%
Hard-discount stores	7.8%	6.3%
Total	**100.0%**	**100.0%**

DEPRECIATION, AMORTIZATION AND PROVISIONS

Depreciation and provisions amounted to 1,921 million euros, representing 2.1% of sales in 2010, compared with 2.2% in 2009.

NON-RECURRING INCOME AND EXPENSES

The non-recurring result is a net charge of 1,137 million euros, consisting of non-recurring expenses totalling 1,242 million euros and non-recurring income of 106 million euros. Non-recurring income and expenses included:

- Asset impairment charges of (223) million euros.
- Restructuring costs of (416) million euros, including (215) million euros for the Group's transformation plan and (128) million euros arising from the restructuring in Belgium.
- Other non-recurring income and expenses, including in particular:
  - (283) million euros representing exceptional charges in Brazil, principally related to tax and legal risks.
  - (269) million euros in provisions for trade and industrial disputes.
  - 54 million euros in net disposal gains.

OPERATING INCOME

Operating income amounted to 1,836 million euros, an increase of 10.8% over 2009, and represented 2.0% of sales compared with 1.9% in 2009.

Operating income by operating division

(in millions of euros)	2010	2009
France	1,019	814
Europe (excluding France)	371	82
Latin America	76	420
Asia	276	166
Hard-discount stores	94	175
Total	**1,836**	**1,657**

Breakdown of operating income by operating division

As a %	2010	2009
France	55.5%	49.1%
Europe (excluding France)	20.2%	5.0%
Latin America	4.1%	25.4%
Asia	15.0%	10.0%
Hard-discount stores	5.1%	10.5%
Total	**100.0%**	**100.0%**

FINANCIAL INCOME (EXPENSE)

Financial expense amounted to 657 million euros, up 8.4% as compared with 2009. As in 2009, this represented 0.7% of sales.

INCOME TAX

Effective income-tax expenses were 697 million euros in 2010, for an effective tax rate of 59.1%, compared to 60.5% in 2009. The 2010 rate can primarily be attributed to the effect of reclassifying France's CVAE (Business Contribution on Value-Added) as tax amounting to 90 million euros in 2010, and to the non-deductibility of the majority of non-recurring charges in Brazil and of restructuring costs in Belgium, for which no deferred tax has been recorded. The 2009 tax rate, moreover, is attributable to the non-deductibility of exceptional impairment charges.

CONSOLIDATION BY THE EQUITY METHOD

The portion of income from equity affiliates amounted to 35 million euros, a reduction of 3 million euros from 2009. In 2009, this aggregate value included the portion of income from Finiper, in which Carrefour held a 20% stake. Under the agreement signed on February 18, 2010 between Carrefour and the Finiper Group's majority shareholder, Finiper left Carrefour's scope of consolidation in 2010.

NON-CONTROLLING INTERESTS

The share of net income attributable to non-controlling interests totalled 135 million euros, an increase of 25 million euros over 2009. This increase is the product of improved results at subsidiaries in which the Group works with partners.

NET INCOME FROM RECURRING OPERATIONS – GROUP SHARE

This line amounted to 382 million euros, up 11.3% compared with 2009, when it stood at 343 million euros.

NET INCOME FROM DISCONTINUED OPERATIONS – GROUP SHARE

This amounted to income of 52 million euros in 2010, primarily because Thai activities were treated as discontinued operations pursuant to IFRS 5. As part of its strategy of concentrating its resources in markets where it holds a leadership position and making optimal use of its capital, Carrefour has decided to sell its operations in Thailand, as its growth outlook in the country does not provide the basis for a strong market position over the medium or long term.

CASH FLOW AND INVESTMENTS

Cash flow stood at 3,392 million euros, an increase of 0.4% over the 2009 total of 3,380 million euros.

Net investment for the year amounted to 1,998 million euros, against 2,046 million euros in 2009.

Tangible and intangible investment totalled 2,122 million euros in 2010, against 2,074 million euros in 2009. The increase is primarily due to Europe (notably Spain and the hard-discount segment in France), offset by declines in Poland and certain Asian countries (Malaysia and Taiwan).

Financial investment totalled 145 million euros, compared with 154 million euros in 2009.

In 2010, disposal of subsidiaries, fixed assets and equity investments had a positive impact on cash flow amounting to 269 million euros, versus 182 million euros in 2009.

SHAREHOLDERS' EQUITY

This amounted to 10,563 million euros as of December 31, 2010, against 10,871 million euros for the previous year.

NET DEBT

The Group's net debt rose from 6,600 million euros at the end of 2009 to 7,998 million euros at the end of 2010, notably as a result of buybacks of treasury stock totalling 943 million euros in 2010.

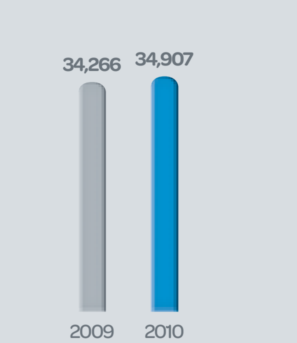
FRANCE (EXCLUDING THE HARD-DISCOUNT SEGMENT)

The consolidated store network in France as of December 31, 2010 stood as follows:

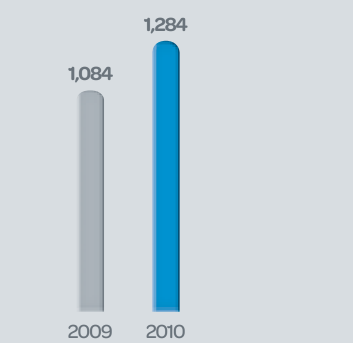
Hypermarkets	Supermarkets	Other stores	**Total**
204	575	12	**791**

In 2010, the network expanded by one hypermarket (which had previously been franchised). In addition, 7 supermarkets were converted into cash & carry stores.

Sales
(in millions of euros)



Current operating income
(in millions of euros)



The entire consolidated network of supermarkets is now under the Carrefour Market banner, as are the majority of franchised supermarkets. The convergence of the convenience stores has been continued: by end-2010, 204 stores had been converted into Carrefour Contact stores and 205 into Carrefour City stores. The new Carrefour Express and Carrefour City Café banners were launched in November 2010, and Carrefour Planet was introduced on August 25 in Ecully and Vénissieux.

Sales in France rose by 1.9%. Promotions were boosted in 2010, notably with the launch of the Promolibre programme and promotional tie-ins with football's World Cup. The market share of Carrefour banners at comparable sales areas rose by 50 basis points, driven by the solid performance of Carrefour Market (source: Nielsen).

Current operating income in France rose 18.5% thanks to effective cost management as part of the transformation plan. The increase in current operating income comes to 10.1% when the positive impact of reclassifying France's CVAE as tax in the amount of 90 million euros is excluded.

Operational investment totalled 744 million euros, representing 2.1% of sales.

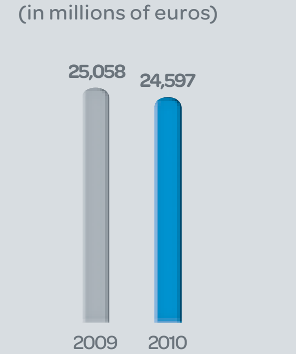
EUROPE (EXCLUDING FRANCE AND THE HARD-DISCOUNT SEGMENT)

As of December 31, 2010, Europe's consolidated store network (excluding France and hard-discount stores) stood as follows:

Hypermarkets	Supermarkets	Other stores	**Total**
440	1,031	442	**1,913**

In 2010, the consolidated network decreased by nine hypermarkets and increased by 35 supermarkets and 219 convenience stores (principally as a result of the transfer of 234 hard-discount stores in Greece).

Sales
(in millions of euros)



Current operating income
(in millions of euros)

Sales in Europe declined 2.8% at constant exchange rates (-1.8% at current exchange rates). Across all countries, sales were affected by poor economic conditions and a deflationary environment. Sales in Belgium were affected by operating disruptions following the announcement of a restructuring plan in February 2010.

Current operating income fell 9.8% to 726 million euros. The impact on profitability from the downturn in sales and the decline in profit margins as a result of commercial investment, particularly in Spain, was partially

offset by disciplined management of general corporate expenses, especially in Spain and Poland.
Operational investment in Europe totalled 452 million euros, representing 1.8% of sales.

In **Spain**, during a difficult economic period, sales fell 3.3% in 2010 as the result of a decline in purchasing frequency among customers and a deflationary trend that negatively affected hypermarket grocery sales.

In **Italy**, sales declined 5.8%. This is primarily a reflection of our campaign of disengagement from the country, which affected eight hypermarkets (most located in the south) and 12 supermarkets (in the Puglia region) that were insufficiently profitable. The share of sales from own brands rose over the period as the Carrefour Discount brand was rolled out in all formats (273 products by year-end 2010). The change in banner for supermarkets (from GS to Carrefour Market) and convenience stores (from Di Per Di to Carrefour Express), affecting 1,089 stores in all, was continued as well.

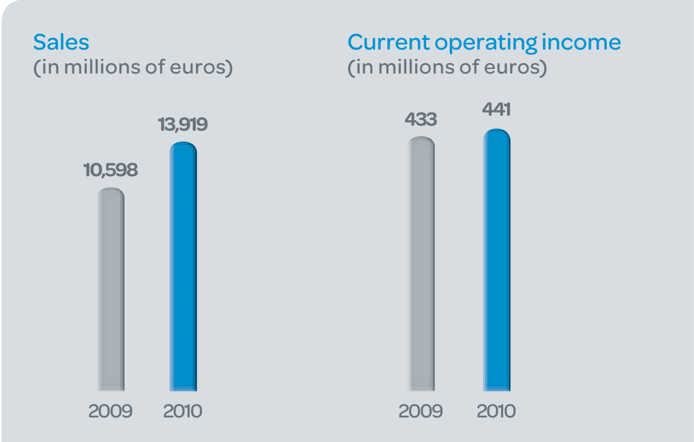
In **Belgium**, a business reorganization plan was implemented during the first half of 2010 with the aim of improving operating efficiency. Among consolidated stores, eight hypermarkets and three supermarkets were closed, while 16 were transferred to our franchise partner Mestdagh. One hypermarket and four supermarkets were franchised, and one hypermarket was converted to a supermarket.
Sales fell 6.2% in 2010, principally as a result of the significant change in the scope of stores and substantial labour unrest during the first half of the year. However, sales increased by 1.5% (at constant sales area) during the fourth quarter of 2010.
In addition, out of a total of 214 convenience stores, 25 Express stores were opened over the course of the year.

LATIN AMERICA (EXCLUDING THE HARD-DISCOUNT SEGMENT)

The consolidated store network in Latin America as of December 31, 2010 stood as follows:

Hypermarkets	Supermarkets	Other stores	**Total**
328	156	45	**529**

In 2010, the network expanded by 19 hypermarkets and 37 convenience stores, and was reduced by 10 supermarkets.



Sales in Latin America posted a significant increase of 14.2% at constant exchange rates (31.3% at current exchange rates), thanks to strong growth in same-store sales and ongoing expansion throughout the region.
Current operating income rose 1.9% to 441 million euros, but accounted for just 3.2% of sales (compared to 4.1% in 2009). This drop is attributable to declining profitability in Brazil, where the new team, appointed during the year, is implementing an action plan to boost operations.
Operational investment totalled 418 million euros, representing 3.0% of sales.

In **Brazil**, home to a flourishing economy, sales jumped 14.0% at constant exchange rates (34.6% at current exchange rates), thanks to volume increases and the average price of items sold. The Atacadão format was particularly instrumental in generating sales in the country, showing steady growth throughout the year. E-commerce, introduced at the start of March, generated earnings that were significantly higher than projected.

In **Argentina**, sales rose 20.9% at constant exchange rates (21.2% at current exchange rates). The average basket rose markedly in an inflationary environment. All formats contributed to this growth in sales. A greater emphasis on promotional campaigns, notably including various events tied to football's World Cup, had a positive impact as well. Three mini-hypermarkets and one supermarket were opened. In addition, the Convenience format was introduced in early 2010, and 22 stores were opened by year-end.

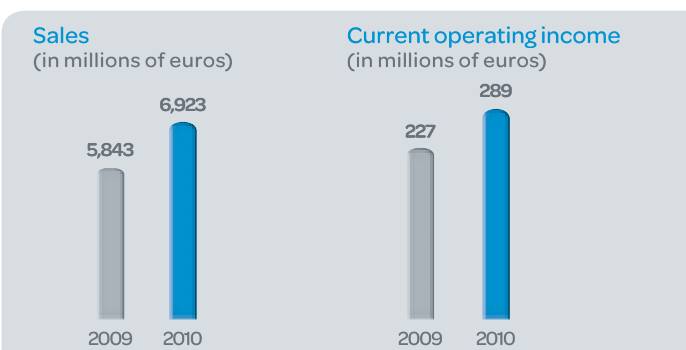
In **Colombia**, sales increased 6.0% at constant exchange rates (25.8% at current exchange rates), spurred by an effective business strategy rooted in strong image/price positioning, the deployment of very competitively priced product lines (fruit and vegetables, meat), and the launch of the Atacadão format to capitalize on growth. Despite a decrease in traffic (-0.9%), the average basket rose by 2.8%.

ASIA (EXCLUDING THE HARD-DISCOUNT SEGMENT)

The consolidated store network in Asia as of December 31, 2010 stood as follows:

Hypermarkets	Supermarkets	Other stores	**Total**
336	19	1	**356**

Excluding Thailand, in 2010 the network expanded by 36 hypermarkets, one supermarket and one convenience store (the latter opened in India in late 2010).



Asia posted growth in sales of 8.9% at constant exchange rates (18.5% at current exchange rates), driven by the continued steady pace of expansion, principally in China.
Current operating income rose 27.5% to 289 million euros, offering confirmation of Carrefour's solid performance in China and signs of recovery in Taiwan.
Operational investment in Asia totalled 218 million euros, representing 3.1% of sales.

In **China**, in a booming economic climate that was turning inflationary by year-end, sales rose 14.8% at constant exchange rates (21.1% at current exchange rates) as a result of positive changes in the sales mix and growth drivers between the various segments (non-food and then grocery). Twenty-two stores were opened in 2010, including nine stores acquired in Hebei province through the acquisition of Baolongcang in July 2010, with results deemed encouraging by the end of 2010.

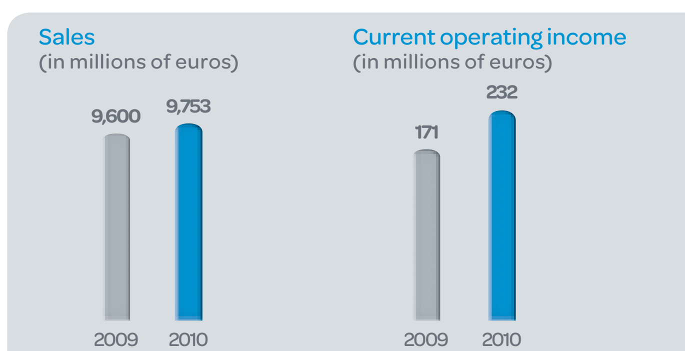
In **Indonesia**, sales grew by 3% at constant exchange rates (23.6% at current exchange rates) in a strong but inflationary economic climate. Sales were boosted by numerous promotional campaigns as well as renewed consumer optimism following the presidential elections in 2009. Six hypermarkets and three supermarkets were opened, while one hypermarket and one supermarket were closed during the year. In April 2010, the Group announced the signing of a strategic partnership involving the sale of a 40% stake in PT Carrefour Indonesia to Trans Corp, the holding company of Para Group's media, family-entertainment, leisure and lifestyle businesses. This partnership is aimed at accelerating Carrefour's growth and expansion in the country and is expected to generate operational synergies between Carrefour and other Para Group businesses.

HARD-DISCOUNT STORES

The consolidated network of hard-discount stores as of December 31, 2010 stood as follows:

France	Europe	Latin America	Asia	**Total**
760	2,677	622	244	**4,303**

In 2010, the network was reduced by 75 stores in France with the transfer of 77 stores to management under lease (see below), by 311 stores in Europe (including 255 hard-discount stores held in Greece at the start of the period, of which 234 were transferred to Carrefour's convenience network and 21 were closed), by 13 stores in Latin America and by 24 stores in Asia.



Sales at hard-discount stores fell by 0.5% at constant exchange rates (they rose by 1.6% at current exchange rates).
The 35.3% increase in current operating income, to 232 million euros, is attributable mainly to effective cost management and the development of the management-under-lease model.
Operational investment in hard-discount stores stood at 290 million euros, representing 3.0% of sales.

In 2010, **France Hard Discount** converted 227 consolidated and franchised ED stores to the Dia banner (entailing their temporary closure) and transferred 77 stores to management under lease, which reduced

sales by 5.9%. Franchised stores, aided by Sunday openings, maintained the best sales performance.
At year-end 2010, there were a total of 936 hard-discount stores in France (760 consolidated stores and 176 franchised stores), compared to 928 at the end of 2009. The 301 Dia stores posted encouraging results, with a growing emphasis on loyalty (61% of sales were generated with the "Dia Club" card introduced in 2010).

Spain Hard Discount posted a drop in sales of 0.1%, tied to smaller average baskets at a time of strong deflationary pressures. Nonetheless, more intensive use of promotional campaigns and loyalty programmes helped to prevent further declines. Eight Dia Maxi stores, 12 Dia Markets and 43 franchised stores were opened over the period, while 122 stores were converted to the Dia Market banner and nine to Dia Maxi, and 171 were transferred to management under lease.

OBJECTIVES

The global economic environment is likely to remain difficult in 2011. In order to meet its objectives in terms of capturing market share, improving operational efficiency and generating cash flow, the Group will continue to implement its transformation plan and will boost its retail dynamic in key markets.

RISK MANAGEMENT

The Group's policy for managing credit, liquidity and market risks (e.g. those involving interest rates, exchange rates, shares and other financial instruments) is described in Note 32 to the Consolidated Financial Statements.

LITIGATION AND OTHER RISKS

In the normal course of business, Group companies are involved in certain legal proceedings and litigation. Moreover, these companies are subject to tax audits that, in some cases, may prompt a tax reassessment. The primary disputes are described in Note 27 to the Consolidated Financial Statements.
A provision is made when the Group has a current obligation (legal or implicit) arising from a past event, it is likely that an outflow of resources will be required to settle the obligation, and the amount of this obligation can be reliably estimated.
In addition, the Group is subject to various litigation matters and disputes that it believes will not have a significant impact on its financial situation, business and/or results.

INSURANCE

Carrefour's insurance strategy is aimed at providing the best possible protection for people and property.
To this end, the Group has implemented comprehensive, worldwide programmes (especially with regard to physical damage, civil liability, environmental issues and construction) that provide uniform coverage for all formats (consolidated stores), wherever the stores are located (except in countries where regulations prohibit this type of arrangement).
Furthermore, the Group ensures that new acquisitions over the course of the year quickly obtain this across-the-board coverage, or, where applicable, benefit from its DIC/DIL (difference in conditions/difference in limits) coverage policies.
Carrefour's insurance strategy identifies and assesses existing and emerging risks in close collaboration with operational managers, the various Carrefour Group departments involved and outside specialists. This strategy also requires that risk-prevention measures be monitored by a central management office that works with insurers and Group liaisons in each country.
The Group transfers all the insurable risk it can identify to the insurance market.
Methods for monitoring and managing insurance coverage are regularly audited and inspected by independent parties, including brokers and insurers, as well as internally through Carrefour's Corporate Insurance department (part of the Group Legal department).
The following information is provided for information purposes only in order to illustrate the scope of action in 2010. This information should not be regarded as static, since the insurance market is changing. Indeed, the Group's insurance strategy depends on and adapts to market conditions, investments and the coverage available.
Furthermore, in order to optimize insurance costs and better manage risk, Carrefour has a policy for maintaining its frequency lines through its captive reinsurance company and, since January 1, 2005, through its own insurance company in Ireland, Carrefour Insurance Limited (accredited by the Irish authorities), whose results are consolidated in Group financial statements.
This direct-insurance company primarily covers property-damage and operating-loss risk for subsidiaries in Europe under the principle of freedom to provide services. Subsidiaries outside the Europe zone are reinsured by the Group. A stop-loss provision per claim and per insurance year has been established in order to protect the captive company's interests and limit its commitments. Beyond a certain predefined limit, risk is transferred to the insurance market.
The same subscription strategy applies to civil-liability risk, but only with regard to reinsurance. 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.

Damage to property and operating-loss coverage

The purpose of this insurance is to protect company assets.
An "all risks, with exceptions" policy is issued, on the basis of existing insurance-market guarantees, to cover the traditional risks for this type of coverage, which include fire, lightning, theft, natural disaster and operating loss.

Deductibles are established as appropriate for the various store formats and countries. For certain formats, Carrefour has a self-insured retention policy adapted to well-targeted loss incidents.
The programme established by the Group offers a coverage limit of 220 million euros per claim in direct damages and operating losses combined. This programme includes sub-limits, particularly with regard to natural disasters.
Exclusions in force for this policy comply with market practices. The policy expiration date is July 1 of each year.

Civil-liability coverage
This covers the financial consequences of Carrefour's civil liability in cases where the company is investigated and found liable regarding a loss suffered by a third party; the loss in question may have been caused by the Group either during operations or after delivery.
The majority of Carrefour Group sites are classified as places of assembly (in French, ERPs – *Établissements recevant du public*); as a result, risk exposure must be specially taken into account and requires great vigilance.
Deductibles vary from country to country. Exclusions in force for this policy comply with market practices and primarily concern certain substances recognized as being toxic, carcinogenic or the like.
The Carrefour Group is covered regarding the risk of harming the environment as part of its comprehensive, worldwide civil-liability insurance programme.
The Company's civil-liability coverage exceeds 300 million euros per claim per year.
Such risk requires a specially designed approach due to conditions imposed by reinsurers, which offer more limited coverage for gradual pollution risk.
Nevertheless, Carrefour has established specific coverage dedicated to this type of risk.

Special risks
This essentially translates into coverage for corporate officers.
Coverage for such risk is adapted as closely as possible to Group exposure. Given the sensitive nature of such information, coverage amounts for the various policies remain confidential.
Carrefour has not obtained an insurance policy against the risk of illness, resignation or death among its key personnel.

Construction coverage
This covers operators involved in construction as well as any consequences that may arise from their activities.
The coverage amounts established are in line with market practices and the limits available on the insurance market for this type of risk.
For the construction phase, coverage is obtained under an all-risk insurance policy in the amount of 3 million euros per claim (capped at the total project amount for projects between 3 and 30 million euros).
Once the completed construction has been delivered and accepted, coverage is obtained under contractor civil-liability policies (*dommage ouvrage and/or responsabilité civile décennale policies*) in the amount of the cost to rebuild the construction.

Employee-benefit coverage
In compliance with current legislation, collective bargaining agreements and other company agreements, programmes covering occupational-injury risk, medical expenses, and welfare and retirement costs have been established in each country.

INDUSTRIAL AND ENVIRONMENTAL RISKS
The Carrefour Group is strongly committed to a policy of environmental responsibility.
Since our business does not involve direct major environmental risk, we have identified the main environmental issues on which the Group has taken action:
- Prevention of risk related to the operation of service stations (ground pollution, hydrocarbons).
- Management of refrigerant and energy consumption.
- Automobile pollution (parking areas, retail sale of cleaner fuels).
- Logistics: reduction of atmospheric emissions and research into cleaner transport systems.
- Management of disruptions to local residents (noise, integration into the landscape).
- Natural resource management (fish stocks, wood etc.).
- Reduction of the environmental impact of packaging via eco-friendly design and reduced use.
- Waste recovery and recycling.
- Water management.

Costs incurred while reducing the environmental impact of our activities are partially included in the Quality and Sustainable Development department's operating costs and those of its counterparts in countries where we operate. The largest proportion, however, involves an operational share corresponding to the amounts allocated to specific projects.
Environmental policies and risk management are inherent to and managed by each functional unit rather than by the Quality and Sustainable Development department alone.

CONSOLIDATED FINANCIAL STATEMENTS

The 2009 comparative information presented in this report has been restated to comply with the IFRS standards in effect on the financial statements' balance-sheet date and reflects the classification of certain activities in accordance with IFRS 5, as well as corrections made within the scope of IAS 8. These restatements are described in Note 1.4.

The financial statements are presented in millions of euros, rounded to the nearest million. As a result, there may be rounding-off discrepancies among the various statements.

CONSOLIDATED INCOME STATEMENT

Symbols: (- expenses, + income)

(in millions of euros)	Notes	2010	2009 (1)	% Var.
Net sales	4	90,099	85,366	5.5 %
Loyalty programmes		(774)	(602)	28.6 %
Net sales, net of loyalty programmes		**89,325**	**84,763**	**5.4 %**
Other income	5	2,187	1,990	9.9 %
Total income		**91,513**	**86,753**	**5.5 %**
Cost of sales	6	(71,640)	(67,626)	5.9 %
Gross margin from current operations		**19,873**	**19,127**	**3.9 %**
Sales, general and administrative expenses	7	(14,979)	(14,559)	2.9 %
Depreciation, amortization and provisions	8	(1,921)	(1,848)	4.0 %
Current operating income		**2,972**	**2,720**	**9.3 %**
Non-recurring income and expenses	9	(1,137)	(1,064)	-
Operating income		**1,836**	**1,657**	**10.8 %**
Financial income (expense)	10	(657)	(606)	8.5 %
Financial income		166	149	11.8 %
Financial expenses		(823)	(754)	9.1 %
Income before taxes		**1,179**	**1,051**	**12.2 %**
Income tax	11	(697)	(635)	9.7 %
Net income from companies consolidated by the equity method		35	38	(7.3 %)
Net income from recurring operations		**517**	**453**	**14.1 %**
Net income from discontinued operations	12	52	(67)	-
Total net income		**568**	**386**	**47.1 %**
of which net income – Group share		**433**	**276**	**56.7 %**
of which net income from recurring operations – Group share		382	343	11.3 %
of which net income from discontinued operations – Group share		52	(67)	-
of which net income attributable to non-controlling interests		**135**	**110**	**23.0 %**

(1) Restated, see Note 1.4.

Base income per share (in euros)

	2010	2009 [1]	% Var.
Net income from recurring operations per share	0.56	0.50	12.5%
Net income from discontinued operations per share	0.08	(0.10)	ns
Net income – Group share per share	0.64	0.40	58.5%

Income per share (in euros, after dilution)

	2010	2009 [1]	% Var.
Net income from recurring operations per share	0.56	0.50	12.5%
Net income from discontinued operations per share	0.08	(0.10)	ns
Net income – Group share per share	0.64	0.40	58.5%

(1) Restated, see Note 24.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	2010	2009 [1]
Total net income	**568**	**386**
Effective portion of cash flow hedge [2]	(13)	(9)
Change in available-for-sale assets [2]	2	7
Change in foreign-currency translation [3]	651	540
Other comprehensive income items, after taxes	**639**	**538**
Total comprehensive income	**1,208**	**924**
of which comprehensive income – Group share	1,014	799
of which comprehensive income attributable to non-controlling interests	194	126

(1) Restated, see Note 1.4.
(2) Headings presented net of tax effect (breakdown presented in Note 13).
(3) The significant change in foreign currency translation is mainly due to the rise of Brazilian, Colombian and Chinese currencies as compared with the euro during the period.

The impact of recycling on earnings is shown in Note 10.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	Notes	12/31/2010	12/31/2009 (1)	01/01/2009 (1)
ASSETS				
Goodwill	14	11,829	11,473	11,363
Other intangible fixed assets	14	1,101	1,075	1,050
Tangible fixed assets	15	15,297	15,032	14,793
Other non-current financial assets	16	1,542	1,310	1,306
Investments in companies accounted for by the equity method	16	256	201	430
Deferred tax on assets	17	766	713	682
Investment properties	18	536	455	346
Consumer credit from financial-services companies – long-term	30	2,112	2,005	2,097
Non-current assets		**33,440**	**32,263**	**32,067**
Inventories	19	6,994	6,607	6,867
Commercial receivables	20	2,555	2,337	3,226
Consumer credit from financial-services companies – short-term	30	3,444	3,215	2,708
Other current financial assets	21	1,811	2,051	245
Tax receivables		621	564	673
Other assets	22	1,043	976	1,056
Cash and cash equivalents	23	3,271	3,300	5,316
Assets held for sale (2)		472	241	150
Current assets		**20,210**	**19,290**	**20,242**
TOTAL ASSETS		**53,650**	**51,553**	**52,309**
LIABILITIES				
Equity capital	24	1,698	1,762	1,762
Consolidated reserves (including income)		7,886	8,311	8,261
Shareholders' equity – Group share		**9,584**	**10,073**	**10,023**
Interests attributable to non-controlling interests		979	798	789
Shareholders' equity		**10,563**	**10,871**	**10,812**
Borrowings – long-term	28	10,365	9,794	9,507
Provisions	25	3,188	2,616	2,377
Deferred tax liabilities	17	560	496	424
Consumer-credit refinancing – long-term	29	493	592	451
Non-current liabilities		**14,605**	**13,498**	**12,758**
Borrowings – short-term	28	2,715	2,158	2,785
Suppliers and other creditors	30	16,796	16,800	17,545
Consumer-credit refinancing – short-term	29	4,527	4,061	4,044
Tax payables		1,298	1,325	1,467
Other liabilities	31	2,824	2,747	2,875
Liabilities related to assets held for sale (2)		321	93	25
Current liabilities		**28,481**	**27,184**	**28,740**
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY		**53,650**	**51,553**	**52,309**

(1) Restated, see Note 1.4.
(2) Assets and liabilities held for sale corresponded:
– In 2009 to certain assets and liabilities in Bulgaria, Italy and Russia,
– In 2010 to certain assets and liabilities in Italy and Russia and involving Dia Spain, as well as all assets and liabilities in Thailand (see Note 1.4).

CONSOLIDATED CASH-FLOW STATEMENT

(in millions of euros)	2010	2009 (1)
INCOME BEFORE TAXES	**1,179**	**1,052**
OPERATING ACTIVITIES		
Tax	(678)	(618)
Provisions for amortization	2,033	1,965
Capital gains and losses on sale of assets	(30)	8
Changes in provisions and impairment	804	937
Dividends on companies accounted for by the equity method	12	38
Impact of discontinued activities	73	(1)
Cash flow from operations	**3,392**	**3,380**
Change in working capital	(598)	295
Impact of discontinued activities	26	11
Change in cash flow from operating activities (excluding financial-services companies)	**2,821**	**3,686**
Change in consumer-credit commitments	(84)	(256)
Net cash from operating activities	**2,736**	**3,430**
INVESTMENT ACTIVITIES		
Acquisition of tangible and intangible fixed assets	(2,122)	(2,074)
Acquisition of financial assets	(48)	(38)
Acquisition of subsidiaries	(97)	(116)
Disposal of subsidiaries	15	47
Disposal of fixed assets	203	128
Disposal of investments	51	7
Investments net of disposals subtotal	**(1,998)**	**(2,046)**
Other uses	(284)	(215)
Impact of discontinued activities	(25)	(115)
Net cash from investment activities	**(2,307)**	**(2,376)**
FINANCING ACTIVITIES		
Proceeds on share issues	17	7
Acquisition and disposal of investments without change of control (2)	218	0
Dividends paid by Carrefour (parent company)	(740)	(741)
Dividends paid by consolidated companies to minority interests	(124)	(161)
Change in treasury stock and other instruments	(943)	1
Change in current financial assets	221	(1,860)
Issuance of bonds (3)	1,978	510
Repayment of bonds (3)	(1,000)	(1,000)
Other changes in borrowing (3)	(53)	75
Impact of discontinued activities	83	68
Net cash from financing activities	**(344)**	**(3,102)**
Net change in cash and cash equivalents before currency impact	86	(2,048)
Impact of currency fluctuations	(115)	31
Net change in cash and cash equivalents	**(29)**	**(2,017)**
Cash and cash equivalents at beginning of year	**3,300**	**5,316**
Cash and cash equivalents at end of year	**3,271**	**3,300**

(1) Restated, see Note 1.4.

(2) Revised IAS 27 modifies IAS 7 – Statement of Cash Flow *with regard to the presentation of acquisitions and disposals of interests in a subsidiary without change of control, transactions that are now classified as cash flows from financing activities.*

(3) In 2009 these lines constituted the change in debt presented on a single line.

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in millions of euros)	Capital	Currency translation adjustment – Group share	Reserves for fair-value changes in financial instruments (1)	Other reserves and income	Shareholders' equity – Group share	Non-controlling interests	Total share-holders' equity
Shareholders' equity as of December 31, 2008	**1,762**	**(347)**	**(33)**	**8,778**	**10,161**	**791**	**10,952**
Restatements related to changes in accounting method				(29)	(29)	(1)	(30)
Restated shareholders' equity as of December 31, 2008	**1,762**	**(347)**	**(33)**	**8,749**	**10,132**	**790**	**10,922**
Restatements related to corrections of errors (2)				(110)	(110)	(2)	(112)
Restated shareholders' equity as of January 1, 2009	**1,762**	**(347)**	**(33)**	**8,640**	**10,023**	**788**	**10,811**
Total net income 2009 after restatements (2)				276	276	110	386
Other items of comprehensive income, after tax		526	(5)	0	521	16	537
Total comprehensive income 2009	**0**	**526**	**(5)**	**276**	**797**	**126**	**923**
Payment in shares				29	29		29
Treasury stock (net of tax)				12	12		12
Dividends for 2008				(741)	(741)	(121)	(862)
Change in capital and premiums				0	0	7	7
Impact of changes in consolidation scope and other movements				(4)	(4)	(2)	(6)
Restated shareholders' equity as of December 31, 2009	**1,762**	**180**	**(38)**	**8,212**	**10,116**	**798**	**10,914**
Restatements related to correction of errors (2)				(45)	(45)		(45)
Restated shareholders' equity as of January 1, 2010	**1,762**	**180**	**(38)**	**8,168**	**10,072**	**798**	**10,870**
Total net income 2010				433	433	135	568
Other items of comprehensive income, after tax		598	(17)		581	58	639
Total comprehensive income for 2010	**0**	**598**	**(17)**	**433**	**1,014**	**194**	**1,207**
Payment in shares				25	25		25
Treasury stock (net of tax) (3)	(64)			(871)	(935)		(935)
Dividends for 2009				(740)	(740)	(102)	(842)
Change in capital and premiums				0	0	31	31
Impact of changes in consolidation scope and other movements	0			148	148	59	207
Shareholders' equity as of December 31, 2010	**1,698**	**778**	**(55)**	**7,162**	**9,584**	**979**	**10,563**

(1) This item groups together:
- The hedging reserve (the effective portion of the change in fair value of cash-flow hedges).
- The fair-value reserve (the change in fair value of financial assets available for sale).

(2) Restatement of comparative information, see note 1.4.

(3) Impact mainly from the stock purchase plan announced on April 15, 2010. During 2010, within the scope of authorisations by the Shareholders' Meeting, 25,566,716 shares were purchased on the market and then cancelled on December 13, 2010, in the amount of 923 million euros.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING PRINCIPLES AND METHODS

1.1 GENERAL PRINCIPLES AND STATEMENT OF COMPLIANCE

The consolidated financial statements as of December 31, 2010 were adopted by the Board of Directors on March 1, 2011. The accounts remain provisional until they are approved by the Combined Shareholders' Meeting on June 21, 2011.
Carrefour ('the Company') is a company domiciled in France. The annual consolidated financial statements as of December 31, 2010 include the Company and its subsidiaries (collectively referred to as 'the Group') and the Group's share in the associated companies under joint control. They were drawn up in euros, the company's functional currency.
Pursuant to Regulation (EC) No 1606/2002 of July 19, 2002, the Carrefour Group's consolidated financial statements for 2010 have been prepared in accordance with the international accounting standards approved by the European Union as of December 31, 2010 that are binding on that date, with, in comparison, the 2008 and 2009 fiscal years prepared in accordance with the same texts.
These international standards include the IFRS (*International Financial Reporting Standards*), the IAS (*International Accounting Standards*), and the interpretations of the IFRIC (*International Financial Reporting Interpretation Committee*) and the SIC (*Standing Interpretations Committee*).
All of the texts adopted by the European Union may be viewed at the European Commission website at the following address:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

1.2 IFRS TEXTS APPLIED

The accounting and calculation methods adopted for the 2010 consolidated financial statements are identical to those used in the consolidated financial statements of December 31, 2009, with the exception of the new standards and interpretations and amended standards adopted by the European Union that took effect on January 1, 2010.
The texts having an impact on the Group's consolidated financial statements are as follows:

- Revised IFRS 3 – *Business Combinations*.
- Amended IAS 27 – *Consolidated and Separate Financial Statements*.
- The amendment to IAS 7 – *Statement of Cash Flows*.
- The amendment to IAS 17 related to leasing agreements.

Under amended IAS 17, leasing agreements involving land, without an option to purchase or automatic transfer of ownership at the end of the lease, must no longer be automatically classified as a simple leasing agreement, but must now be subject to specific analysis. Application of amended IAS 17 to leasing agreements was based on the facts and circumstances existing on the date the amendment was adopted (January 1, 2010), since the Group determined that retroactive application was impractical (see the impact on financial debt in Note 28.1).
Other texts subject to mandatory application for fiscal years beginning on January 1, 2010 or later are as follows:

- The amendment to IAS 39 concerning eligible hedged items.
- The amendment to IFRS 2 relating to intragroup cash-settled share-based payment transactions.
- The amendment to IFRS 5, published in May 2008 as part of the IFRS annual improvement process, concerning partial disposal of securities.
- IFRIC 12 – *Service Concession Arrangements*.
- IFRIC 17 – *Distributions of Non-Cash Assets to Owners*.
- IFRIC 18 – *Transfers of Assets from Customers*.
- Other amendments resulting from the IFRS annual improvement process.

These texts do not apply to the Group or have no significant impact on the Group's consolidated financial statements.
In addition, the Group has not opted to apply standards and interpretations in advance where application was not binding as of January 1, 2010. This concerns:

- The revised version of IAS 24 – *Related-Party Disclosures*.
- The amendment to IAS 32 relating to the classification of rights issues.
- IFRS 9 – *Financial Instruments: Classification and Measurement* (not adopted by the European Union).
- The amendments to IFRS 7 – *Financial Instruments – Disclosures* (not adopted by the European Union).
- The amended version of IFRIC 14 – *Prepayment of a Minimum Funding Requirement*.
- IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments*.
- And other amendments from the IFRS annual improvement process, published in May 2010 (not adopted by the European Union).

The potential impact of these texts is currently being evaluated.

1.3 ACCOUNTING METHODS

The accounting methods presented below were applied continuously for all periods presented in the consolidated financial statements, and uniformly so by Group entities.

PRINCIPAL ESTIMATES AND JUDGMENTS BY MANAGEMENT

Preparation of the consolidated financial statements involves the consideration of estimates and assumptions made by Group management. This may affect the book value of certain asset and liability items, income and expenses, as well as information provided in the notes to the financial statements. Group management reviews its estimates and assumptions regularly in order to ensure their relevance to past experience and the current economic situation. Depending on changes in these assumptions, items appearing in future financial statements may be different from current estimates.

The main estimates made by management when preparing the financial statements concern the useful lives of operating assets, the valuation of the recoverable value of intangible assets (including goodwill) [Note 14] and tangible assets (Note 15), the amount of provisions for risk and other provisions relating to the business (Note 25), and assumptions made for the calculation of pension commitments (Note 26) and the recognition of deferred taxes (Note 17).

In application of IAS 32, a financial debt arising from commitments to buy back shares attributable to non-controlling interests in Group subsidiaries has been recognized under liabilities, not merely for the portion already recorded as interests attributable to non-controlling interests (reclassified as debt), but also for the surplus resulting from the actual value of the commitment. The Group has decided to adopt differentiated treatment depending on whether options to sell were issued before or after the date of first application of amended IAS 27, as specified in the paragraph 'Commitments to purchase non-controlling interests' in Part 1.3 – Accounting Methods.

SCOPE/METHOD OF CONSOLIDATION

The companies over which the Group exercises exclusive control, either directly or indirectly, are fully consolidated. Control exists when the Group has the power to direct the financial and operational policies of the entity, directly or indirectly, in order to obtain advantages from its operations. To assess the degree of control, potential voting rights that may currently be exercised or converted are taken into account. Furthermore, the companies in which the Group exercises significant influence or joint control are consolidated by the equity method. The consolidated financial statements include the Group share of total profits and losses recorded by companies consolidated by the equity method, after making adjustments to bring their accounting methods into conformity with those of the Group, as of the date on which significant influence was exercised up through the date on which such significant influence or joint control ceased.

When Carrefour has no significant influence or joint control over the operational or financial decisions of the companies in which the Group owns securities, these are presented as 'Other non-current financial assets.' The method of amortization is presented in the section on 'Financial assets and liabilities.'

For special-purpose entities, control is measured via analysis of the Group's exposure to the entity's risks and benefits.

A special-purpose entity must be consolidated if the relationship between the special-purpose entity and the Group shows that the special-purpose company is controlled by the Group, specifically when:

- The special-purpose entity's activities are carried out on behalf of the Group in accordance with its specific operational needs, such that the Group obtains the benefits from the special-purpose company's activities.
- The Group has decision-making authority to obtain most of the benefits of the special-purpose entity's business or, by implementing an 'autopilot' mechanism, the Group has delegated this decision-making authority.
- The Group has the right to obtain most of the benefits from the special-purpose entity and may accordingly be exposed to the risks of the special-purpose entity's activities.
- The Group retains most of the residual or inherent risks of ownership concerning the special-purpose entity or its assets to obtain the benefits of its activities.

Analysis of special-purpose entities in which the Group is involved led to a finding of lack of control.

SEGMENT-BASED INFORMATION

IFRS 8 – *Operating Segments* requires the presentation of data relating to the Group's operating segments that is taken from its internal reports and used by management to make investment decisions and evaluate the Group's performance. For the Group, operating segments that meet the criteria set forth in the standard correspond to geographical areas (France, Europe, Latin America and Asia) from which the hard-discount operating segment has been removed.

BUSINESS COMBINATIONS

Prior to January 1, 2010, business combinations were entered in the accounts in accordance with the accounting principles used to prepare the financial statements for the fiscal year ended December 31, 2009, i.e. the purchase method described in IFRS 3 (pre-revision). The difference between the acquisition cost and the fair value of assets acquired, net of liabilities and any liabilities assumed within the context of the business combination, is shown as goodwill.

Revised IFRS 3, which applies to business combinations occurring after January 1, 2010, does not undermine this calculation method, but results in the following changes:

- Transaction costs are now recorded as operational expenses for the period in which they are incurred.
- For each business combination, the Group may apply the 'full goodwill method' by taking into account the fair value of non-controlling interests on the acquisition date and not only their proportional share of the fair value of the acquired entity's assets and liabilities.
- Contingent consideration is measured at the acquisition-date fair value. It may subsequently be adjusted through goodwill only if new information is obtained about facts and circumstances that existed as of the acquisition date, to the extent that the adjustment is made within the interim period (12 months). Any adjustment following the interim period that does not meet these criteria is adjusted through the Group's comprehensive income.

In the case of a step acquisition that leads to a change of control, the equity interest previously held by the Group is remeasured at fair value, with the resulting gain or loss recognised in non-current profit or loss.

Negative goodwill resulting from the acquisition is immediately recognized as non-current profit or loss.

Any acquisition or disposal of equity interests that does not lead to a change in control and that occurs following the business combination is deemed a transaction between shareholders and, under revised IAS 27, must be directly recognised under shareholders' equity.

For companies acquired during the course of the fiscal year and for equity-interest increases, only income for the period following the acquisition date is reported in the consolidated income statement. For companies disposed of during the course of the fiscal year and for dilutions, only income for the period prior to the disposal date is shown in the consolidated income statement.

CONVERSION OF FOREIGN COMPANIES' FINANCIAL STATEMENTS

Financial statements of companies whose functional currency is not the euro and is not the currency of an economy with hyperinflation are converted to euros, as follows:

- Balance-sheet items are converted on the basis of the closing rate.
- Income-statement items are converted at the average rate for the year when this is not materially different from the rate in effect on the date of the transactions.

There were no countries with hyperinflation within the Group's scope of consolidation in 2009 and 2010.

FIXED ASSETS

1) Goodwill

In accordance with revised IFRS 3, goodwill has not been amortized. Instead, goodwill is subject to an impairment test performed each year. Methods of depreciation are described in the paragraph, 'Impairment tests.'

2) Other intangible fixed assets

Other intangible fixed assets primarily correspond to software programs that are depreciated over periods ranging from one to five years.

3) Tangible fixed assets

In accordance with IAS 16 – *Tangible Fixed Assets*, land, buildings, equipment, fixtures and fittings are valued at their cost price at acquisition or at production cost less depreciation and loss in value.

IAS 23 – *Borrowing Costs*, requires that borrowing costs directly attributable to the acquisition, construction or production of qualifying assets be included in the cost of fixed assets. A qualifying asset is one that requires a substantial period of time to be readied for use or sale.

Tangible fixed assets in progress are posted at cost less any identified loss in value.

Depreciation of assets begins when the assets are ready for use.

Tangible fixed assets are depreciated on a straight-line basis according to the following average useful lives:

• Buildings:	
Buildings	40 years
Grounds	10 years
Parking areas	6-2/3 years
• Equipment, fixtures, fittings and installations	6-2/3 to 8 years
• Other fixed assets	4 to 10 years

Depreciation methods, useful lives and residual values are revised at the close of each fiscal year.

Fixed-asset acquisitions made through a finance-lease agreement – i.e. a contract whose impact is to transfer, to a substantial extent, the risks and benefits inherent in the ownership of an asset to the lessee – are recorded as follows:

- Assets are capitalized at the fair value of the leased asset or, if it is lower, at the discounted value of the minimum leasing installments. These assets are depreciated over the same duration as tangible fixed assets owned by the Group, or over the duration of the contract if this is shorter than the useful life of the asset.
- The corresponding debt is recorded in the balance sheet as a liability.
- Lease installments paid are allocated between financial expenses and amortization of the balance of the debt.

4) Impairment tests

In accordance with IAS 36 – *Impairment of Assets*, when events or changes in the market indicate the risk of a loss in value regarding individual assets and/or cash-generating units (CGUs), the recoverability of tangible and intangible assets is assessed. Impairment testing involves comparing the net book value of the assets and/or the CGU to its recoverable value, which is defined as its fair value (minus disposal cost) or its useful value, whichever is higher. The useful value is determined by discounting future cash flow expected from use of the asset. This assessment is performed at least once per year for assets with an indefinite useful life, which for the Carrefour Group is mainly composed of goodwill.

If the recoverable amount is lower than the net book value, the loss in value is recorded as the difference between these two amounts. Losses in the value of tangible and intangible assets (excluding goodwill) may be reversed at a later date if the recoverable value becomes higher than the net book value (within the limits of initially recorded depreciation) and any amortization that would have been recorded if no loss of value had been observed.

IMPAIRMENT OF GOODWILL

IAS 36 – *Impairment of Assets*, stipulates that an impairment test must be performed annually for each CGU or group of CGUs to which goodwill has been allocated.

As stipulated in IAS 36, goodwill must be allocated to each CGU or group of CGUs that may benefit from the synergies of the combined companies. Each unit or group of units to which goodwill is allocated must represent the lowest level within the entity at which goodwill is monitored for internal management purposes, and must not be larger than a segment determined in accordance with IFRS 8.

The level of analysis at which Carrefour assesses the recoverable value of goodwill corresponds to countries. It should be noted that goodwill for the hard-discount operations are tested separately, also by country. This level of goodwill impairment testing is based on both organizational and strategic criteria. Operations within each country (hypermarkets, supermarkets etc.) rely on shared resources (purchasing management, busi-

ness systems, one headquarters per country etc.). Decisions regarding the allocation of business portfolios are generally made at country level.
The useful value is estimated by discounting future cash flow over a period of five years with determination of a final value calculated by extrapolating the fifth-year figures at the perpetual rate of growth to infinity and the use of a discount rate specific to each country.
The discount rate for each country (the weighted average of the cost of equity capital and debt expense) is calculated using a mean industry gearing. The specific cost of equity capital for each country is obtained by adding the inflation differential and a country risk premium to the cost of equity capital in France. This is the difference between the five-year credit default swap (CDS) spread applicable to public loans in the country where the Group operates and the spread applicable in France.
The assumptions regarding the perpetual rate of growth and discount rate by geographical zone are as follows:

	2010		2009	
Zones	**Discount rate before tax**	**Perpetual growth rate**	**Discount rate before tax**	**Perpetual growth rate**
France	between 6.1% and 6.2%	1.5%	between 7.1% and 7.2%	1.5%
Europe	between 6.2% and 12.2%	between 1.3% and 3.5%	between 7.1% and 17%	between 1.5% and 4.0%
Latin America	between 9.4% and 24.5%	1.5%	between 12.2% and 41.8%	between 1.5% and 3.7%
Asia	between 6.7% and 12.5%	1.5%	between 6.3% and 15.6%	1.5%

IMPAIRMENT OF OTHER INTANGIBLE AND TANGIBLE FIXED ASSETS

In accordance with IAS 36, the Group assesses the recoverability of its other tangible and intangible assets as soon as there are tangible indicators of a loss of value (for example, negative current operating income). At each closing, the Group determines if there is an indicator of a loss of value. For other intangible assets with an indefinite useful life (for example, unamortized brands), an impairment test is performed at least once per year.
Carrefour assesses the present value of tangible fixed assets at the store level for all formats.
Useful value is estimated by discounting future cash flow over a period of five years plus a residual value. Market value is assessed with regard to recent transactions, professional practices and/or independent expert assessments.
Discount rates used are the same as for impairment testing of restated pretax goodwill.

FINANCIAL ASSETS AND LIABILITIES

A. Non-derivative financial assets

1) Accounting principle

In accordance with IAS 39, principal financial assets are classified in one of the following four categories:

- Financial assets measured at fair value through the income statement, including derivatives.
- Loans and receivables.
- Assets held to maturity.
- Assets available for sale.

The classification of these assets determines their accounting treatment. Classification is determined by the Group on the date on which the instrument is initially recorded and on the basis of the purpose for which the asset was acquired. Sales and acquisitions of financial assets are recorded on the transaction date, i.e. the date on which the Group bought or sold the asset.

Financial assets reported at fair value in the income statement

These are financial assets held by the Group in order to make a short-term profit on the sale, or financial assets voluntarily classified in this category. These assets are valued at their fair value with variations in value recognized in the income statement.
Classified as current assets in the cash-flow equivalents, these financial assets include, in particular, UCITS cash shares.

Loans and receivables

Loans and receivables are financial assets whose payment is fixed (or can be determined) that are not listed on an active market and are neither held for trading purposes nor available for sale.
These assets are initially booked at fair value and then at their amortized cost on the basis of the effective-rate-of-interest method. For short-term receivables without a declared rate of interest, the fair value will be the same as the amount on the original invoice.
These assets are subject to impairment testing when there is evidence that they have diminished in value. An impairment loss is recognized if the book value is higher than the estimated recoverable value.
Debts pertaining to equity interests, other debts and receivables and commercial receivables are included in this category. They appear as financial assets and commercial receivables.

Assets held to maturity

Assets held to maturity are financial assets other than loans and receivables whose payments are determined or can be determined and which the Group has the intention and capacity of holding until this maturity date. These assets are initially booked at fair value and then at their

amortized cost on the basis of the effective-rate-of-interest method. They are subject to impairment testing when there is evidence that they have diminished in value. An impairment loss is recognized if the book value is higher than the estimated recoverable value.
Assets held to maturity are recognized as financial assets.
The Group had no assets of this type as of December 31, 2010.

Assets available for sale

Assets available for sale are financial assets that do not belong to the aforementioned categories. They are valued at fair value. For listed securities, fair value corresponds to the market price. For non-listed securities, it is determined by reference to recent transactions or by valuation techniques that are based on reliable, observable market data. When, however, it is impossible to reasonably estimate the fair value of a security, it is valued at its historic cost.
Unrealized capital gains or losses are recorded as shareholders' equity until they are sold. When, however, there is an objective indication of the impairment of an asset available for sale (e.g. a lasting or significant drop in fair value), the accumulated loss is recognized in the income statement. Impairment losses recorded on variable-income securities cannot be reversed at a later balance-sheet date.

2) Non-derivative financial assets held by the Group

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

Operating receivables

Operating receivables primarily include trade receivables, franchisee receivables and rents receivable from shopping malls. Where appropriate, they are subject to depreciation, which takes into account the debtor's capacity to honour its debt and the collection period of the receivable.

Consumer credit/refinancing with financial-services companies

Consumer credit from financial-services companies refers primarily to consumer credit granted to customers. These loans, together with the amounts outstanding from refinancing that back them, are classified on the basis of their maturity date as current or non-current assets and liabilities.

Cash and cash equivalents

Cash equivalents are short-term investments that are highly liquid, can easily be converted into a known cash amount and are subject to only negligible risk of a change in value.
Cash refers to cash in hand and demand deposits.

B. Non-derivative financial liabilities

1) Accounting principle

Non-derivative financial liabilities are initially recorded at fair value, adjusted for transaction costs and premiums directly attributable to their issue. After they are initially recorded, these financial liabilities are valued at amortized cost on the basis of the effective-rate-of-interest method.

2) Non-derivative financial liabilities held by the Group

The main non-derivative financial liabilities include:

- Bonds.
- Outstanding accrued interest.
- Debts relating to finance-lease agreements.
- Bank loans and facilities.
- Financial debt pertaining to securitized debt for which the Group incurs credit risk.
- Commitments to purchase non-controlling interests.
- Trade payables.

Financial debt pertaining to securitized debt

In 2010, the Group ended a programme of securitizing receivables that had been established in December 2002 in France, Belgium and Spain.

Commitments to purchase non-controlling interests

The Group gave commitments to purchase the shares of certain shareholders holding non-controlling interests in some of its fully consolidated subsidiaries. The exercise price of these transactions may be fixed or determined by a predefined calculation formula; furthermore, these transactions can be exercised at any time or at a predetermined date.
Amended IAS 27, which is applicable to the consolidated financial statements as of January 1, 2010, specifies the accounting treatment for purchases of additional shares in companies that are already controlled. The Group decided to apply two different accounting methods for these put options, depending on whether the options were issued before or after the date of first application of the revised standard.

Put options granted prior to January 1, 2010: continuation of the partial goodwill method

- The Group has recorded the put options granted to non-controlling shareholders in the relevant subsidiaries as financial liabilities.
- Initially, the liability is recorded at the current exercise price, and then, in later closing, on the basis of the fair value of potentially purchased shares, if the exercise price is based on the fair value.
- The counterpart to this liability is recorded minus non-controlling interests, with the balance recorded as goodwill.
- Any further change in commitment value is recorded by adjusting the amount of non-controlling interests and goodwill (excluding the discounting effect).
- The Group share figure is calculated on the basis of the percentage holding in the subsidiary, without taking into consideration the percentage of interest attached to put options sold.

Put options granted as of January 1, 2010:

Amended IAS 27 provides that any transaction with non-controlling shareholders involving equity securities that does not lead to a change in control must be recorded through shareholders' equity. Accordingly, the Group has determined that put options granted after the date of first application of the amended standard must impact consolidated shareholders' equity.

• The Group records put options granted to non-controlling shareholders in the relevant entities as financial liabilities.
• Initially, the liability is recorded at the current exercise price, and then, in later closing, on the basis of the fair value of potentially purchased shares, if the exercise price is based on the fair value.
• The counterpart to this liability is recorded minus non-controlling interests, with the balance recorded as shareholders' equity – Group share.
• Any further change in commitment value is recorded by adjusting the amount of non-controlling interests and shareholders' equity (excluding the discounting effect).
• The Group share figure is calculated on the basis of the percentage holding in the subsidiary, without taking into consideration the percentage of interest attached to put options sold.

C. Derivative financial instruments

The Group holds derivative financial instruments in order to hedge its exposure to exchange-rate and interest-rate risk.
Derivatives are initially recorded at fair value. Thereafter, they are valued at fair value, and any resulting variations are recorded in accordance with the procedures described below.

1) Derivatives designated as hedging instruments
Hedge accounting is applicable if, and only if, the following conditions are met:
• A hedging relationship is clearly identified, formalized and documented from the time it is established.
• The efficacy of the hedging relationship is demonstrated from the outset.

Cash-flow hedges

When the instrument is classified as a hedging instrument for future cash flows, variations in fair value corresponding to the effective portion are directly recorded as other items of comprehensive income up until the time at which the hedged transaction affects Group results. Variations corresponding to the ineffective portion are recorded as financial income. In particular, rate swaps intended to hedge the floating rate of borrowing are considered hedging instruments for future cash flows.

Fair-value hedges

When the instrument is classified as a fair-value hedging instrument, variations in fair value are recorded in the income statement, where they offset variations in fair value of the underlying instrument for the effective portion. Issue swaps backed by fixed-rate bonds are considered fair-value hedge instruments. Financial liabilities hedged via these swaps are revalued at fair value for the hedged portion. Fair-value changes are recorded in the income statement and are offset by corresponding fair-value variations of rate swaps for the effective portion.

2) Other derivative instruments
Other derivatives are recorded at market value, and fair-value variations are recorded in profit or loss. The instruments used are rate swaps and/or vanilla options.

D. Method for determining fair value

The market values of exchange-rate and interest-rate instruments are determined on the basis of valuation models that are recognized on the market or by the use of rates established by external financial institutions.
The values estimated by valuation models are based on the discounting of expected future cash flows. These models use criteria based on market data (interest-rate and exchange-rate curves) obtained from Reuters.
Thus, the euro rate and volatility curves used to calculate the fair value of most rate derivatives are those appearing on Reuters screens on the closing date (deposit curve for maturities of less than one year and swap curve thereafter).
The fair value of long-term debt is estimated according to the market value of bonds or of all future flows discounted in accordance with market conditions for a similar instrument (in terms of currency, maturity, interest type and other factors).

INVESTMENT PROPERTIES

As stipulated in IAS 40, investment properties are tangible asset items (buildings or land) owned for leasing or capital valuation. As for the criteria that apply to this standard, those assets not used for operational purposes are generally shopping malls within the Group (i.e. all businesses and services established behind the stores' cash registers), in full or co-ownership, having a surface area of at least 2,500 square meters.
Investment properties are posted at their historic value and depreciated over the same period as tangible fixed assets of the same nature.
Assessment of the fair value of investment properties is performed twice per year:
• By applying a multiple that is a function of the calculated profitability of each shopping mall and a country-specific capitalization rate to the annualized gross rents generated by each investment property, or
• By relying on independent appraisals.
The fair value of investment properties as of December 31, 2010 is presented in Note 18.

INVENTORIES

In accordance with IAS 2 – *Inventories*, inventories are valued at their cost price or net present value, whichever is lower.
The cost price corresponds to the most recent purchase price plus any additional costs, a method that is well suited to rapid inventory turnaround and does not generate a significant difference from the FIFO method. This valuation includes all costs that constitute the purchase cost of the goods sold (with the exception of foreign currency losses and gains), also taking into consideration all conditions obtained at the time of purchase from suppliers.
The net present value of the inventories is the estimated selling price based on projected outflow, minus additional costs necessary for the sale.

PROVISIONS

In accordance with IAS 37 – *Provisions, Contingent Liabilities* and *Contingent Assets*, provisions are posted when, at year-end, the Group has a present, legal or implicit obligation arising from a past event, the amount of which may be reliably estimated and the settlement of which is expected to result in an outflow of resources representative of economic advantages. This obligation may be of a legal, regulatory or contractual nature. These provisions are estimated on the basis of their type, in view of the most likely assumptions. Amounts are discounted when the impact of the passage of time is significant.

EMPLOYEE BENEFITS

The Group's employees enjoy short-term benefits (such as paid leave, sick leave and profit-sharing), long-term benefits (like long-service medals and seniority bonuses) and post-employment benefits with defined contributions and benefits (including retirement bonuses and benefits).

Defined-contribution schemes

Defined-contribution schemes are systems whereby the company makes periodic fixed contributions to external benefit agencies that provide administrative and financial management. These schemes free the employer from any further obligation, with the agency taking responsibility for paying employees the amounts owed them (basic social security pension schemes, complementary pension schemes and pension funds with fixed contributions).

These contributions are recognized as expenses when they fall due.

Defined-benefit schemes and long-term benefits

The Carrefour Group makes provisions for various defined-benefit schemes that depend upon an individual's accumulated years of service within the Group.

The commitment is calculated annually on the basis of a projected-units-of-credit method, on an actuarial basis, taking into consideration such factors as salary increases, retirement age, mortality, personnel rotation and discount rates.

The discount rate is equal to the interest rate, at the balance-sheet date, of top-rated bonds with a maturity close to that of the Group's commitments. Calculations are made by a qualified actuary.

The Group has decided to apply the 'corridor' method to post-employment benefits, whereby the effect of variations in actuarial terms is not recognized on the income statement so long as the former remain within a range of 10%. Actuarial differences exceeding 10% of the value of the commitment (or the value of hedging assets, if this is greater than the value of the commitment) are thus spread over the average residual active working life of employees benefiting from the scheme.

Share-based payments

The Group has established two share-based payment methods designed for its managers and certain employees: share-purchase option plans and free-share plans.

Upon transitioning to the IFRS, in accordance with the option offered under IFRS 1, the Group elected to limit the application of IFRS 2 – *Share-Based Payment*, to stock-option plans paid in shares that were allocated after November 7, 2002, the rights to which had not yet been acquired as of January 1, 2004. This application had no effect on total shareholders' equity as of January 1, 2004.

By contrast, the plans granted between 2003 and 2010 fall within the scope of IFRS 2. The benefits granted under these plans are recorded as personnel expenses, offsetting a capital increase since the plans are paid as equity instruments. The expense recognized for each period corresponds to the fair value of the benefits granted on the basis of the Black-Scholes formula, on the date the share-purchase options were granted or, for the free shares, on the basis of the market price on the date they were granted. The resulting charge is then spread over the vesting period. In accordance with IFRS 2, acquisition conditions other than market conditions are not taken into account when the fair value of shares and share-purchase options are estimated on the valuation date.

INCOME TAX

Tax expenses for the fiscal year include tax payable and deferred tax.

Deferred tax is calculated according to the balance-sheet method of tax-effect accounting on the basis of temporary differences between the book value entered in the consolidated balance sheet and the tax basis of assets and liabilities. Deferred taxes are accounted for based on the way in which the Group expects to realize or settle the book value of assets and liabilities, using tax rates that have been enacted or virtually enacted by the balance-sheet date.

Deferred assets and liabilities are not discounted and are classified in the balance sheet as non-current assets and liabilities.

Deferred tax assets are recognized for deductible temporary differences and for unused tax losses and credits, to the extent that it is likely that taxable profit will be available against which the deductible temporary differences may be used.

New tax regulations in France, applicable as of January 1, 2010

Under France's 2010 Budget Act, enacted on December 30, 2009, French tax entities are no longer subject to business tax (taxe professionnelle) as of 2010. This tax has been replaced by two new taxes:

- The Business Contribution on Property (Cotisation foncière des entreprises, or CFE), assessed on the rental value of real property under the former business tax.
- The Business Contribution on Value-Added (Cotisation sur la valeur ajoutée des entreprises, or CVAE), assessed on the value-added determined from the corporate financial statements.

In the wake of this tax reform, the Group has reexamined its tax accounting in France in light of the IFRS standards, taking into account the most recent analyses available on tax accounting, notably those provided by the IFRIC. The Group concluded that the aforementioned tax reform effectively resulted in the replacement of the business tax with two new forms of tax that differ in nature:

- The CFE, which is based on property rental values and may be capped as necessary at a percentage of the value-added, is substantially similar to the business tax and will therefore likewise be recorded under operating expenses in 2010.
- The CVAE, which, based on the Group's analysis, meets the definition of a tax on earnings as set forth in IAS 12.2 – *Taxes Due on the Basis of Taxable Profits*.

In accordance with the provisions of IAS 12, the CVAE having been identified as a tax on earnings, as of December 31, 2009 deferred tax relating to temporary differences on that date is recorded by offsetting a net charge on the fiscal-year income statement, insofar as the Budget Act was enacted in 2009. This deferred tax expense is shown on the 'Income tax' line.
As of the 2010 fiscal year, the total amount of the current and deferred expense arising from the CVAE is shown on that same line.

TREASURY STOCK
Treasury stock is deducted from consolidated shareholders' equity at its acquisition cost. Any income from the sale of treasury stock (together with the corresponding tax effects) is directly charged to shareholders' equity and does not contribute to net income for the fiscal year.

ASSETS AND ASSET GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS
A discontinued operation is a component of an entity that the latter has sold or that is being held with a view to sale, and which:
- Represents an activity line or primary, distinct geographic region and
- Is part of a unique, coordinated plan to dispose of an activity line or distinct geographic region, or
- Is a subsidiary acquired exclusively for the purpose of resale.

It is classified as a discontinued operation at the time of its disposal, or at a prior date when the operation satisfies the criteria for classification as an asset held for sale. When an activity is classified as a discontinued operation, the comparative income statement and comparative cash-flow statement are restated as if the activity had satisfied the criteria for classification as a discontinued operation as of the comparative period's opening.

NET SALES, NET OF LOYALTY PROGRAMME
Net sales include only store and warehouse sales.
The Group applies IFRIC 13, which specifies the accounting treatment to be applied to deferred benefits granted to a customer concurrent with a sale. At the time of the initial sale, application of IFRIC 13 results in separation of the benefit granted to the customer from the rest of the sale, with this benefit recorded at its fair value at the time of its issue as a deduction from sales.

OTHER INCOME
Other income (financial and travel services, rental income, franchise fees etc.) are recorded on a separate 'Other income' line and under the 'Net sales' line on the income statement.
This entry includes fees received by financial-services companies from debit cards, traditional credit applications and revolving credit applications. Fees are spread across the duration of the contract.

GROSS MARGIN FROM CURRENT OPERATIONS
Gross margin from current operations corresponds to the sum of net sales and other income minus the cost of sales as defined in Note 6.

CURRENT OPERATING INCOME
Current operating income corresponds to the gross margin from current operations minus sales, general and administrative expenses and depreciation, amortization and provisions.

NON-RECURRING INCOME AND EXPENSES
Items of an unusual nature and frequency are accounted for under non-current income and expenses. It specifically concerns impairment of tangible and intangible assets, restructuring costs, provisions for disputes and for tax, labour and trade risks, and capital gains or losses on the disposal of assets.

INCOME PER SHARE
Basic income per share is calculated by dividing income attributable to the bearers of the company's ordinary shares by the weighted average number of ordinary shares in circulation during the period. Contingently issuable shares are treated as shares in circulation only when all the necessary conditions are met.
Diluted income per share is determined by adjusting income attributable to bearers of ordinary shares and the average weighted number of ordinary shares in circulation to accommodate the effects of all potential ordinary dilutive shares, which mainly include convertible bonds and share-purchase options allocated to members of the workforce. Share-purchase options are considered potentially dilutive if they are 'in the currency' (the exercise price used includes the fair value of services rendered in accordance with IFRS 2 – Share-Based Payments). Free shares are considered potentially dilutive if the events on which their allocation is contingent actually occur.

1. 4 RESTATEMENT OF COMPARATIVE INFORMATION

1.4.1 APPLICATION OF IAS 8 TO THE CORRECTION OF ACCOUNTING ERRORS IN CARREFOUR BRAZIL'S FINANCIAL STATEMENTS

At the end of internal and external audits performed in Brazil and in accordance with IAS 8, Carrefour's consolidated financial statements were subject to correction of errors for the 2009 and earlier financial years, with no effect on cash. These corrections concern pricing of inventory for (66) million euros and certain supplier receivables (rebates) for (24) million euros, valuation of provisions for tax and trade risks for (60) million euros, and depreciation of assets and other expected product cancellations and miscellaneous assets for (58) million euros.

In accordance with the principles set forth in IAS 8, corrections were linked to the applicable fiscal years when they could be determined and, failing this, were charged to opening shareholders' equity as of January 1, 2010:

(in millions of euros)	**Shareholders' equity as of January 1, 2009**	**Net income for 2009 fiscal year (1)**	**Shareholders' equity as of January 1, 2010**	**Total impact on Group shareholders' equity as of January 1, 2010 (2)**
Supplier receivables (rebates) and inventory	(29)	(18)	(43)	(90)
Tax and commercial provisions	(44)	(15)	0	(60)
Depreciation of assets and other	(39)	(18)	(2)	(58)
Total	**(112)**	**(51)**	**(45)**	**(207)**

(1) The restatement of the 2009 published income statement resulted in a (40) million euro reduction in current operating income and an (11) million euro reduction in non-current profit or loss.
(2) Excluding impact of foreign currency translation.

Total impact on Group shareholders' equity as of January 1, 2010 totalled (244) million euros due to a currency translation adjustment of (37) million euros.

1. 4. 2 WITHDRAWAL FROM THAILAND

In the second half of 2010, the Group announced its decision to dispose of its operations in Thailand and withdraw from this market.

In accordance with IFRS 5, the assets and liabilities have been restated on the 'Held for sale' lines in 2010, the income statement on the 'Net income from discontinued operations' line in 2009 and 2010, and the cash-flow statements on the 'impact of discontinued operations' lines for the various transactions in 2009 and 2010.

In 2009 and 2010, the main aggregate values from the income statement for Thailand were as follows:

(in millions of euros)	**2010**	**2009**
Net sales	728	598
Gross margin from current operations	179	125
Current operating income	56	15
Operating income	57	(4)
Income before taxes	58	(9)
Net income	40	(13)

As of December 31, 2010, the simplified consolidated statement of financial position for Thailand stood as follows:

(in millions of euros)	December 31, 2010
ASSETS	
Tangible fixed assets	235
Financial assets	64
Investment properties	21
Non-current assets	**320**
Inventories	49
Commercial receivables	2
Deferred tax on assets	3
Tax receivables	9
Other assets	7
Cash and cash equivalents	74
Current assets	**145**
Total Assets	**465**
LIABILITIES AND SHAREHOLDERS' EQUITY	
Shareholders' equity – Group share	149
Shareholders' equity	**149**
Borrowings – long-term	7
Provisions	1
Deferred tax liabilities	11
Non-current liabilities	**18**
Borrowings – short-term	147
Trade payables	125
Tax payables	17
Other liabilities	10
Current liabilities	**298**
Total Liabilities and Shareholders' Equity	**465**

1.4.3 IMPACT ON THE 2009 INCOME STATEMENT, THE STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2009 AND DECEMBER 31, 2008, AND THE 2009 CASH-FLOW STATEMENT

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	2009 published	Thailand IFRS 5	Brazil IAS 8	2009 restated
Gross sales before tax	85,963	(598)	0	85,366
Cost of loyalty programmes	(604)	2	0	(602)
Net sales, net of loyalty programmes	**85,359**	**(596)**	**0**	**84,763**
Other income	2,020	(30)	0	1,990
Total income	**87,379**	**(626)**	**0**	**86,753**
Cost of sales	(68,098)	501	(29)	(67,626)
Gross margin from current operations	**19,281**	**(124)**	**(30)**	**19,127**
Sales, general and administrative expenses	(14,625)	82	(15)	(14,559)
Depreciation, amortization and provisions	(1,879)	25	6	(1,848)
Current operating income	**2,777**	**(17)**	**(39)**	**2,720**
Non-recurring income and expenses	(1,072)	19	(11)	(1,064)
Operating income	**1,705**	**2**	**(50)**	**1,657**
Financial income (expense)	(610)	4	(0)	(606)
Income before taxes	**1,095**	**6**	**(50)**	**1,051**
Income tax	(638)	4	(1)	(635)
Net income from companies consolidated by the equity method	38	0	0	38
Net income from recurring operations	**494**	**9**	**(51)**	**453**
Net income from discontinued operations	**(57)**	**(9)**	**0**	**(67)**
Total net income	**437**	**0**	**(51)**	**386**
of which net income – Group share	**327**	**0**	**(51)**	**276**
of which net income from recurring operations – Group share	**385**	**9**	**(51)**	**343**
of which net income from discontinued operations – Group share	**(57)**	**(9)**	**(0)**	**(67)**
of which net income attributable to non-controlling interests	**110**	**0**	**0**	**110**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	2009 published	Thailand IFRS 5	Brazil IAS 8	2009 restated
Total net income	**437**	0	**(51)**	**386**
Effective portion of cash-flow hedge	(9)	0	0	(9)
Change in available-for-sale assets	7	0	0	7
Change in foreign-currency translation	577	0	(37)	540
Other items of comprehensive income, after tax	**575**	0	**(37)**	**538**
Total comprehensive income	**1,012**	0	**(88)**	**924**
of which comprehensive income – Group share	886	0	(88)	799
of which comprehensive income attributable to non-controlling interests	126	0	(0)	126

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

2009

(in millions of euros)	12/31/2009 published	Brazil IAS 8	12/31/2009 restated
ASSETS			
Goodwill	11,473	0	11,473
Other intangible fixed assets	1,083	(8)	1,075
Tangible fixed assets	15,044	(12)	15,032
Other non-current financial assets	1,314	(4)	1,310
Investments in companies accounted for by the equity method	201	0	201
Deferred tax on assets	712	1	713
Investment properties	455	0	455
Consumer credit from financial-services companies – long-term	2,005	0	2,005
Non-current assets	**32,286**	**(23)**	**32,263**
Inventories	6,670	(63)	6,607
Commercial receivables	2,238	99	2,337
Consumer credit from financial-services companies – short-term	3,215	0	3,215
Other current financial assets	2,051	0	2,051
Tax receivables	563	(1)	564
Other assets	989	(13)	976
Cash and cash equivalents	3,301	(1)	3,300
Assets held for sale	241	0	241
Current assets	**19,267**	**22**	**19,290**
Total assets	**51,553**	**(0)**	**51,553**
LIABILITIES			
Equity capital	1,762	0	1,762
Consolidated reserves (including income)	8,552	(242)	8,311
Shareholders' equity – Group share	**10,315**	**(242)**	**10,073**
Interests attributable to non-controlling interests	800	(2)	798
Shareholders' equity	**11,115**	**(244)**	**10,871**
Borrowings – long-term	9,794	0	9,794
Provisions	2,520	95	2,616
Deferred tax liabilities	496	0	496
Consumer-credit refinancing – long-term	592	0	592
Non-current liabilities	**13,402**	**95**	**13,498**
Borrowings – short-term	2,018	139	2,158
Suppliers and other creditors	16,800	0	16,800
Consumer-credit refinancing – short-term	4,061	0	4,061
Tax payables	1,324	1	1,325
Other liabilities	2,740	8	2,748
Liabilities related to assets held for sale	93	(0)	93
Current liabilities	**27,036**	**148**	**27,184**
Total Liabilities and Shareholders' Equity	**51,553**	**(0)**	**51,553**

2008

(in millions of euros)	12/31/2008 published	Brazil IAS 8	01/01/2009 restated
ASSETS			
Goodwill	11,363	(0)	11,363
Other intangible fixed assets	1,055	(5)	1,050
Tangible fixed assets	14,809	(16)	14,793
Other non-current financial assets	1,312	(6)	1,306
Investments in companies accounted for by the equity method	429	1	430
Deferred tax on assets	681	1	682
Investment properties	346	(0)	346
Consumer credit from financial-services companies – long-term	2,097	(0)	2,097
Non-current assets	**32,091**	**(24)**	**32,067**
Inventories	6,891	(24)	6,867
Commercial receivables	3,156	70	3,226
Consumer credit from financial-services companies – short-term	2,708	0	2,708
Other current financial assets	245	0	245
Tax receivables	673	(0)	673
Other assets	1,058	(2)	1,056
Cash and cash equivalents	5,317	(1)	5,316
Assets held for sale	150	0	150
Current assets	**20,198**	**44**	**20,242**
Total assets	**52,288**	**21**	**52,309**
LIABILITIES			
Equity capital	1,762	0	1,762
Consolidated reserves (including income)	8,370	(110)	8,261
Shareholders' equity – Group share	**10,132**	**(110)**	**10,023**
Interests attributable to non-controlling interests	790	(1)	789
Shareholders' equity	**10,923**	**(112)**	**10,812**
Borrowings – long-term	9,506	1	9,507
Provisions	2,320	57	2,377
Deferred tax liabilities	424	(0)	424
Consumer-credit refinancing – long-term	451	(0)	451
Non-current liabilities	**12,700**	**58**	**12,758**
Borrowings – short-term	2,709	76	2,785
Suppliers and other creditors	17,545	(0)	17,545
Consumer-credit refinancing – short-term	4,044	(0)	4,044
Tax payables	1,467	(0)	1,467
Other liabilities	2,877	(2)	2,875
Liabilities related to assets held for sale	25	(0)	25
Current liabilities	**28,666**	**72**	**28,739**
Total Liabilities and Shareholders' Equity	**52,288**	**21**	**52,309**

CONSOLIDATED CASH-FLOW STATEMENT

(in millions of euros)	2009 published	Thailand IFRS 5	Brazil IAS 8	2009 restated
INCOME BEFORE TAXES	**1,095**	**7**	**(50)**	**1,052**
OPERATING ACTIVITIES				
Tax	(622)	5	(0)	(618)
Provisions for amortization	1,984	(31)	13	1,965
Capital gains and losses on sale of assets	8	0	0	8
Changes in provisions and impairment	942	(5)	0	937
Dividends on companies accounted for by the equity method	38	0	(0)	38
Impact of discontinued activities	(25)	24	0	(1)
Cash flow from operations	**3,419**	**(1)**	**(38)**	**3,380**
Change in working capital	320	(8)	(16)	295
Impact of discontinued activities	2	9	0	11
Change in cash flow from operating activities (excluding financial-services companies)	**3,740**	**(0)**	**(54)**	**3,686**
Change in consumer-credit commitments	(256)	0	0	(256)
Net cash from operating activities	**3,484**	**(0)**	**(54)**	**3,430**
INVESTMENT ACTIVITIES				
Acquisition of tangible and intangible fixed assets	(2,137)	63	0	(2,074)
Acquisition of financial assets	(38)	0	0	(38)
Acquisition of subsidiaries	(116)	0	0	(116)
Disposal of subsidiaries	47	0	0	47
Disposal of fixed assets	128	0	0	128
Disposal of investments	7	0	0	7
Subtotal of Investments net of disposals	**(2,109)**	**63**	**0**	**(2,046)**
Other uses	(225)	2	8	(215)
Impact of discontinued activities	(50)	(65)	0	(115)
Net cash from investment activities	**(2,384)**	**(0)**	**8**	**(2,376)**
FINANCING ACTIVITIES				
Proceeds on share issues	7	0	0	7
Dividends paid by Carrefour (parent company)	(741)	0	0	(741)
Dividends paid by consolidated companies to minority interests	(161)	0	0	(161)
Change in treasury stock	1	0	0	1
Change in current financial assets	(1,834)	(26)	0	(1,860)
Issuance of bonds (1)	510	0	0	510
Repayment of bonds (1)	(1,000)	0	0	(1,000)
Other change in borrowing (1)	20	(8)	62	75
Impact of discontinued activities	34	34	0	68
Net cash from financing activities	**(3,164)**	**0**	**62**	**(3,102)**
Impact of foreign-currency adjustments	48	0	(17)	31
Net change in cash and cash equivalents	**(2,016)**	**(0)**	**(0)**	**(2,017)**
Cash and cash equivalents at beginning of year	**5,317**	**0**	**(1)**	**5,316**
Cash and cash equivalents at end of year	**3,301**	**0**	**(1)**	**3,300**

(1) In 2009, these lines constituted the change in debt presented on a single line.

NOTE 2: THE YEAR'S HIGHLIGHTS

ACQUISITIONS DURING THE PERIOD

ACQUISITION OF 51% OF BAOLONGCANG

On July 15, 2010, Carrefour entered into an agreement to acquire 51% of Baolongcang (BLC), a chain of 11 hypermarkets located in the Chinese province of Hebei (with two subsequently sold, as was initially planned), for a value of 35 million euros. At the end of 2009, Baolongcang held 9.4% market share in Shijiazhuang, the provincial capital. Baolongcang's founders retained a 49% interest in the joint venture. The transaction closed at the end of August 2010, and the approval of the local authorities was obtained in September 2010. Goodwill in the amount of 33 million euros was recorded as of December 31, 2010. Baolongcang is fully consolidated.

(in millions of euros)	Book value	Fair value
Fixed assets	9	8
Inventories	4	1
Trade payables	(2)	(2)
Other liabilities	(2)	(3)
Net assets	**9**	**4**
Counterparty transferred		**35**
Fair value of net assets acquired (51%)		**2**
Goodwill		**33**

Exchange rate: €1 = 9 RMB

For this acquisition, Carrefour did not opt to value non-controlling interests at fair value.

ACQUISITION OF THE IPEK SUPERMARKET CHAIN IN TURKEY

On July 1, 2010, Carrefour signed an agreement to purchase the Ipek supermarket chain, which consists of 27 stores and a distribution centre, for the amount of 20 million euros. This acquisition is intended to boost the presence of the Istanbul subsidiary through favourable locations and to accelerate growth of the supermarket business. Goodwill in the amount of 23.5 million euros was recorded as of December 31, 2010.

DISPOSALS DURING THE PERIOD

WITHDRAWAL FROM THAILAND

On November 15, 2010, Carrefour, the fifth-largest food retailer operating in Thailand, signed an agreement with Big C, a Casino Group subsidiary and the second-largest operator of hypermarkets in Thailand (69 hypermarkets, sales of 1.7 billion euros over a 12-month period ending June 30, 2010), to sell its operations in Thailand for an initial enterprise value of 868 million euros. The transaction closed in early January 2011. Capital gains from the sale, estimated at 660 million euros, will be recorded for the first half of 2011.

In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, the previously published income statement and cash-flow statement as of December 31, 2009 were restated (see Note 1.4)

DISPOSAL OF 40% OF PT CARREFOUR INDONESIA

On April 30, 2010, the Group announced the signing of a strategic partnership in Indonesia with Trans Corp, the holding company of Para Group's media, family entertainment, leisure and lifestyle businesses. This partnership will create synergies between Carrefour and Para Group's other businesses.

In accordance with amended IAS 27 – *Consolidated and Separate Financial Statements*, the disposal of 40% of the holdings in Indonesia resulted in cash flow from financing of 218 million euros, book profit recorded as shareholders' equity of 176 million euros and recognition of non-controlling interests for 42 million euros.

DISPOSAL OF 20% INTEREST IN FINIPER

Under the agreement signed on February 18, 2010 between Carrefour and the Finiper Group's majority shareholder, Finiper left Carrefour's scope of consolidation; it was previously consolidated by the equity method.

As a result of this agreement, investments in companies accounted for by the equity method were reclassified as assets held for sale in the consolidated financial statements for December 31, 2009 and measured at fair value (net of disposal costs); accordingly, a charge of 153 million euros was recorded under non-current expenses.

The transaction had no impact on net income for the 2010 financial year.

EXCEPTIONAL EVENTS

IDENTIFICATION OF EXTRAORDINARY EXPENSES IN BRAZIL

At the end of internal and external audits performed in Brazil, changes to estimates and corrections of errors were recorded for a total amount of (555) million euros. These break down as follows:

- (348) million euros concerning changes in accounting estimates, mainly related to estimates of tax risk, which had an effect on the 2010 income statement, i.e. (20) million euros in operating margin, (321) million euros in non-current losses including (38) million euros in impairment of stores, and (7) million euros in taxes and financial expenses.
- (207) million euros concerning corrections of errors for the 2009 financial year and prior years, whose breakdown and accounting treatment is provided in Note 1.4.

RESTRUCTURING IN BELGIUM

During the first quarter of 2010, Carrefour Belgium's management team submitted a restructuring plan to its labour partners in an effort to create favourable conditions for relaunching the business and establishing a satisfactory profitability level. An agreement was finalized on July 2, 2010, covering the following points:

- Closure of 16 structurally loss-making stores.
- Reduction of structural costs.
- Expanded and enhanced partnership with the Mestdagh Group, which took over operation of 16 supermarkets.
- A boost to sales dynamics through the Group's 'Reinventing the Hypermarket' initiative and the planned renovation and expansion of supermarkets and the convenience store network.

As of December 31, 2010, this plan recorded a charge of 128 million euros in the Group's financial statements as non-current expenses.

OTHER HIGHLIGHTS

FORMATION OF JV BALKANS (CM BALKANS BV)

On February 18, 2010, the Carrefour and Marinopoulos Groups announced the creation of a joint venture to expand the network of franchised Carrefour hypermarkets and supermarkets in the Balkans. This joint venture is 60% controlled by the Marinopoulos Group and 40% controlled by Carrefour Marinopoulos, a company jointly held by Carrefour and Marinopoulos, and is consolidated by the equity method. On August 3, 2010, the European Union authorized formation of the joint venture as well as the capital contribution of Carrefour Marinopoulos's interest in the jointly-held subsidiary in Bulgaria (as of June 30, 2010, this was 80% controlled by Carrefour Marinopoulos and 20% controlled by Carrefour Nederland BV). The transaction is shown through income from the sale recorded as non-current profit of 32 million euros.

DIA HELLAS

On July 12, 2010, the competition authorities also approved Carrefour Marinopoulos' acquisition of Dia Hellas (80% controlled by Dia SA and 20% controlled by the Marinopoulos Group) for 120 million euros. This transaction increased the Group's net debt by 24 million euros, but had no impact on the income statement.

The Dia stores will be operated as supermarkets under the Carrefour Marinopoulos banner or as convenience stores under the Carrefour Express banner.

TRANSFORMATION PLAN

In the first half of 2009, the Carrefour Group initiated a four-year transformation plan in an effort to make its sales concepts more attractive and to improve operational effectiveness (see Note 9, 'Non-current income and expenses').

NOTE 3: SEGMENT REPORTING

2010

(in millions of euros)	Total	France	Europe	Latin America	Asia	Hard-discount stores
Net sales	90,099	34,907	24,597	13,919	6,923	9,753
Other income	2,187	847	538	461	256	85
Current operating income	**2,972**	**1,284**	**726**	**441**	**289**	**232**
Operating income	**1,836**					
Financial income (expense)	(657)					
Income before taxes	**1,179**					
Total net income	**568**					
Tangible and intangible investment (1)	2,122	744	452	418	218	290
Provisions for amortization	(1,923)	(648)	(536)	(278)	(210)	(250)

12/31/2010

(in millions of euros)	Total	France	Europe	Latin America	Asia	Hard-discount stores
ASSETS						
Goodwill	11,829	4,278	5,356	1,288	136	771
Other intangible fixed assets	1,101	427	385	231	12	46
Tangible fixed assets	15,297	4,177	4,839	3,279	1,405	1,597
Investment properties	536	97	293	53	93	-
Other segment assets (2)	16,769	6,896	5,106	3,137	855	775
Total segment assets	45,531	15,877	15,978	7,987	2,501	3,189
Other unallocated assets	8,118					
Total assets	**53,650**					

(1) Intangible and tangible investments correspond to acquisitions of fixed assets presented in the cash-flow statement.
(2) Other segment assets include inventories, trade accounts receivable and other debtors.

Dia Hellas exited the hard-discount consolidation scope in July 2010 (see Note 2, 'Other highlights'). Hard-discount indicators in the income statement included the Dia Hellas business until it was transferred to the Europe consolidation scope, while hard-discount indicators in the balance sheet exclude Dia Hellas.

2009

(in millions of euros)	Total	France	Europe	Latin America	Asia	Hard-discount stores
Net sales	85,366	34,266	25,058	10,598	5,843	9,600
Other income	1,990	823	529	352	220	66
Current operating income	**2,720**	**1,084**	**805**	**433**	**227**	**171**
Operating income	**1,657**					
Financial income (expense)	(606)					
Income before taxes	**1,051**					
Total net income	**386**					
Tangible and intangible investments (1)	2,074	718	405	372	238	341
Provisions for amortization	(1,880)	(660)	(569)	(221)	(188)	(242)

12/31/2009

(in millions of euros)	Total	France	Europe	Latin America	Asia	Hard-discount stores
ASSETS						
Goodwill	11,473	4,132	5,296	1,147	90	808
Other intangible fixed assets	1,075	386	413	221	10	45
Tangible fixed assets	15,032	4,102	4,949	2,852	1,427	1,701
Investment properties	455	64	285	18	88	-
Other segment assets (2)	15,703	6,445	5,280	2,524	657	798
Total segment assets	43,737	15,129	16,222	6,761	2,271	3,353
Other unallocated assets	7,816					
Total assets	**51,553**					

(1) Intangible and tangible investments correspond to acquisitions of fixed assets presented in the cash-flow statement.
(2) Other segment assets include inventories, trade accounts receivable and other debtors.

NOTE 4: NET SALES

At constant exchange rates, sales would have totalled 87,283 million euros.
The impact of exchange-rate fluctuations represented 2,816 million euros as of December 31, 2010, including 1,811 million euros in Latin America, 560 million euros in the Asia zone, 248 million euros in the Europe zone and 197 million euros in the hard-discount store format.

(in millions of euros)	2010	2009	% var.
Sales	90,099	85,366	5.5%

NET SALES BY COUNTRY [1]

(in millions of euros)	2010	2009
France	**37,426**	**36,943**
Europe (excluding France)	**30,082**	**30,675**
Spain	12,679	12,975
IItaly	5,733	6,087
Belgium	3,859	4, 112
Greece	2,401	2,535
Poland	1,998	1,790
Turkey	1,619	1,383
Romania	930	954
Portugal	822	823
Other	42	16

(in millions of euros)	2010	2009
Latin America	**15,508**	**11,758**
Brasil	11,210	8,309
Argentina	2,753	2,222
Colombia	1,544	1,227
Asia	**7,084**	**5,988**
Taiwan	1,394	1,290
China	4,191	3,473
Malaysia	410	329
Indonesia	1,004	812
Singapore	86	85

(1) All activities combined (including the hard-discount business).

NOTE 5: OTHER INCOME BY TYPE

(in millions of euros)	2010	2009	% var.
Financial commissions	1,184	1,125	5,2%
Rental income	278	246	13,0%
Sub-leasing income	198	175	13,2%
Sundry income	527	444	18,8%
Total	**2,187**	**1,990**	**9,9%**

Sundry income consists primarily of franchise fees, lease-management income and related income.

NOTE 6: COST OF SALES

Other than inventory purchases and variation, the cost of goods sold includes other costs that mainly comprise the cost of products sold by financial-services companies, income from discounts and exchange-rate differences generated by the purchase of goods.

NOTE 7: SALES, GENERAL AND ADMINISTRATIVE EXPENSES

(in millions of euros)	2010	2009	% var.
Labour costs	8,493	8,290	2.4%
Property rentals	1,226	1,150	6.6%
Maintenance and repairs	821	765	7.3%
Fees	717	714	0.4%
Advertising	1,163	1,093	6.4%
Taxes	494	639	(22.7%)
Energy and electricity	805	768	4.9%
Other general expenses	1,261	1,140	10.6%
Total	**14,979**	**14,559**	**2.9%**

NOTE 8: DEPRECIATION, AMORTIZATION AND PROVISIONS

(in millions of euros)	2010	2009	% var.
Depreciation of tangible fixed assets	1,633	1,616	1.0%
Depreciation of intangible fixed assets	240	214	11.9%
Amortization of finance-lease agreements	32	29	10.6%
Depreciation of investment properties	19	20	(6.5%)
Allocations and reversals of provisions	(2)	(31)	(93.5%)
Total	**1,921**	**1,848**	**3.9%**

NOTE 9: NON-CURRENT INCOME AND EXPENSES

(in millions of euros)	2010	2009
Impairment of assets	(223)	(761)
Restructuring costs	(416)	(237)
Other non-current income and expenses	(498)	(66)
Total	**(1,137)**	**(1,064)**

Items that are unusual due to their nature and frequency are accounted for under other non-current income and other non-current expenses.
In 2010, non-current income totalled 106 million euros, while non-current expenses totalled 1,242 million euros.

IMPAIRMENT OF ASSETS

In 2010, impairment of assets concerned tangible fixed assets for 205 million euros (mainly in Brazil, the Dia scope, Poland, Italy and Spain) and intangible fixed assets for 18 million euros.
In Brazil, eight hypermarkets and one supermarket were written down for 38 million euros.
In 2010, impairment of hard-discount assets concerned 193 stores, mainly located in France, for 32 million euros, it being specified that impairment testing has been carried out at store level since 2010, while in 2009 these tests were carried out at regional level.
In Poland, an impairment loss of 31 million euros was recorded, concerning eight hypermarkets and a large portion of the supermarket network (72 stores). In Italy and Spain, impairment losses recorded for tangible fixed assets represented 30 and 28 million euros respectively. These concerned 13 hypermarkets and 15 supermarkets.
Impairment losses for intangible fixed assets involved Dia. Goodwill for Dia in China was entirely written down, along with a portion of goodwill for Dia France.

In 2009, impairment of assets mainly included impairment of goodwill involving GS (Italy) in the amount of 240 million euros, the fair-value measurement of Finiper securities categorized as assets held for sale in the amount of 153 million euros and impairment of stores totalling 345 million euros.

RESTRUCTURING COSTS

Restructuring costs include expenses arising from implementation of the transformation plan of 215 million euros, and restructuring charges, strictly speaking, of 201 million euros.
Charges recorded under the transformation plan arose from structural streamlining (workforce reduction), mainly in Spain, Italy and France.

Belgium recorded 128 million euros in restructuring costs. These resulted from closure of stores and a warehouse (redundancy payments, scrapping of assets etc.) as well as an adjustment to the pension scheme.
In addition, Dia closed 66 consolidated stores and converted 455 Ed stores into Dia stores. A charge of 44 million euros, mainly corresponding to the scrapping of assets, was recorded in 2010.

OTHER NON-CURRENT INCOME AND EXPENSES

Other non-current income and expenses include:

- Changes in accounting estimates, mainly related to estimates of tax risk in Brazil for 283 million euros.
- Provisions for legal and tax disputes for 269 million euros.
- 54 million euros in net disposal gains.

NOTE 10: FINANCIAL INCOME

The breakdown of financial-income items related to financial instruments can be analyzed as follows:

(in millions of euros)	2010	2009
Recorded on the income statement (in millions of euros)		
Income from interest on bank deposits	66	11
Dividends received for assets available for sale	10	13
Net income from the sale of assets available for sale reclassified from equity	16	1
Net foreign-currency gain	(0)	0
Change in fair value of financial assets held for trading	7	62
Change in fair value of financial assets, accounted for at fair value through profit or loss	36	37
Net change in fair value of cash-flow hedging instruments reclassified from equity	0	0
Change in fair value of financial liabilities	5	2
Income from interest-rate instruments	16	17
Income from marketable securities	12	6
Miscellaneous		
Financial income	**166**	**149**
Interest expenses on financial liabilities valued at amortized cost	(571)	(593)
Net foreign-currency losses	0	(8)
Change in fair value of financial assets held for trading	(26)	(58)
Change in fair value of financial assets, accounted for at fair value through profit or loss	(5)	(2)
Change in fair value of financial liabilities accounted for at fair value through profit or loss	(36)	(37)
Net change in fair value of cash-flow hedging instruments reclassified from equity	n/a	n/a
Loss in value of securities held to maturity	0	0
Ineffective portion of the change in fair value of cash-flow hedging instruments	(2)	(7)
Expenses on interest-rate instruments	0	0
Financial expense from discounting	(46)	(45)
Other financial expenses	(138)	(6)
Financial expenses	**(823)**	**(754)**
Net financial income	**(657)**	**(606)**
Entered as other items of comprehensive income (in millions of euros)		
Net change in fair value of financial assets available for sale	18	7
Net change in fair value of financial assets available for sale transferred to income	(16)	(1)
Ineffective portion of the change in fair value of cash-flow hedging instruments	(14)	(14)
Fair value of cash-flow hedging instruments transferred to income	2	7
Foreign-currency translation resulting from foreign operations	651	540
Total	**640**	**539**

NOTE 11: INCOME TAX

(in millions of euros)	2010	2009
Income tax	660	601
Deferred tax	37	34
Total tax	**697**	**635**
Effective tax rate	59.1%	60.5%

Reconciliation of theoretical tax rate and effective tax rate

(in millions of euros)	2010	2009
Current income before tax	1,179	1,051
Standard rate	34.4%	34.4%
Theoretical tax	406	362
Effects of permanent differences on tax (1)	26	153
Tax effects of income not taxed or taxed at a different rate	(96)	(49)
Other (2)	361	169
Total tax	**697**	**635**
Effective tax rate	59.1%	60.5%

(1) In 2009, this line included the impact of the impairment of GS goodwill in Italy, as well as the fair-value measurement of Finiper shares for which no deferred tax was recognized. These two items had a negative effect of 108 million euros on the Group's actual tax rate in 2009.
(2) This line includes:
For 2009
a. Impairment of deferred tax assets in the amount of 67 million euros,
b. Recording of a deferred tax liability in the amount of 17 million euros connected with France's 2010 business law tax reform (see note on income tax in the accounting principles).
For 2010
a. Recording of the net charge for CVAE in the amount of 60 million euros, in accordance with the analysis set forth in the note on taxation in the accounting principles.
b. The impact of losses incurred in Brazil and Belgium for which no deferred tax was recognized.

NOTE 12: NET INCOME FROM DISCONTINUED OPERATIONS

(in millions of euros)	2010	2009
Discontinued operations – Group share	52	(67)
Discontinued operations – share attributable to non-controlling interests	0	0
Total	**52**	**(67)**

In 2010, net income from discontinued operations was accounted for by:
- Net income in 2010 from the Thai entities, amounting to 44 million euros.
- Net income in 2010 from the Russian entity, amounting to (3) million euros.
- A provision reversal following the 2005 disposal of the catering business for 11 million euros.

In 2009, net income from discontinued operations was accounted for by:
- Net income in 2009 from the Russian entity, amounting to (56) million euros.
- Net income in 2009 from the Thai entities, amounting to (9) million euros.
- Residual costs relating to disposals in Switzerland and Slovakia, amounting to (1) million euros.

NOTE 13: OTHER ITEMS OF COMPREHENSIVE INCOME

(in millions of euros)	2010 Gross	2010 Tax	2010 Net	2009 Gross	2009 Tax	2009 Net
Effective portion of cash-flow hedge	(21)	8	(13)	(21)	13	(9)
Change in available-for-sale assets	1	1	2	9	(3)	7
Change in foreign-currency translation	651	0	651	540	0	540
Other items of comprehensive income	**631**	**9**	**639**	**528**	**10**	**538**

NOTE 14: INTANGIBLE FIXED ASSETS

(in millions of euros)	12/31/2010	12/31/2009
Net goodwill	**11,829**	**11 473**
Other gross intangible fixed assets	2,948	2,658
Amortization of other intangible fixed assets	(1,806)	(1,566)
Impairment	(196)	(180)
Other net intangible fixed assets	**946**	**912**
Intangible fixed assets in progress	154	163
Net intangible fixed assets	**12,930**	**12,548**

Change to goodwill

(in millions of euros)	Net goodwill at end of December 2008	Acquisitions for 2009	Disposals for 2009	Impairment for 2009	Other movements	Foreign-currency translation 2009	Net Goodwill at end-December 2009	Acquisitions for 2010	Disposals for 2010	Impairment for 2010	Other movements	Foreign-currency translation 2010	Net Goodwill at end-December 2010
France	4,054	111	(10)	(26)			4,129	145	(5)		9		4,278
Italy	2,947	2	(3)	(240)	(46)		2,660		(12)				2,648
Belgium	948	1	(1)				948	1	(1)				947
Spain	815						815		(0)		(5)		810
Brazil	712	19	(3)			209	937					124	1,061
Argentina	156					(19)	136					4	141
Hard discount	809	8			(8)		810		(6)	(13)	(21)	2	772
Other countries	921	42	(6)		78	1	1,038	56	(2)		41	38	1,171
Total	**11,363**	**183**	**(21)**	**(266)**	**25**	**190**	**11,473**	**202**	**(26)**	**(13)**	**24**	**168**	**11,829**

The major positive changes during the fiscal year related to the acquisitions of Baolongcang in China and Ipek in Turkey (see Note 2), as well as sundry movements in France that were individually insignificant.
Other movements primarily involved the change in fair value of commitments to purchase the interests of non-controlling shareholders (accounting method described in the accounting principles under 'Financial assets and liabilities').

Change in other intangible fixed assets

(in millions of euros)	Gross value	Reduction in value	Net value
As of December 31, 2008	**2,556**	**(1,506)**	**1,050**
Acquisitions	234		234
Disposals	(42)	21	(21)
Foreign-currency adjustments	48		48
Depreciation	0	(213)	(213)
Impairment	0	(16)	(16)
Changes in consolidation scope, transfers and other movements	25	(32)	(7)
As of December 31, 2009	**2,821**	**(1,746)**	**1,075**
Acquisitions	260		260
Disposals	(51)	34	(17)
Foreign-currency adjustments	31		31
Depreciation		(239)	(239)
Impairment		(8)	(8)
Changes in consolidation scope, transfers and other movements	42	(42)	(0)
As of December 31, 2010	**3,102**	**(2,002)**	**1,101**

IMPAIRMENT OF GOODWILL AND SENSITIVITY ANALYSIS

The principles used for impairment of assets are described under 'Accounting principles.'

The method used to assess the recoverable value of CGUs is the useful value.

Following impairment testing of goodwill and intangible assets conducted in 2010 in accordance with IAS 36, the Group did not record any loss in value for any of the countries within the scope. In 2009, the Group recorded a loss in value of 240 million euros with respect to Italy.

A sensitivity analysis using hypothetical discount and perpetual growth rates was performed on the results of the 2010 impairment test.

If the discount rates were increased by 25 basis points, the loss in value for Italy would amount to 156 million euros.

A decrease of 25 basis points in the country's perpetual growth rate would result in a loss in value of 121 million euros for Italy.

A sensitivity analysis using hypothetical growth in sales and EBITDA margin was conducted for Italy. The impact of variations in growth rates on recorded loss in value for Italy is shown in the table below:

		Growth in net sales (%)*		
		– 0.50%	0.00%	0.50%
EBITDA margin (%)*	– 0.25%	(262)	(202)	(140)
	0.00%	(31)	32	101
	0.25%	199	270	342

** Adjustment variable for each of the five years in the business plan.*

NOTE 15: TANGIBLE FIXED ASSETS

(in millions of euros)	12/31/2010	12/31/2009
Land	3,235	3,099
Buildings	11,089	10,502
Equipment, fixtures, fittings and installations	15,763	15,004
Other fixed assets	1,158	1,121
Fixed assets in progress	517	676
Leased land	456	205
Leased buildings	1,369	1,363
Leased equipment, fixtures, fittings and installations	122	128
Other leased fixed assets	17	16
Gross tangible fixed assets	**33,726**	**32,115**
Depreciation	(16,889)	(15,687)
Depreciation of leased fixed assets	(1,047)	(1,032)
Impairment	(493)	(364)
Net tangible fixed assets	**15,297**	**15,032**

Tangible fixed assets mainly include sales areas operated by the Group. A breakdown of the network of stores operated by the Group as of December 2010 is available in the 'Consolidated store network' note appearing in the annual report.

LEASED FIXED ASSETS

The Carrefour Group has carried out a review of all its property leasing agreements. Agreements qualifying as financial leasing agreements were capitalized, whereas other agreements were treated as simple operating leases.

Finance-lease agreements

(in millions of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Minimum rents to be paid	868	63	213	592
Discounted value	463	58	164	240
Total sub-leasing income receivable	14	n/a	n/a	n/a
Minimum rents paid during the year	63	n/a	n/a	n/a
Conditional rents	0	n/a	n/a	n/a
Sub-leasing income	20	n/a	n/a	n/a

Operating lease agreements

(in millions of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Minimum rents to be paid	5,162	1,081	1,850	2,231
Total minimum income to be received from sub-leasing	26	n/a	n/a	n/a
Minimum rents paid during the year	1,287	n/a	n/a	n/a
Conditional rents	32	n/a	n/a	n/a
Sub-leasing income	248	n/a	n/a	n/a

Change to tangible fixed assets

(in millions of euros)	Gross value	Reduction in value	Net value
As of December 31, 2008	**30,401**	**(15,608)**	**14,793**
Acquisitions	1,877	0	1,877
Disposals	(730)	564	(166)
Depreciation	0	(1,645)	(1,645)
Impairment	0	(194)	(194)
Foreign-currency adjustments	405		405
Changes in consolidation scope, transfer and other movements	161	(200)	(38)
As of December 31, 2009	**32,115**	**(17,084)**	**15,032**
Acquisitions	1,821	0	1,821
Disposals	(1,283)	765	(518)
Depreciation	0	(1,665)	(1,665)
Impairment	0	(190)	(190)
Foreign-currency adjustments	635		635
Changes in consolidation scope, transfers and other movements	437	(255)	182
As of December 31, 2010	**33,726**	**(18,429)**	**15,297**

NOTE 16: OTHER NON-CURRENT FINANCIAL ASSETS AND INVESTMENTS IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

(in millions of euros)	12/31/2010	12/31/2009
Investments in companies accounted for by the equity method [1]	256	201
Investments	181	274
Loans at more than one year	310	29
Other [2]	1,051	1,007
Total	**1,798**	**1,510**

(1) The variation in this item can be broken down as follows:

End of year, 12/31/2009	**201**
Foreign-currency translation adjustment	3
Percentage of net income	35
Dividends	(10)
Other [a]	28
End of year, 12/31/2010	**256**

(a) 23 million euros related to the formation of JA Balkans (see Note 2 – Other Highlights).

The principal financial results for the companies accounted for by the equity method as of December 31, 2010 are as follows:

(in millions of euros)	% of interest	Total balance sheet	100% – including consolidation adjustments Sharehol-ders' equity	Fixed assets	Net sales	Net income
TOTAL as follows:		1,635	573	795	4,330	132
– Majid Al Futtaim	25%	670	122	224	2,394	117
– Provencia SA	50%	322	170	195	644	12
– Iper Orio	50%	129	42	103	171	
– Mestdagh	25%	127	61	20	401	3
– Altis	50%	118	45	64	408	3
– Costasol	34%	61	26	51	78	1
– CM Balkans B.V.	20%	50	25	44	77	(6)
– Other companies*		158	81	94	157	3

**This line includes 16 companies considered individually insignificant.*
(2) This item refers primarily to guarantees, deposits and other capitalized receivables.

NOTE 17: DEFERRED TAX

(in millions of euros)	12/31/2010	12/31/2009
Deferred tax on assets	766	713
Deferred tax liabilities	(560)	(496)
Total	**206**	**217**

The nature of deferred taxes is described in Note 1. They mainly correspond to temporary differences between the book and fiscal values of assets and liabilities.

Deferred tax bridge table

(in millions of euros)	12/31/2009	Foreign-currency effect	Allocations/ reversals	Other(1)	12/31/2010
Net deferred taxs	**217**	**2**	**(37)**	**25**	**206**

(1) Primarily the impact of changes in consolidation scope.

UNRECOGNIZED DEFERRED TAX ASSETS

The amount of unrecognized deferred tax assets as of December 31, 2010 totalled 1,427 million euros, including 806 million euros in deferred tax on deficits that can be carried forward and 622 million euros in deferred tax on temporary differences.

NOTE 18: INVESTMENT PROPERTIES

(in millions of euros)	12/31/2010	12/31/2009
Investment properties at gross value	709	597
Depreciation	(173)	(142)
Total	**536**	**455**

Change in investment properties

Closing balance (12/31/2008)	**346**
Allowances for depreciation and amortization for the period	(21)
Foreign-currency effect	2
Investments during the period	11
Disposals during the period	-
Transfers	83
Other movements	34
Closing balance (12/31/2009)	**455**
Allowances for depreciation and amortization for the period	(19)
Foreign-currency effect	25
Investments during the period	43
Disposals during the period	(1)
Transfers	60
Other movements	(27)
Closing balance (12/31/2010)	**536**

Rental income generated by these investment properties and recorded on the income statement in 2010 amounted to 100 million euros, compared with 89 million euros in 2009. Direct operating expenses stood at 14.7 million euros in 2010, versus 13.8 million euros in 2009.
As of December 31, 2010, the fair value of investment properties was estimated at 1,343 million euros, compared with 929 million euros as of December 31, 2009.

NOTE 19: INVENTORIES

(in millions of euros)	12/31/2010	12/31/2009
Inventories at gross value	7,282	6,900
Depreciation	(289)	(293)
Inventories at net value	**6,994**	**6,607**

NOTE 20: COMMERCIAL RECEIVABLES

(in millions of euros))	12/31/2010	12/31/2009
Trade receivables	1,263	1,196
Impairment of bad debts	(259)	(206)
Net receivables from customers	**1,004**	**991**
Supplier receivables	1,551	1,346
Total	**2,555**	**2,337**

Trade receivables are primarily amounts due from Group franchisees.
Supplier receivables correspond to rebates and commercial incentives receivable from Group suppliers.

NOTE 21: OTHER CURRENT FINANCIAL ASSETS

(in millions of euros)	12/31/2010	12/31/2009
Assets available for sale	1,525	1,749
Derivatives	13	68
Deposits at more than three months	260	235
Other	14	(0)
Total	**1,811**	**2,051**

NOTE 22: OTHER ASSETS

(in millions of euros)	12/31/2010	12/31/2009
Receivables from employees	31	25
Loans at less than one year	55	12
Receivables from the disposal of intangible, tangible and financial assets	124	67
Prepaid expenses	378	444
Other net operating receivables	455	427
Total	**1,043**	**976**

NOTE 23: CASH AND CASH EQUIVALENTS

(in millions of euros)	12/31/2010	12/31/2009
Cash equivalents	936	988
Cash	2,335	2,312
Total	**3,271**	**3,300**

NOTE 24: SHAREHOLDERS' EQUITY

CAPITAL MANAGEMENT

The shareholders' equity of the parent company, Carrefour, must be sufficient to comply with the provisions of the French Commercial Code. The Group holds a stake in a number of companies that conduct financial activities (banks, insurance companies). These subsidiaries must have adequate shareholders' equity to meet solvency requirements and regulatory limits in the countries where they operate.

The capital used by the Group (shareholders' equity and financial debt) is managed so as to:

- Ensure the continuity of the Group's operations.
- Generate profitability for shareholders and benefits for other stakeholders.
- Maintain an appropriate ratio of shareholders' equity to debt in order to minimize the cost of capital and preserve a healthy credit rating from ratings agencies.

In addition, in order to maintain or adjust its capital structure, the Group may be prompted to take out new debt or repay existing debt, adjust the amount of its dividends paid to shareholders, conduct a capital repayment to shareholders, issue new shares, buy back existing shares or sell assets in order to reduce debt levels.

EQUITY CAPITAL

As of December 31, 2010, equity capital comprised 679,336,000 ordinary shares with a nominal value of 2.5 euros. All issued shares were fully paid up.

(in thousands of shares)	2010	2009
In circulation as of January 1	704,903	704,903
Issuance against cash	-	-
Exercised stock options	-	-
Cancellation of securities	(25,567)	-
In circulation as of December 31	**679,336**	**704,903**

TREASURY STOCK

As of December 31, 2010, the number of treasury shares totalled 3,657,589, compared with 563,488 at the end of 2009.

1) Liquidity contract

On October 17, 2010, the liquidity contract given by Carrefour to SG Securities (Paris) came to an end. As of that date, 98,500 shares appeared in the liquidity account.

2) Hedging of share-purchase option plans and free-share allocation plans

In particular, treasury shares are used to hedge share-purchase option and free-share allocation plans. All rights are suspended until these shares are returned to circulation.

Carrefour restructured its hedging instruments during the course of 2009 with regard to its share-purchase option and free-share allocation plans. On June 15, 2009, the Group disposed of 18,638,439 shares at a unit price of 28.725 euros, for a total selling price of 535 million euros. On the same day, Carrefour made a forward purchase of 18,638,439 shares at the same unit price of 28.725 euros per share. This transaction had no impact on the consolidated income statement.

As part of its forward share-purchase plan, since the end of 2009 Carrefour has purchased 3,018,239 shares at the various deadlines set forth in the contract, at a unit price of 28.725 euros.

Over the same period, 326,250 treasury shares were exercised or allocated.

As of December 31, 2010, 2,691,989 treasury shares were held to hedge share-purchase option and free-share allocation plans.

3) Purchase and cancellation

The Board of Directors implemented a share-buyback programme for the Company (authorized by the Shareholders' Meeting of May 4, 2010) in order to reduce share capital.

The initial duration of this buyback programme was 18 months as of May 4, 2010. On May 1, 2011, the Board of Directors decided to end the programme.

As of December 31, 2010, 26,433,816 shares had been repurchased through this share-buyback programme.

In accordance with the authorization given by the 11th resolution of the May 4, 2010 Shareholders' Meeting to reduce share capital through cancellation of shares purchased within the scope of authorizations given to it, the Board of Directors' meeting of November 30, 2010 decided to implement the aforementioned resolution and granted full authority to the Chief Executive Officer to carry out the reduction in share capital. Via a ruling on December 13, 2010, the Chief Executive Officer cancelled 25,566,716 shares with a nominal value of 2.5 euros per unit. Carrefour's share capital was accordingly reduced by 63,916,790 euros and now totals 1,698,340,000 euros.

As of December 31, 2010, 867,100 shares were in the process of being cancelled.

DIVIDENDS

In 2010, the Group paid a dividend of 1.08 euros per share for the year 2009, for a total amount of 740 million euros.

Income per share

Net income per share before dilution	2010	2009
Net income from recurring operations – Group share (in millions of euros)	382	343
Net income from discontinued operations – Group share (in millions of euros)	52	(67)
Net income – Group share	433	276
Average weighted number of shares	677,979,764	685,674,840
Net income from recurring operations per share (in euros) – Group share	**0.56**	**0.50**
Net income from discontinued operations per share (in euros) – Group share	**0.08**	**(0.10)**
Net income per share – Group share (in euros)	**0.64**	**0.40**

Net income per share after dilution	2010	2009
Net income from recurring operations – Group share (in millions of euros)	382	343
Net income from discontinued operations – Group share (in millions of euros)	52	(67)
Net income – Group share	433	276
Average weighted number of shares	677,979 764	685,674 840
Dilutive shares	0	0
Number of shares restated	677,979 764	685,674 840
Net income from recurring operations per share (in euros) – Group share	**0.56**	**0.50**
Net income from discontinued operations per share (in euros) – Group share	**0.08**	**(0.10)**
Net income – Group share per share after dilution (in euros)	**0.64**	**0.40**

Treasury stock and the shares involved in the forward purchase described in the previous paragraph are not considered shares in circulation for the purpose of calculating net earnings per share.
Before and after dilution, the impact of restatements described in Note 1.4 on net income – Group share per share totalled -0.08 euros in 2009 (net income – Group share per share published in 2009 totalled 0.48 euros).

SHARE-BASED PAYMENT

The charge recorded in the 2010 income statement for share-based payments stood at 54 million euros. This charge amounted to 61 million euros in 2009. In accordance with the IFRS 2 standard, this charge, adjusted for tax effect, was offset by an increase in shareholders' equity. The share-purchase option and free-share plans established by the Group as compensation for its managers and certain employees have the following characteristics:

Free shares

Plan year	2008	2009	2009	2009	2009	2010	2010	2010	2010
Allocation date (1)	16-July-08	17-June-09	17-June-09	13-Jan-09	17-June-09	13-April-10	16-July-10	16-July-10	30-Aug-10
Date of transfer of ownership	16-July-11	17-June-12	17-June-11	13-Jan-11	17-June-11	13-April-12	16-July-13	16-July-12	31-Aug-12
Transferability date	16-July-13	17-June-14	17-June-13	13-Jan-13	17-June-13	13-April-14	16-July-15	16-July-14	31-Aug-14
Vesting conditions									
Presence conditions (2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
External performance conditions (3)	No	No	Yes	No	No	No	No	Yes	No
Fair value of share on date granted									
Reference (spot) price in euros	33.8	31.54	31.54	26.99	31.54	37.65	34.59	34.59	37.85
Number of shares									
Shares for attribution at the plan's outset *(a)*	93,500	94,700	461,300	100,000	35,000	20,000	458,610	399,220	30,000
Cancellations (b)	10,000	25,000	100,000	0	0	0	7,800	0	0
Shares for attribution on December31, 2010 (a-b)	**83,500**	**69,700**	**361,300**	**100,000**	**35,000**	**20,000**	**450,810**	**399,220**	**30,000**

(1) Date of the Management Board meeting (prior to July 28, 2008) or Board of Directors meeting (after that date) where the decision to grant each plan was made.
(2) Acquisition of the shares is contingent on the employee's continued presence in the Group, generally for a period of between two and three years.
(3) Performance of Carrefour stock relative to a reference basket of shares.

Delivery of shares and cancellation of rights following the departure of beneficiaries during 2010 were as follows:

Plan year	2007	2008 (1)	2009	2010	Total, plans
Shares delivered	126,500				**126,500**
Cancellations		50,500	122,000	7,800	**180,300**

(1) The 2008 plan, which included performance conditions, expired in 2010. Since no external performance conditions were fulfilled, no shares were issued.

Share-purchase options

Plan year	2007	2008	2008	2009	2010	2010	2010
Allocation date [1]	15-May-07	6-June-08	7-July-08	17-June-09	4-May-10	16-July-10	16-July-10
Vesting date[2]	50% on 15-May-09 75% on 15-May-10 100% on 15-May-11	50% on 06-June-10 75% on 06-June-11 100% on 06-June-12	50% on 07-July-10 75% on 07-July-11 100% on 07-July-12	50% on 17-June-11 75% on 17-June-12 100% on 17-June-13	50% on 04-May-12 75% on 04 May-13 100% on 04 May-14	50% on 16-July-12 75% on 16-July-13 100% on 16-July-14	50% on 16-July-12 75% on 16-July-13 100% on 16-July-14
Plan expiry date[3]	14-May-14	5-June-15	6-July-15	16-June-16	3-May-17	15-July-17	15-July-17
Fair value of share on date granted							
Exercise price in euros	56.40	45.26	45.26	33.7	37.46	34.11	34.11
Reference price in euros on date granted	52.23	32.8	43.94	31.54	35.26	35.26	35.26
Volatility in %	25.54%	32.25%	33.15 %	43.35%	22.85%	22.85%	22.85%
Dividend growth in %	12.96%	2.25%	2.34 %	(34.95%)	3.33%	3.33%	3.33%
Interest rate in %	4.50%	4.80%	4.80 %	3.30%	(4%)	(4%)	(4%)
Fair value of option in euros[4]	**10.92**	**7.31**	**14.74**	**12.67**	**6.55**	**5.96**	**5.96**
Number of options							
Shares for attribution at plan's outset[a]	3,884,300	4,093,500	15,000	7,407,325	60,000	1,279,500	1,722,300
Options cancelled [b]	500,325	760,400	0	809,350	0	0	29,600
Options vested as of December 31, 2010 [c]	2,635,885	1,779,500	7,500	0	0	0	0
Options exercised [d]	0	0	0	0	0	0	0
Options not yet vested as of December 31, 2010 [a-b-c-d]	748,090	1,553 ,600	7,500	6,597,975	60,000	1,279,500	1,692,700

(1) Date of the Management Board meeting (prior to July 28, 2008) or Board of Directors meeting (after that date) where the decision to grant each plan was made.
(2) Vesting of the share-purchase options is subject to presence conditions. As of 2006, these conditions are as follows:
- *50% of options vested at the end of two years.*
- *25% of options vested at the end of three years.*
- *25% of options vested at the end of four years.*

With regard to the option exercise date, special procedures apply in the event of the beneficiary's death.
(3) End of the period during which the option may be exercised.
(4) The option's fair value is calculated on the basis of the Black & Scholes model. Until 2009, the volatility rate and the growth of dividends and interest were determined by means of a benchmark defined via a panel of banks. Assumptions regarding volatility and dividends are now determined based on historical data, while the interest rates used come from a zero-coupon yield curve published by Reuters on the plan allocation date. In addition, maturity for the 2010 plans was set at seven years.

The balance for options that could be still exercised for previous plans and whose rights had been awarded in full at the end of 2010 are as follows:

Plan year	2004	2005	2006
Balance of exercisable options	1,307,500	3,329,200	5,915,875

Option transfers and cancellations of rights following the departure of beneficiaries during 2010 were as follows:

Plan year	2003	2004	2005	2006	2007	2008	2009	2010	Total plans
Options vested				1,383,903	843,161	1,787,000			**4,014,064**
Options cancelled	21,000	124,000	532,700	21,100	143,775	374,350	760, 200	29,600	**2,006,725**

Only 2,000 options under the 2003 plan were exercised in 2010.

NOTE 25: PROVISIONS

(in millions of euros)	12/31/2009	Foreign-currency translation	Allowance	Discounting	Reversals (unused)	Reversals (used)	Other [3]	12/31/2010
Provisions for retirement benefits – Note 26	689	3	53	40	(1)	(54)	3	734
Legal risk [1]	1,195	40	669	0	(66)	(119)	80	1,799
Restructuring	79	0	26	0	(25)	(24)	1	57
After-sales service	23	0	15	0	0	(23)	0	15
Other [2]	629	26	223	6	(69)	(137)	(95)	583
Total	**2,616**	**69**	**986**	**46**	**(161)**	**(357)**	**(11)**	**3,188**

(1) Provisions for disputes comprise elements related to tax, labour and legal risk.
The net allowance of 484 million euros mainly results from the reassessment of the degree of risk for tax disputes in Brazil.
(2) Other provisions mainly comprise those covering insurance risk, store closures and onerous contracts.
(3) Movements during the fiscal year are explained by reclassification of provisions between the 'Other' and 'Disputed' categories, the reclassification of provisions in Thailand as available-for-sale liabilities and changes in the consolidation scope (Bulgaria and Turkey).

In the normal course of business, Group companies are involved in certain legal proceedings and litigation. In addition, they are the subject of tax audits, some of which may result in a tax adjustment. The main disputes are described in Note 27. In each case, the risk is assessed by Group management and its advisors.

A provision is made when the Group has a current obligation (legal or implicit) arising from a past event, it is likely that an outflow of resources will be required to settle the obligation, and the amount of this obligation can be reliably estimated.

On December 31, 2010, the amount of provisions for disputes recorded by the Group for all disputes in which it is involved totalled 1,799 million euros. The Group has not provided a breakdown, since disclosing the amount of a provision that may be established for an ongoing dispute would cause the Group serious harm.

NOTE 26: PROVISIONS FOR RETIREMENT BENEFITS

The cost of retirement indemnities is determined at the end of each fiscal year on the basis of employee seniority and the probability of their continued employment up to retirement. The calculation is based on an actuarial method that incorporates assumptions regarding salary increases and retirement age. The commitment of the Group is entirely covered by provisions and by payments to external agencies.

Summary of the defined-benefit schemes' financial position in the Group's three main countries (France, Italy and Belgium)

The Group's defined-benefit schemes primarily involve supplemental pensions paid in certain countries each year to retired former Group employees, as well as retirement bonuses provided by virtue of collective bargaining agreements that are paid in a lump sum upon retirement.

Breakdown of charges to income statement (in millions of euros)	2010	2009
Service costs	37	29
Financial cost	42	46
Expected return on financial assets	(11)	(11)
Other	19	4
Total Expenses (income)	**87**	**69**

Balance-sheet movements (in millions of euros)	Total
Provision as of December 31, 2008	**597**
Impact on income statement	69
Changes in consolidation perimeter	0
Benefits paid	(52)
Other	(1)
Provision as of December 31, 2009	**612**
Impact on income statement	87
Changes in consolidation perimeter	2
Benefits paid	(49)
Other	(6)
Provision as of December 31, 2010	**646**

Change in the fair value of hedging assets (in millions of euros)	Total
Fair value as of December 31, 2008	**223**
Changes in consolidation perimeter	(0)
Expected return	11
Benefits paid by the fund	(19)
Actuarial (losses)/gains	7
Other	12
Fair value as of December 31, 2009	**234**
Changes in consolidation perimeter	0
Expected return	11
Benefits paid by the fund	(27)
Actuarial (losses)/gains	(2)
Other	6
Fair value as of December 31, 2010	**222**

Hedging assets can be broken down as follows:

	December 31, 2010			December 31, 2009		
	Bonds	Shares	Property and other	Bonds	Shares	Property and other
France	77%	19%	4%	76%	20%	4%
Belgium	81%	14%	4%	81%	14%	4%

Hedging assets primarily relate to the schemes in France and Belgium. There are no hedging assets in Italy, as the pension commitment is hedged in full by the provision.

The expected return on these assets has been determined on the basis of the calculated weighted average of the expected return by asset category on total asset value.

As of December 31, 2010, the asset return rate stood at 4.68% in Belgium (compared to 4.61% in 2009) and 4.9% in France (compared to 5.05% in 2009). An increase (decrease) of 1% in the expected return on pension hedging assets would lead to an increase (decrease) in the annual financial income reported for the 2010 fiscal year of 2.3 million euros for France and Belgium.

Provision (in millions of euros)	12/31/2010	12/31/2009
Defined benefit obligations (DBOs)	1026	990
Unrecognized actuarial adjustments	(129)	(110)
Unrecognized past-service costs	(29)	(34)
Fair value of hedging assets	(222)	(234)
Provision	**646**	**612**

The increase in the actual value of the commitment is principally the result of the lower discount rate in France and Belgium (4.5% in 2010 vs. 4.9% in 2009), partially offset by the impact of the change in retirement age as set forth in the 2010 French retirement reforms.
Unrecognized past service costs concern the supplemental pension plan implemented by Carrefour in 2009 for the benefit of its main executives, subject to compliance with certain conditions. It is recorded under off-balance-sheet commitments.
The assumptions used to assess the value of retirement bonus commitments are shown in the table below:

	2010	2009
Retirement age	Age 60-65	Age 60-65
Salary increases	1.5% to 3.0%	1.5% to 3.0%
Rate of employer's social-security contributions	7% to 45%	7% to 45%
Discount rate	3.9% to 4.5%	4.7% to 4.9%

The discount rate in France and Belgium stood at 4.5%, versus 4.9% in 2009. This rate is based on a benchmark index (iBoxx) that compiles the performance of AA-rated corporate bonds over 10 years.
The discount rate used for Italy was 3.9%, compared with 4.7% in 2009. This rate is determined using a yield curve for high-quality corporate bonds and is consistent with the bonds' estimated term for the benefits granted.
Sensitivity testing indicates that reducing the discount rate by 25 and 50 basis points would have affected the actual value of the commitment for the schemes in France and Belgium on the scale of approximately 24 million euros and 50 million euros respectively.

NOTE 27: DISPUTES

Certain Group companies were or are the subject of audits by tax authorities in countries where they are registered.
Carrefour Brazil is subject to tax audits in each state in which it operates. There were a number of tax adjustments, but the principal ones took place in the states of Rio de Janeiro and Sao Paolo. These concern the tax on distribution of goods and services (ICMS) and tax credits recorded for this purpose (determination of amounts and their documentation), as well as contributions concerning the social-integration programme and social-security funding (Pis-Cofins). The Group disputes the merits of most of the reasons for the adjustment, specifically the constitutionality of certain legislative provisions under which these adjustments were issued. Tax adjustments totalled 1.2 billion euros. The estimate of the degree of risk for each dispute is reviewed by Carrefour Brazil's legal advisors, and a provision is recognized accordingly.
Spanish law allows companies investing abroad to deduct a percentage[1] of the amount such companies invest in a foreign subsidiary from corporate income tax, so long as this investment promotes development of the company's exportation of goods and services to the subsidiary. Dia has used this right since 1994. However, the Spanish tax authority issued tax adjustments in the amount of 97 million euros on the grounds that the volume of exports was disproportionate to the size of the investments made between 1998 and 2007. Litigation is ongoing. Dia lost at the trial-court level and on appeal in 2007, and has filed a further appeal.

In 2010, Carrefour received a tax adjustment notice for the 2003 to 2007 fiscal years in the amount of 130 million euros. Carrefour disputes the merits of these adjustments.
In 2008, and 2009, some French companies within the Group received notifications concerning calculation of VAT collected during the 2003 to 2008 financial years. Carrefour disputes the merits of these adjustments and has appealed to the administrative courts.

(1) 25% between 1994 and 2006, 12% in 2007 (the last year Dia used the export tax credit).

Carrefour paid the tax on the purchase of meat (quartering levy) until 2003. In 2003, the Court of Justice of the European Union found that this tax, the income from which was returned to quartering companies, constituted state aid incompatible with European Union law. Accordingly, Carrefour obtained tax relief, and the quartering levy paid between 1997 and 2003 was reimbursed to the Group. In 2004, the tax administration reversed its decision and sought to recover the reimbursed levy for the years 2001 to 2003 in the amount of 150 million euros. Carrefour disputes the merits of this request. Legal proceedings were brought before the administrative courts.

In Belgium, the Group has a 'coordination centre.' A royal order issued in December 1982 established a tax system for approved coordination centres that overrides the common-law system, whereby such centres are taxable based on fixed taxable income corresponding to a percentage of total operating costs and expenses.

In 2003, the European Commission adopted a ruling which held that this special tax regime constituted state aid incompatible with the common market. However, the Carrefour Coordination Centre (CCC) obtained an extension of the special tax regime from the Belgian authorities until December 31, 2005.

In November 2007, the European Commission found that the extension of the coordination-centre system beyond December 31, 2005 was unlawful. In March 2010, an appeal filed by the CCC in February 2008 was found to be inadmissible. In May 2010, the CCC filed an appeal before the Court of Justice of the E.U.

NOTE 28: FINANCIAL LIABILITIES

NOTE 28.1 NET DEBT

The Group's net debt may be analyzed as follows:

(in millions of euros)	12/31/2010	12/31/2009
Bonds	9,488	8,499
Other borrowings and long-term debt	1,797	1,720
Commercial paper	500	500
Leasing	523	407
Total debt, excluding derivative liabilities	**12,308**	**11,125**
Derivatives – liabilities	771	826
Total debt	**13,079**	**11,951**
Other current financial assets	1,811	2,051
Cash	3,271	3,300
Total Investment	**5,082**	**5,351**
Net debt	**7,997**	**6,600**

The impact of amended IAS 17's application on net debt totalled 116 million euros in 2010.

NOTE 28.2 BORROWING

Breakdown of borrowing, excluding derivative liabilities, according to interest-rate type

(in millions of euros)	12/31/2010	12/31/2009
Fixed-rate debt	10,507	9,227
Variable-rate debt	1,801	1,898
Total	**12,308**	**11,125**

Fixed-rate debt on issuance (before swaps) is classified as fixed-rate debt.

Floating-rate debt on issuance (before swaps) is classified as floating-rate debt.

Breakdown of borrowing, excluding derivative liabilities, by currency

(in millions of euros)	12/31/2010	12/31/2009
Euro	11,047	10,187
Brazilian real	770	707
Chinese yuan	55	43
Turkish lira	50	2
Taiwanese dollar	169	92
Malaysian ringgit	74	19
Argentinian peso	1	0
Colombian peso	81	36
Thai baht	0	15
Polish zloty	40	10
Romanian lei	8	12
Indonesian rupiah	13	1
Total	**12,308**	**11,125**

The debt in euros represented 90% of the total in December 2010, against 92% in December 2009.

Breakdown of bonds (nominal value)

(in millions of euros)	Maturity	Total
Breakdown of bonds		**9,665**
Public issues:		**9,296**
Euro MTN Bond, EUR, 8 years, 4.375%	2011	1,100
Euro MTN Bond, EUR, 2.5 years, 4.375%	2011	300
Euro Bond, EUR, 5 years, Euribor 3M+15bp	2012	200
Euro MTN Bond, GBP, 10 years, 5.375%	2012	796
Euro Bond Fixed rate, EUR, 8 years, 3.625%	2013	750
Euro MTN Bond, EUR, 5 years, 6.625%	2013	700
Euro Bond Fixed rate, EUR, 7 years, 5.125%	2014	1,250
Euro MTN Bond, EUR, 5 years, 5.125%	2014	250
Euro Bond Fixed rate, EUR, 7 years, 5.375%	2015	1,000
Euro Bond Fixed rate, EUR, 10 years, 3.825%	2015	50
Euro Bond Fixed rate, EUR, 10 years, 3.85%	2015	50
Euro Bond Fixed rate, EUR, 10 years, 4.375%	2016	600
Euro MTN Bond, EUR, 8 years, 4.678%	2017	250
Euro MTN Bond, EUR, 10 years, 4.00%	2020	1,000
Euro MTN Bond, EUR, 11 years, 3.875%	2021	1,000
Private issues:		**368**

The bonds-payable amounts shown in this table correspond to the redemption value of those debts. They therefore reflect the effect at maturity of any hedging swaps originally established. The valuation of this hedging is not shown in the table above.

Breakdown of borrowing, excluding derivative liabilities, by maturity date		
(in millions of euros)	12/31/2010	12/31/2009
1 year	2,715	2,158
2 years	1,216	1,503
3-5 years	4,868	4,472
Over 5 years	3,509	2,992
Total	**12,308**	**11,125**

Bank covenants

A portion of Carrefour Brazil's bank indebtedness is subject to the following two covenants:

– The liquidity ratio (current assets in relation to current liabilities) must be greater than or equal to 0.85.

– The solvency ratio (shareholders' equity in relation to the total balance sheet) must be greater than or equal to 0.25.

As of December 31, 2010, these ratios were in compliance.

NOTE 29: CONSUMER CREDIT REFINANCING FROM FINANCIAL-SERVICES COMPANIES

Consumer credit refinancing is performed by means of bank loans contracted by financial-services companies and, as of 2009, by means of a bond taken out by the Group and assigned to this activity.

NOTE 30: FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS RECORDED ON THE BALANCE SHEET

Breakdown by category of instruments (as 12/31/2010)

(in millions of euros)	Book value	For fair value by result	Assets available for sale	Loans, receivables and other liabilities	Liabilities at amortized cost (1)	Derivatives
Investments	181		181			
Other long-term financial investments	1,361	-		1,361		
Other non-current financial assets	1,542	-	181	1,361	-	-
Total consumer credit from financial-services companies	5,556			5,556		
Commercial receivables	2,555			2,555		
Other current financial assets	1,811		1,525	274		13
Other assets (2)	664			664		
Cash and cash equivalents	3,271	3,271				
ASSETS	**15,400**	**3,271**	**1,706**	**10,410**	**-**	**13**
Total borrowings	13,079				12,308	771
Total consumer-credit refinancing	5,020				5,020	
Suppliers and other creditors	16,796			16,796		
Other liabilities (3)	2,765			2,765		
LIABILITIES	**37,660**	**-**	**-**	**19,561**	**17,328**	**771**

(1) Including financial liabilities that are the subject of a fair-value hedge.
(2) Excluding prepaid expenses.
(3) Excluding prepaid income.

Breakdown by category of instruments (as 12/31/2009)

(in millions of euros)	Book value	For fair value by result	Assets available for sale	Loans, receivables and other liabilities	Liabilities at amortized cost (1)	Derivatives
Investments	274		274			
Other long-term financial investments	1,036			1,036		
Other non-current financial assets	1,310	-	274	1,036	-	-
Total consumer credit from financial-services companies	5,220			5,220		
Commercial receivables	2,337			2,337		
Other current financial assets	2,051		1,749	235		67
Other assets (2)	532			532		
Cash and cash equivalents	3,300	3,300				
ASSETS	**14,749**	**3,300**	**2,022**	**9,359**	**-**	**67**
Total borrowings	11,951				11,126	825
Total consumer-credit refinancing	4,653				4,653	
Suppliers and other creditors	16,800			16,800		
Other liabilities (3)	2,691			2,691		
LIABILITIES	**36,094**	**-**	**-**	**19,491**	**15,779**	**825**

(1) Including financial liabilities that are the subject of a fair-value hedge.
(2) Excluding prepaid expenses.
(3) Excluding prepaid income.

Within the scope of financing its activities, on July 22, 2010 the Group established a financing structure with a banking partner, using a non-consolidated dedicated vehicle. This vehicle subscribed for a 1 billion euro bond issued by Carrefour through its EMTN programme. In addition, Carrefour granted a loan of 255 million euros to this same vehicle. The structure does not expose Carrefour to any liquidity risk. The fair value of the loan granted to the vehicle is determined by using an assessment model with non-observable parameters. This led Carrefour to record a discrepancy between the initial price of the transaction and the initial valuation provided by the model. This discrepancy is qualified as Day-1 profit, which cannot be recorded in the income statement in its entirety. Accordingly, a profit of 38 million euros was recorded when the structure was established. The balance of 88 million euros was deferred and will be entered in the income statement as the parameters become observable.

FAIR VALUE

Fair value/book value (in millions of euros)	12/31/2010 Book value	12/31/2010 Fair value	12/31/2009 Book value	12/31/2009 Fair value
Investments	181	181	274	274
Other long-term financial investments	1,361	1,361	1,036	1,036
Other non-current financial assets	**1,542**	**1,542**	**1,310**	**1,310**
Consumer credit from financial-services companies	5,556	5,556	5,220	5,220
Commercial receivables	2,555	2,555	2,337	2,337
Other current financial assets	1,811	1,811	2,051	2,051
Other assets	664	664	532	532
Cash and cash equivalents	3,271	3,271	3,300	3,300
Total assets	**15,400**	**15,400**	**14,749**	**14,749**
Debt hedged for fair value	2,047	2,047	1,046	1,046
Debt hedged for cash flow	695	695	780	780
Fixed-rate debt	8,323	8,672	8,173	8,596
Unhedged debt	720	720	720	720
Liabilities related to finance-lease agreements	523	523	407	407
Interest-rate derivatives	771	771	826	826
Total borrowings	**13,079**	**13,428**	**11,951**	**12,374**
Suppliers and other creditors	16,796	16,796	16,800	16,800
Consumer-credit refinancing	5,020	5,020	4,653	4,653
Other liabilities	2,765	2,765	2,691	2,691
Total liabilities	**37,660**	**38,009**	**36,094**	**36,517**
Total (+ net liability/- net asset)	**22,260**	**22,609**	**21,345**	**21,768**
Non-recorded profit (losses)		**(349)**		**(423)**

An evaluation of the fair value of financial instruments held by the Group is made whenever it can be reliably estimated on the basis of market data for assets not intended for sale.

Breakdown of assets and liabilities calculated at fair value (excluding cash and cash equivalents) as of December 31, 2010 (in millions of euros)	Level 1	Level 2	Level 3	Total
Investments			181	**181**
Current financial assets available for sale	1,463	61		**1,525**
Current financial assets – derivatives		12		**12**
Derivatives – liabilities		(244)	(527)	**(771)**

There are three levels of fair value:

- Level 1: fair value is calculated with reference to (unadjusted) prices quoted on asset markets for identical assets and liabilities.
- Level 2: fair value is calculated with reference to the quoted prices indicated for Level 1 that are observable for the asset or liability in question, either directly (i.e. prices) or indirectly (i.e. data derived from the price).
- Level 3: fair value is calculated with reference to data for the asset or liability that is not based on observable market data.

CASH-FLOW HEDGES

The following table indicates the periods during which the Group expects cash flows associated with derivatives qualified for cash-flow hedges to occur and impact the results.

	2010					2009				
(in millions of euros)	Book value	Anticipated cash flow	< 1 year	> 1 year	> 5 years	Book value	Anticipated cash flow	< 1 year	> 1 year	> 5 years
Interest-rate hedges *	(64)	(75)	(11)	(64)	0	(30)	(37)	(9)	(28)	(1)
Exchange-rate hedges *	617	635	635	0	0	199	203	203	0	0
Total	**553**	**560**	**624**	**(64)**	**0**	**169**	**165**	**194**	**(28)**	**(1)**

** Interest-rate risk mainly concerns swaps, whereas currency instruments are essentially comprised of forward contracts.*

NOTE 31: OTHER LIABILITIES

(in millions of euros)	12/31/2010	12/31/2009
Social-security liabilities	1,702	1,642
Accounts payable to fixed-asset suppliers	669	591
Prepaid income	59	57
Miscellaneous liabilities	394	457
Total	**2,824**	**2,747**

NOTE 32: RISK MANAGEMENT

The principal risks attached to the Group's financial instruments are interest-rate, foreign-exchange, credit, liquidity and share risk. The Group's policy for addressing these various risks is described in the following paragraphs.

MARKET RISK

Market risk corresponds to the risk of variations in market price, such as exchange rates, interest rates and the price of equity instruments, that affect Group results. The purpose of market-risk management is to manage and control exposure to market risk within acceptable limits while optimizing the profitability/risk trade-off.
The Group buys and sells derivatives in order to manage market risk. All of these transactions are executed in compliance with directives set forth by the Risk Committee. In general and to the extent possible, the Group seeks to apply hedge accounting to manage the volatility of its results.

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 is hedged via forward currency purchases.
Investments planned in foreign countries are sometimes hedged by options.
Local financing operations are generally conducted in the local currency.
The maturity of foreign-exchange transactions is less than 12 months.

INTEREST-RATE RISK

Interest-rate risk is managed centrally by the Group's Cash Flow and Financing Operations department (DTFG). This department has a reporting obligation for its operations, and measures monthly performance in order to identify:

- The outcome of actions undertaken.
- Whether the actions undertaken comply with the Group's risk policy.

The Group's net exposure to interest-rate fluctuation risk is reduced via the use of financial instruments comprising interest-rate swaps and options.
1) For example, the Group guards against the risk of rising interest rates on commercial paper and other short- and medium-term debt through the use of derivatives.
2) Long-term debt is primarily incurred at fixed rates, protecting the Group against rate increases. Nonetheless, the Group uses financial instruments to take partial advantage of falling rates.

This strategy significantly limits the impact of rising interest rates while preserving the benefits of any rate reduction.

Sensitivity to rate changes is calculated (at one year, on the entire debt) as shown in the table below.

Effect of an interest rate simulation on financial expenses* (in millions of euros)	Rate reduction of 0.50%	Rate increase of 0.50%
Variation in financial expenses before derivatives	(19)	19
Variation in financial expenses of derivatives	(2)	(1)
Variation in financial expenses after derivatives	(22)	19

*(Gains), loss.

Based on market data at year-end and the Group's especially low benchmark interest rates, the impact of the interest rate derivatives and financial liabilities assessed at fair value through profit has been established on the basis of an instant variation of +/- 50 basis points in the euro interest-rate curve as of December 31, 2010.

SHARE RISK

1) Carrefour stock

Carrefour is attentive to fluctuations in the price of its shares and makes every effort to maintain a sound capital base in order to:

- Preserve investor, creditor and market confidence, and
- Support the future development of operations.

The Group occasionally purchases its own shares on the market. The rate and volume of these purchases depends on stock prices. These shares are mainly used in the context of programmes under which Group stock options are granted.

2) Other actions

The Group maintains a policy of not holding share positions except under special circumstances.
Consequently, marketable securities and financial investments primarily consist of monetary investments where Group exposure is low.

CREDIT RISK

The Group assesses its exposure as follows:

Exposure to credit risk (in millions of euros)	12/31/2010	12/31/2009
Investments	181	274
Other long-term financial investments	1,361	1,036
Total other non-current financial assets	**1,542**	**1,310**
Consumer credit from financial-services companies	5,556	5,220
Commercial receivables	2,555	2,337
Other current financial assets	1,811	2,051
Other assets	664	532
Cash and cash equivalents	3,271	3,300
Maximum exposure to credit risk	**15,400**	**14,749**

Operating receivables

Operating receivables generally include trade receivables, franchisee receivables and rents receivable from shopping malls. Where appropriate, these are subject to depreciation, which takes into account the debtor's capacity to honour the said debt and the collection period of the receivable.

Breakdown of variations in impairment of bad debts

End of year, 12/31/09	**(206)**
Allocations	(117)
Reversals	68
Other movements	(4)
End of year, 12/31/10	**(259)**

As of December 31, 2010, the net amount of commercial receivables stood at 2,555 million euros (Note 20).

Net past-due receivables totalled 548 million euros. Net receivables more than 90 days past due made up 6% of total net commercial receivables. Since these receivables present no risk of non-recovery, no provision is made for additional depreciation.

Consumer credit from financial-services companies

Consumer credit presented in the balance sheet includes capital remaining due on the balance-sheet date plus interest, compensation and insurance premiums due, as well as outstanding accrued interest on the same date.

Consumer receivables are classified as bad debts as soon as they show a risk of total or partial non-recovery.

Impairment is calculated based on a schedule of due dates established in accordance with historical recovery recorded by product type (earmarked credit, revolving credit, personal loans etc.), precedence and the deterioration of the bad debt.

Breakdown of current and past-due receivables

			Past-due receivables			
(in millions of euros)	Balance at 12/31/2010	Current receivables at year-end	between 0 and 3 months	between 3 and 6 months	between 6 months and 1 year	beyond 1 year
Credit from financial-services companies	**5,556**	5,118	307	47	30	54

			Past-due receivables			
(in millions of euros)	Balance at 12/31/2009	Current receivables at year-end	between 0 and 3 months	between 3 and 6 months	between 6 months and 1 year	beyond 1 year
Credit from financial-services companies	**5,220**	4,613	258	93	156	100

Aging balance of consumer credit from financial-services companies

(in millions of euros)	TOTAL	< 1 year	> 1 year < 5 years	> 5 years
France	2,998	1,398	1,499	101
Belgium	184	164	20	0
Spain	1,222	789	279	154
Italy	127	82	29	16
Greece	16	13	3	0
Argentina	98	90	8	0
Brazil	902	902	0	0
Dia Spain	9	6	3	0
Total	**5,556**	**3,444**	**1,841**	**272**

Investments

The Group limits its exposure to credit risk by diversifying its investments in liquid securities and limiting them to counterparties with a minimum credit rating of A with Standard and Poor's and A1 with Moody's.

Liquidity risk

Liquidity risk covers two notions:

• The risk that an asset or liability cannot be easily converted into cash or incurs a significant lost of value given market conditions (extremely weak trade volume does not ensure that the instrument will be listed at all times). If the Group is no longer able to easily convert its debt instruments into cash, it faces a risk of insufficient cash flow leading to

• Solvency risk.

Liquidity risk is therefore in the nature of:

• Insufficient available cash, and then

• Insufficient commitments received by the banks and/or an inability to issue new debt on the market, and finally

• Illiquidity of all long-term assets.

The combination of all these factors leads to insolvency.

To manage liquidity risk, the Group's approach is to ensure, to the extent possible, that it has sufficient liquid assets at all times to honour its liabilities when they become due, under normal or 'strained' conditions, without incurring unacceptable losses or damaging the Group's reputation.

The primary actions taken by the DTFG to manage liquidity risk have been to:

• Limit annual installment payments to a sum of between 1 billion and 1.5 billion euros.

• Establish syndicated loans amounting to 3.25 billion euros.

• Make limited use of the commercial-paper programme (average use of 0.6 billion euros for an issue capacity of 5 billion euros).

As of December 31, 2010, the Group's liquidity position was solid: the Group had 3.25 billion euros of unconditional, undrawn syndicated loans (maturing in 2012 and 2015) and had issued bonds in the amount of 9.7 billion euros that were already refinanced in advance of their maturity in 2011.

As of December 31, 2010, the commercial-paper programme included a maturity date within two months involving 500 million euros.

In the event of a market failure during which it would be unable to renew its commercial paper, the Group could draw on its syndicated line of credit (up to a maximum amount of 3.25 billion euros).

In November 2009, the financial-services company S2P conducted a securitization transaction by means of a compartmentalized securitization mutual fund, known as Copernic PP 2009-01, with regard to consumer loans totalling 857 million euros. The purpose of this transaction was to create a base of securities eligible to take part in the European Central Bank's open-market transactions. This securitization is 'self-subscribed,' i.e. S2P has fully subscribed the bond issue through the securitization mutual fund in order to finance the acquisition of these consumer loans. The Copernic PP 2009-01 mutual fund is held and consolidated by the Group; consequently, this is an intra-Group transaction having no impact on the Carrefour Group's financial statements. As of December 31, 2010, consumer loans amounted to 414 million euros.

12/31/2010 (in millions of euros)	Book value	Contractual cash flow	< 1 year	2-5 years	> 5 years
Debt hedged for fair value	2,047	2,375	83	819	1,473
Debt hedged for cash flow	695	764	17	526	221
Fixed-rate debt	8,323	9,209	2,432	4,918	1,859
Unhedged debt	720	724	523	201	0
Liabilities related to finance-lease agreements	523	0	0	0	0
Interest-rate derivatives	771	764	25	198	542
Total borrowings	**13,079**	**13,837**	**3,080**	**6,662**	**4,094**
Suppliers and other creditors	16,796	16,796	16,796	0	0
Consumer-credit refinancing	5,020	5,020	4,527	493	0
Other liabilities	2,765	2,765	2,765	0	0
Total	**37,660**	**38,418**	**27,168**	**7,155**	**4,094**

12/31/2009 (in millions of euros)	Book value	Contractual cash flow	< 1 year	2-5 years	> 5 years
Debt hedged for fair value	1,046	924	39	601	285
Debt hedged for cash flow	780	847	93	170	584
Fixed-rate debt	8,173	8,767	1,682	5,275	1,810
Unhedged debt	720	725	502	223	0
Liabilities related to finance-lease agreements	407	0	0	0	0
Interest-rate derivatives	826	1,587	53	979	554
Total borrowings	**11,951**	**12,849**	**2,368**	**7,247**	**3,234**
Suppliers and other creditors	16,800	16,800	16,800	0	0
Consumer-credit refinancing	4,653	4,653	4,061	592	0
Other liabilities	2,691	2,691	2,691	0	0
Total	**36,094**	**36,993**	**25,920**	**7,839**	**3,234**

NOTE 33: CONTINGENT LIABILITIES

In the context of their everyday operations, companies within the Group are regularly subject to tax, customs and administrative audits. The Group is also subject to litigation and disputes. A provision is made when the Group has a current obligation (legal or implicit) arising from a past event, it is likely that an outflow of resources will be required to settle the obligation, and the amount of this obligation can be reliably estimated. No provision is made for future operating losses.

Contingent liabilities correspond to:

- Potential obligations resulting from past events whose existence can be confirmed only by the occurrence of uncertain future events that are not wholly within the company's control, or
- Current obligations arising from past events for which, nonetheless, no provision is made, because it is not likely that an outflow of resources representative of economic advantages will be needed to settle the obligation or because the amount of the obligation cannot be determined with sufficient reliability.

There are currently no contingent liabilities posing a substantial risk of significantly affecting the Group's results, financial situation, assets or operations.

NOTE 34: OFF-BALANCE-SHEET COMMITMENTS

Commitments made and received by the Group that have not been recorded on the balance sheet correspond to contractual obligations that have not yet been executed and are dependent on the fulfillment of conditions or operations subsequent to the year in progress. These commitments are of three types, relating to cash flow, the operation of sales outlets and securities acquisitions. Furthermore, the Group has rental contracts (mainly for rents payable on leased sales outlets and those receivable from its shopping-mall stores) that also represent future commitments either given or received.

1. OFF-BALANCE-SHEET COMMITMENTS RELATING TO FUNDS COMPRISE:

- Lines of credit that can be brought into play, representing confirmed lines of credit made available to the Group and not yet used as of the balance-sheet date.
- Collateral and mortgages given or received, mainly within the context of Group real-estate operations.
- Credit commitments given by the Group's financial-services companies to their customers as part of their operating activities, as well as bank commitments received.

2. OFF-BALANCE-SHEET COMMITMENTS RELATED TO OPERATIONS CONSIST OF:

- Commitments to purchase plots of land under the Group's expansion programme.
- Various undertakings arising from commercial contracts.

- Commitments made to carry out construction work as part of the Group's expansion programme.
- Rental guarantees and guarantees on shopping-mall operators.
- Guarantees for receivables.
- Past-service costs relating to the creation of pension schemes that are to be amortized.
- Any other commitments given or received.

3. COMMITMENTS RELATED TO THE ACQUISITION OF SECURITIES COMPRISE FIRM COMMITMENTS RECEIVED TO PURCHASE OR SELL SECURITIES:

- Mainly in France, in the context of Group franchising activities,
- Plus options to purchase securities and liability guarantees. Liability guarantees received are not disclosed.

4. COMMITMENTS RELATED TO LEASING AGREEMENTS

At the end of December 2010, the Group fully owned 715 hypermarkets out of 1,308 consolidated hypermarkets, 692 supermarkets out of 1,781 consolidated supermarkets and 895 hard-discount stores out of 4,303 consolidated hard-discount stores.

Stores not fully owned are rented under leasing agreements that represented an expense of 1,226 million euros in 2010 (see Note 7).

21% of these commitments related to leasing agreements expiring in less than one year, 34% in one to five years and 44% in more than five years.

The gross amount of future rental payments, determined on the basis of the maximum future commitment made by the Group in terms of both duration and amount for each of the property-leasing agreements existing to date, amounts to 5,162 million euros. The updated amount of these future rental payments totals 3,404 million euros.

The Group also owns shopping centres, mainly anchored by its hypermarkets and supermarkets, that are rented out and represented income of 278 million euros in 2010. The gross amount of future rental payments receivable, dependent on future commitments made by lessees in terms of both the duration and amount of each property-lease agreement existing to date, amounts to 978 million euros. The discounted future rental flow corresponds to a commitment received of 806 million euros.

		Breakdown by maturity			
Commitments given (in millions of euros)	12/31/2010	– 1 year	1-5 years	+ 5 years	12/31/2009
Relating to funds	**9,466**	**5,259**	**3,834**	**373**	**9,089**
Relating to financial-services companies	*8,207*	*4,665*	*3,515*	*27*	*7,741*
Relating to other companies	*1,259*	*594*	*319*	*346*	*1,348*
Relating to operation/property/expansion etc.	**2,573**	**848**	**1,492**	**233**	**1,365**
Relating to disposals of securities	**645**	**377**	**192**	**76**	**643**
Relating to lease agreements	**5,162**	**1,081**	**1,850**	**2,231**	**6,800**
TOTAL	**17,847**	**7,565**	**7,368**	**2,913**	**17,898**

		Breakdown by maturity			
Commitments received (in millions of euros)	12/31/2010	– 1 year	1-5 years	+ 5 years	12/31/2009
Relating to funds	**6,871**	**2,539**	**4,150**	**181**	**6,763**
Relating to financial-services companies	*1,672*	*761*	*862*	*49*	*1,637*
Relating to other companies	*5,199*	*1,779*	*3,288*	*132*	*5,127*
Relating to operation/property/expansion etc.	**748**	**217**	**358**	**173**	**830**
Relating to acquisitions of securities	**422**	**63**	**333**	**26**	**439**
Relating to lease agreements	**978**	**352**	**478**	**148**	**835**
TOTAL	**9,019**	**3,171**	**5,320**	**528**	**8,867**

NOTE 35: EMPLOYEES

	12/31/2010	12/31/2009
Average number of Group employees	464,148	469,666
Group employees at year-end	471,755	475,976

NOTE 36: RELATED PARTIES

Remuneration for the year 2010 paid to the Group's corporate officers is detailed in the 'Remuneration and benefits' section of the Reference Document and in the Management Report issued by the Board of Directors.

NOTE 37: EVENTS AFTER THE REPORTING PERIOD

At its meeting of March 1, 2011, Carrefour's Board of Directors decided to propose a spin-off of 100% of Dia and 25% of Carrefour Property to the employee-representative bodies and shareholders.
With regard to the Dia hard-discount banner, it plans to distribute all Dia shares held by Carrefour in the form of an extraordinary dividend. If the project were carried out, each Carrefour shareholder would receive a number of Dia shares equal to the number of Carrefour shares held. Dia shares would be listed on the Madrid stock exchange.
With regard to the property business, it plans to distribute 25% of Carrefour Property shares in the form of an extraordinary dividend, with the Carrefour Group retaining 75% of Carrefour Property's capital. If the project were carried out, each Carrefour shareholder would receive a number of Carrefour Property shares proportionate to the number of Carrefour shares held. Carrefour Property would remain listed on Euronext Paris.
These proposals would be submitted to the vote of Carrefour shareholders at the Combined Shareholders' Meeting of June 21, 2011 and at Carrefour Property's Combined Shareholders' Meeting of June 23, 2011. If approved by the Shareholders' Meetings of Carrefour and Carrefour Property, the distributions described above would take place in July 2011.

COMPANIES CONSOLIDATED BY FULL INTEGRATION AS OF 31 DECEMBER 2010

FRANCE	Percentage interest used in consolidation	Commercial business register number
ACTIS	100.0	345 274 310
AGON	100.0	326 803 202
ALFROY	100.0	398 260 950
ALLU	100.0	383 966 496
ALODIS	100.0	345 130 306
ANDEY	100.0	349 904 185
BALOURDET	75.0	336 680 129
BARDIS	100.0	350 622 130
BCG	100.0	347 514 895
BEARBULL	100.0	423 143 718
BEAUJEU DISTRIBUTION	100.0	393 681 903
BEAUPADIS	100.0	380 129 932
BELLEVUE DISTRIBUTION	100.0	300 513 041
BERMITTO	100.0	334 897 220
BLO DISTRIBUTION	100.0	379 992 787
BOEDIM	100.0	379 874 571
BPJ	100.0	353 641 152
BREVAL	100.0	389 821 976
BRUMAT	100.0	337 730 683
CADS	97.0	353 110 554
CAMARSYL	100.0	443 499 041
CANNECAR	100.0	421 295 213
CAOR	100.0	428 777 999
CARAUTOROUTES	100.0	433 970 944
CARCOOP	50.0	317 599 231
CARCOOP FRANCE	50.0	333 955 912
CARCOOP STATIONS SERVICE	50.0	523 384 345
CARDADEL	100.0	335 014 411
CARFUEL	100.0	306 094 194
CARJORY	100.0	477 732 887
CARLIER	100.0	379 535 909
CARMA	30.4	330 598 616
CARMA VIE	30.4	428 798 136
CARREFOUR ADMINISTRATIF FRANCE	100.0	428 240 352
CARREFOUR ASSISTANCE À DOMICILE	100.0	487 596 173
CARREFOUR DRIVE	100.0	519 514 574
CARREFOUR FORMATION HYPERMARCHÉS FRANCE (CFHF)	100.0	433 970 811
CARREFOUR FRANCE	100.0	672 050 085
CARREFOUR HYPERMARCHÉS	100.0	451 321 335

	Percentage interest used in consolidation	Commercial business register number
CARREFOUR IMPORT SAS (EX CRFP2)	100.0	434 212 130
CARREFOUR INTERACTIVE	100.0	493 123 095
CARREFOUR MANAGEMENT	100.0	403 245 061
CARREFOUR MARCHANDISES INTERNATIONALES	100.0	385 171 582
CARREFOUR MONACO	100.0	92 502 820
CARREFOUR PARTENARIAT INTERNATIONAL	100.0	420 265 845
CARREFOUR PROPERTY	100.0	775 632 169
CARREFOUR PROPERTY DÉVELOPPEMENT	100.0	381 844 471
CARREFOUR PROPERTY GESTION	100.0	493 123 392
CARREFOUR PROPERTY INTERNATIONAL	100.0	493 123 350
CARREFOUR SA	100.0	652 014 051
CARREFOUR SERVICES CLIENTS	100.0	423 697 523
CARREFOUR STATION SERVICE (ex-PARIDIS 75)	100.0	451 321 376
CARREFOUR SYSTÈMES D'INFORMATIONS FRANCE	100.0	433 929 114
CARREFOUR VOYAGES	100.0	379 601 974
CARTAILLAN	100.0	447 729 815
CASCH	100.0	444 531 180
CENTRE COMMERCIAL DE LESCAR	100.0	332 976 976
CHALLENGER	100.0	383 424 405
CHAMNORD	62.6	303 543 128
CHAMPION SUPERMARCHÉS FRANCE (C.S.F)	100.0	440 283 752
CHARSAC	100.0	326 313 426
CHRISTHALIE	100.0	344 389 820
CHRISTHIA	100.0	349 494 716
CLAIREFONTAINE	100.0	326 964 715
CLV DISTRIBUTION	100.0	305 348 674
CO.DI.GUIL	100.0	324 558 832
COISEL	100.0	378 615 306
COJADIS	100.0	445 018 633
COLIBRI	100.0	501 637 888
COLODIS	100.0	480 569 813
COMIDIS	100.0	333 903 789
COMPAGNIE D'ACTIVITÉ ET DE COMMERCE INTERNATIONAL (CACI)	100.0	352 860 084
CONTINENT 2001	100.0	430 209 650
COSG	100.0	440 091 114
COVIAM 8	100.0	487 647 083
COVICAR 2	100.0	440 274 454
CP TRANSACTIONS	100.0	501 637 607
CPF ASSET MANAGEMENT	100.0	493 123 251
CRFP 10	100.0	444 531 628

	Percentage interest used in consolidation	Commercial business register number
CRFP 11	100.0	444 531 719
CRFP 13	100.0	487 564 590
CRFP 14	100.0	487 564 742
CRFP 15	100.0	487 564 767
CRFP 16	100.0	507 869 220
CRFP 4	100.0	440 160 570
CRFP 8	100.0	439 916 784
CSD	74.0	326 220 654
CSD TRANSPORTS	74.0	433 859 154
CSF France	100.0	501 238 414
CUBZADIS	100.0	353 125 255
DAUPHINOISE DE PARTICIPATIONS	100.0	337 748 552
DAVARD	100.0	333 940 120
DDAPS	100.0	383 946 795
DE LA BUHUETTERIE	100.0	352 295 232
DÉFENSE ORLÉANAISE	30.4	085 580 728
DELANO	100.0	349 532 515
DELDIS	100.0	334 215 316
DEPDIS	100.0	399 705 730
DES JARDINS	100.0	383 329 968
DES TOURNELLES	100.0	423 382 902
DES TROIS G	97.0	347 852 428
DIJOI	100.0	333 134 641
DISANIS	100.0	418 544 516
DISTRIVAL	100.0	383 257 938
DONATO	100.0	385 260 922
ED FRANCHISE SAS	100.0	434 193 454
ED SAS	100.0	381 548 791
ERTECO	100.0	303 477 038
ETADIS	100.0	440 274 355
ETS CATTEAU	100.0	576 280 101
EUROMARCHÉ	100.0	780 060 414
FALDIS	100.0	321 446 015
FINIFAC	100.0	409 468 857
FLORADIS	100.0	330 202 680
FLORITINE	100.0	391 971 678
FORUM DÉVELOPPEMENT	100.0	381 485 176
FOUCHARD	100.0	401 494 091
FROUDIS	100.0	453 681 876
GEDEL	100.0	395 104 243

	Percentage interest used in consolidation	Commercial business register number
GEMILA AND CO	100.0	477 652 614
GENEDIS	100.0	345 130 512
GIE CARREFOUR PERSONAL FINANCE SERVICES	45.6	521 820 852
GERNIMES	100.0	422 414 078
GILVER	100.0	382 944 684
GIMONDIS	100.0	341 002 384
GML - GRANDS MAGASINS LABRUYÈRE	50.0	314 832 387
GML FRANCE	50.0	397 894 296
GML STATIONS SERVICE	50.0	504 801 705
GUILVIDIS	100.0	387 514 508
GUIROVI	100.0	381 618 461
HALLDIS	100.0	391 982 980
HAUTS DE ROYA	100.0	428 470 900
HENNEBO	100.0	342 952 272
HGP	100.0	420 527 369
HYPARLO SAS	100.0	779 636 174
IMMOBILIÈRE CARREFOUR	100.0	323 439 786
IMMOBILIÈRE ERTECO SNC	100.0	389 526 617
IMMODIS	100.0	950 340 927
IMMODIS (ex-HYPARMO)	100.0	334 440 849
IMMOLAILLE	100.0	481 117 059
IMOREAL	100.0	330 894 130
INTERDIS	100.0	421 437 591
JET	100.0	344 565 403
JULIEME	100.0	392 746 194
KERRIS	100.0	340 382 548
LA BLANCHISSERIE	100.0	325 505 352
LA CHARTREUSE	100.0	349 857 011
LA CIOTAT DISTRIBUTION SNC	100.0	451 625 354
LA FONTAINE	100.0	421 787 086
LA TÊTE D'OR	100.0	407 767 706
LA VOULTE DISTRIBUTION	100.0	391 571 312
LALAUDIS	99.0	339 176 885
LAPALUS & FILS (ÉTABS)	100.0	795 920 172
LARRIDIS	100.0	433 073 079
LAUL	100.0	410 261 689
LE DAVID	100.0	384 863 221
LEFAUBAS	100.0	352 379 390
LES CHARTRETTES	100.0	331 222 604
LES GENEVRIERS	100.0	394 364 020

	Percentage interest used in consolidation	Commercial business register number
LIMADOR	100.0	347 981 367
LODIAF	100.0	320 104 193
LOGECAR	100.0	392 080 321
LOGIDIS	100.0	303 010 789
LOGIDIS COMPTOIRS MODERNES	100.0	428 240 287
LOGISAC	100.0	423 684 182
LORDIS	100.0	430 160 010
LOVAUTO	100.0	338 877 897
LUDIS	100.0	345 316 855
L ESTEL	100.0	400 877 395
LVDIS	100.0	342 936 978
MAICHE DISTRIBUTION	100.0	349 361 071
MAISON JOHANES BOUBÉE	100.0	775 583 248
MARJOLOU	100.0	434 527 156
MAUD	100.0	348 116 179
MAUDMI	100.0	381 998 236
MAXIMOISE DE CRÉATION	51.0	351 439 815
MÉGANE	100.0	399 381 979
METARE PLUS	100.0	414 638 791
MONTECO	100.0	385 354 873
MONTEL DISTRIBUTION	100.0	398 834 226
MONTÉLIMAR DISTRIBUTION	100.0	487 596 165
MORTEAU DISTRIBUTION	100.0	327 354 981
NEUVILLE DISTRIBUTION	100.0	439 525 148
NONANCOURT DISTRIBUTION	100.0	316 502 335
NOVIGRAY	100.0	479 570 798
OOSHOP	100.0	420 153 538
ORDIS	100.0	321 393 712
PAIN CHO	100.0	390 722 668
PASLUD	100.0	389 709 510
P.R.M.	100.0	352 442 826
PERPIGNAN DISTRIBUTION SNC	100.0	451 603 070
PHILIBERT	100.0	383 397 049
PHIVETOL	100.0	340 721 844
POULAIN DISTRIBUTION	100.0	500 214 572
PONTORSON DISTRIBUTION	100.0	352 725 808
PROBONY	100.0	399 137 975
PRODIM	100.0	345 130 488
PROFIDIS	100.0	323 514 406
PROFIDIS & CIE	100.0	327 753 372

	Percentage interest used in consolidation	Commercial business register number
QUERCY	100.0	384 913 299
RAZ PRESSE DIFFUSION	100.0	403 749 658
RIOM DISTRIBUTION	100.0	487 596 199
RIOMOISE DE DISTRIBUTION SA	100.0	318 623 790
ROTONDE	100.0	419 705 835
SARSHOP	100.0	352 012 538
S.D.O	100.0	487 280 307
S.L.M. DISTRIBUTION	100.0	453 585 101
S2P - SOCIÉTÉ DES PAIEMENTS PASS	60.8	313 811 515
SAGC	100.0	386 150 379
SAINT-MICHEL DISTRIBUTION	100.0	314 208 752
SARL DE SAINT-HERMENTAIRE	100.0	384 235 602
SAUDIS	100.0	338 625 759
SAVIMMO	100.0	341 876 936
SCI LA SEE	100.0	484 144 399
SCI POUR LE COMMERCE	100.0	378 384 002
SDSM	100.0	378 077 085
SELIMA	100.0	411 495 369
SERFI	100.0	431 350 628
SES 1 (ex-Coviam 7)	100.0	487 647 091
SETEDIS	100.0	309 085 280
SHOPSOLRE	100.0	414 110 916
SICODI	100.0	352 487 722
SIFO	93.0	401 321 344
SMSM	100.0	329 275 978
SOABRAYDIS	100.0	392 349 601
SOBEDIS	100.0	308 250 240
SOBRECO	100.0	379 990 674
SOBRUDIS	100.0	380 848 051
SOCIÉTÉ DE DISTRIBUTION PLOEUCOISE - SODIP	100.0	325 517 464
SOCIÉTÉ DES HYPERMARCHÉS DE LA VÉZÈRE	50.0	382 824 761
SOCIÉTÉ D'EXPLOITATION AMIDIS & Cie	100.0	319 730 339
SOCIÉTÉ FÉCAMPOISE DE SUPERMARCHÉS	100.0	305 490 039
SOCIÉTÉ NOUVELLE SOGARA	50.0	441 037 405
SODILOC	100.0	382 005 916
SODINI	100.0	524 728 508
SODISAL	100.0	332 161 686
SODISCAF	100.0	398 008 565
SODISOR	100.0	788 358 588
SODITA	100.0	482 053 352

	Percentage interest used in consolidation	Commercial business register number
SOESSARDIS	100.0	389 193 541
SOFALINE	100.0	329 303 499
SOFIDIM	100.0	673 820 601
SOFINEDIS	100.0	304 515 380
SOFODIS	100.0	729 201 384
SOGARA	50.0	662 720 341
SOGARA FRANCE	50.0	397 509 647
SOGARA STATION SERVICE	50.0	504 767 104
SOGIP	100.0	805 850 492
SOLEDIS	100.0	401 146 311
SOREDIS	100.0	329 725 865
SOVAL	100.0	847 250 503
SOVIDIS	100.0	390 751 253
SOVIDIS PROPRIANO	100.0	488 127 556
STATION DE LA POTERIE	100.0	442 729 45
STELAUR	100.0	349 140 129
STEMA	100.0	440 068 625
STROFI	100.0	421 892 134
SUPERDIS	96.5	315 399 063
SUPERNANTEUIL	100.0	485 065 155
TIALMON	100.0	403 085 467
TILLY DISTRIBUTION	100.0	350 553 517
TOURANGELLE DE PARTICIPATIONS	100.0	339 487 787
TROIDIS	100.0	439 817 594
UNICAGES	100.0	414 855 650
UNIVU	100.0	351 914 460
VEMPLI	100.0	444 304 190
VEZERE DISTRIBUTION	50.0	478 502 651
VIADIX	100.0	351 233 010
VICIENSE	100.0	387 556 327
VICUS	100.0	333 963 627
VIZEGU	90.0	323 945 154
VTT	100.0	433 047 941

ARGENTINA

	Percentage interest used in consolidation
BANCO DE SERVICIOS FINANCIEROS SA	60.0
INC SA	100.0
CARREFOUR AMERICAS	100.0
DIA ARGENTINA SA	100.0
ATACADAO SA	100.0

BELGIUM

	Percentage interest used in consolidation
CENTRE DE COORDINATION CARREFOUR	100.0
CARREFOUR FINANCE	100.0
FOURCAR BELGIUM SA	100.0
GMR	100.0
NORTHSHORE PARTICIPATION	100.0
SERCAR	100.0
SOUTH MED INVESTMENTS	100.0
ALL IN FOOD	100.0
BIGG'S SA	100.0
BRUGGE RETAIL ASSOCIATE	100.0
CARREFOUR BELGIUM	100.0
CARUM	100.0
DE NETELAAR	100.0
DEURNE RETAIL ASSOCIATE	100.0
DIKON	100.0
DIZO	100.0
ÉCLAIR	100.0
EXTENSION BEL-TEX	100.0
FILMAR	100.0
FILUNIC	100.0
FIMASER	60.0
FOMAR	100.0
FRESHCARE	100.0
FRESHFOOD	100.0
GB RETAIL ASSOCIATES SA	100.0
GENT DAMPOORT RETAIL ASSOCIATE	100.0
GROSFRUIT	100.0
HALLE RETAIL ASSOCIATE	100.0
HEPPEN RETAIL ASSOCIATE	100.0
LA LOUVIÈRE RETAIL ASSOCIATE	100.0
MABE	100.0
OUDENARDE RETAIL	100.0
QUIEVRAIN RETAIL ASSOCIATE	100.0
R&D FOOD	100.0
ROB	100.0
ROTHIDI	100.0
RULUK	100.0
SAMDIS	100.0
SCHILCO	100.0
SINDIS	100.0
SOCIÉTÉ RELAIS	100.0
STIGAM	100.0
VANDEN MEERSSCHE NV	100.0
VERSMARKT	100.0
VOMARKT	100.0
WAPRO	100.0

BRAZIL

	Percentage interest used in consolidation
ATACADAO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA	100.0
BANCO CARREFOUR SA	60.0
BREPA COMERCIO PARTICIPACAO LTDA	100.0
BSF HOLDING	60.0
CARREFOUR COMMERCIO E INDUSTRIA LTDA	100.0
CARREFOUR PROMOTORA DE VENDAS E PARTICIPACOES	60.0
CARREFOUR VIAGENS E TURISMO LTDA.	100.0
COMMERCIAL DE ALIMENTOS CARREFOUR LTDA	100.0
DIA BRASIL	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
RDC FACCOR FACTORING FOMENTO COMERCIAL LTDA.	100.0

CHINA

	Percentage 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

	Percentage interest used in consolidation
CHENGDU CARREFOUR HYPERMARKET CO LTD	80.0
CHENGDU YUSHENG INDUSTRIAL DEVELOPMENT CO LTD	100.0
CHONGQING CARREFOUR COMMERCIAL CO LTD	55.0
DALIAN CARREFOUR COMMERCIAL CO. LTD	65.0
DONGGUAN DONESHENG SUPERMARKET CO	100.0
DONGGUAN CARREFOUR COMMERCIAL CO. LTD	100.0
FOSHAN CARREFOUR COMMERCIALCO. LTD	100.0
FUZHOU CARREFOUR COMMERCIAL CO LTD	100.0
GUANGZHOU JIAGUANG SUPERMARKET CO	80.0
HAIKOU CARREFOUR COMMERCIAL	100.0
HANGZHOU CARREFOUR HYPERMARKET CO. LTD	65.0
HARBIN CARREFOUR HYPERMARKET CO. LTD	65.0
HEFEI YUEJIA COMMERCIAL CO. LTD	60.0
JINAN CARREFOUR COMMERCIAL CO. LTD	100.0
KUNMING CARREFOUR HYPERMARKET CO. LTD	100.0
NANJING YUEJIA SUPERMARKET CO LTD	65.0
NINGBO LEFU INDUSTRIAL DEVELOPMENT CO. LTD	100.0
NINGBO CARREFOUR COMMERCIAL	60.0
QINGDAO CARREFOUR COMMERCIAL	95.0
SHANDONG CARREFOUR COMMERCIAL CO. LTD	100.0
SHANGAI CARHUA SUPERMARKET LTD	55.0
SHENYANG CARREFOUR COMMERCIAL CO LTD	65.0
SHENZHEN CARREFOUR COMMERCIAL	100.0
SHENZHEN LERONG SUPERMARKET 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	55.0
TIANJIN QUANYE CARREFOUR HYPERMARKET CO. LTD	65.0
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 LETIN SUPERMARKET CO. LTD	100.0
ZHUZHOU CARREFOUR COMMERCIAL CO. LTD	100.0
SICHUAN CARREFOUR COMMERCIAL CO. LTD	100.0
HEBEI BAOLONGCANG CARREFOUR COMMERCIAL CO. LTD	51.0
SHIJIAZHUANG CARREFOUR COMMERCIAL CO. LTD	51.0
CHANGZHOU YUEDA CARREFOUR COMMERCIAL CO. LTD	60.0
GUIZHOU CARREFOUR COMMERCIALCO. LTD	100.0
BEIJING DIA COMMERCIAL CO. LTD	100.0
DIA TIANTIAN (SHANGHAI) MANAGEMENT CONSULTING SERVICE CO. LTD	100.0
SHANGHAI DIA RETAIL CO. LTD	100.0

COLOMBIA

	Percentage interest used in consolidation
GSC SA - GRANDES SUPERFICIES DE COLOMBIA	100.0
ATACADAO DE COLOMBIA S.A.S.	100.0

CZECH REPUBLIC

	Percentage interest used in consolidation
ALFA SHOPPING CENTER	100.0
USTI NAD LABEM SHOPPING CENTER	100.0
SHOPPING CENTRE KRALOVO POLE	100.0

GERMANY

	Percentage interest used in consolidation
CARREFOUR PROCUREMENT INTERNATIONAL AG & CO. KG	100.0

GREECE

	Percentage interest used in consolidation
CARREFOUR CREDIT	30.0
CARREFOUR MARINOPOULOS	50.0
GUEDO Holding Ltd.	47.5
PIRAIKO SA	50.0
XYNOS SA	50.0
DIA HELLAS	50.0

HONG KONG

	Percentage interest used in consolidation
CARREFOUR GLOBAL SOURCING ASIA	100.0
CARREFOUR TRADING ASIA LTD (CTA)	100.0
CARREFOUR ASIA LTD	100.0
VICOUR LIMITED	100.0

INDIA

	Percentage interest used in consolidation
CARREFOUR INDIA MASTER FRANCHISE LTD	100.0
CARREFOUR WC & C INDIA PRIVATE LTD	100.0

INDONESIA

	Percentage interest used in consolidation
PT ALFA RETAILINDO TBK	59.9
PT CARREFOUR INDONESIA (EX CONTIMAS)	60.0

IRELAND

	Percentage interest used in consolidation
CARREFOUR INSURANCE	100.0

ITALY

	Percentage interest used in consolidation
CARREFOUR ITALIA	100.0
CARREFOUR ITALIA FINANCE SRL	100.0
CARREFOUR SERVIZI FINANZIARI SPA	60.8
DEMETER ITALIA SPA (ex HYPERMARKET HOLDING)	99.8
DI PER DI SRL	99.8
ETNASTORE SPA	99.8
FINMAR SPA	99.8
GS SpA (EX ATENA)	99.8
IL BOSCO SRL	94.8
SOCIETA SVILUPPO COMMERCIALE	99.8

LUXEMBOURG

	Percentage interest used in consolidation
VELASQUES SA	100.0

MALAYSIA

	Percentage interest used in consolidation
CARREFOUR MALAYSIA SDN BHD	100.0
MAGNIFICIENT DIAGRAPH SDN-BHD	100.0

POLAND

	Percentage interest used in consolidation
CARREFOUR POLSKA PROPER	100.0
CARREFOUR POLSKA WAW	100.0
CARREFOUR POLSKA	100.0

PORTUGAL

	Percentage interest used in consolidation
DIA PORTUGAL SUPERMERCADOS	100.0

ROMANIA

	Percentage interest used in consolidation
ARTIMA SA	100.0
CARREFOUR ROUMANIE	100.0
CARREFOUR VOIAJ	100.0
TERRA ACHIZITII SRL	100.0
CARREFOUR PROPERTY ROMANIA	100.0

RUSSIA

	Percentage interest used in consolidation
CARREFOUR RUS	100.0

SINGAPORE

	Percentage interest used in consolidation
CARREFOUR SINGAPOUR PTE LTD	100.0
CARREFOUR SOUTH EAST ASIA	100.0

SLOVAKIA

	Percentage interest used in consolidation
ATERAITA	100.0
CARREFOUR SLOVENSKO	100.0

SPAIN

	Percentage interest used in consolidation
CARREFOUR CANARIAS, S.A.	95.9
CARREFOUR NAVARRA, S.L.	95.9
CARREFOUR NORTE, S.L.	95.9
CARREFOUR ESPANA PROPERTIES, S.L.	95.9
CARREFOURONLINE S.L (SUBMARINO HISPANIA)	95.9
CENTROS COMERCIALES CARREFOUR, S.A.	95.9
GROUP SUPECO MAXOR	95.9
INVERSIONES PRYCA, S.A.	100.0
NORFIN HOLDER S.L	100.0
CORREDURIA DE SEGUROS CARREFOUR	71.9
SERVICIOS FINANCIEROS CARREFOUR EF.C. (FINANCIERA PRYCA)	57.8
SIDAMSA CONTINENTE HIPERMERCADOS, S.A.	100.0
SOCIEDAD DE COMPRAS MODERNAS, S.A. (SOCOMO)	95.9
SUPERMERCADOS CHAMPION, S.A.	95.9
VIAJES CARREFOUR, S.L.UNIPERSONAL	95.9
DISTRIBUIDORA INTERNACIONAL DE ALIMENTACION (DIASA)	100.0
FINANDIA E.F.C.	100.0
TWINS ALIMENTACION, S.A.	100.0
PE-TRA SERVICIOS A LA DISTRIBUCION, S.L.	100.0

SWITZERLAND

	Percentage interest used in consolidation
CARREFOUR WORLD TRADE	100.0
HYPERDEMA (PHS)	100.0
PROMOHYPERMARKT AG (PHS)	100.0

TAIWAN

	Percentage interest used in consolidation
CARREFOUR INSURANCE BROKER CO	60.0
CARREFOUR STORES Taïwan CO	60.0
CARREFOUR TELECOMMUNICATION CO	30.6
CHARNG YANG DEVELOPMENT CO	30.0
PRESICARRE	60.0

THAILAND

	Percentage interest used in consolidation
CENCAR LTD	100.0
NAVA NAKARINTR LTD	100.0
SSCP THAILAND LTD	100.0

THE NETHERLANDS

	Percentage interest used in consolidation
ALCYON BV	95.9
CADAM BV	100.0
CARREFOUR CHINA HOLDINGS BV	100.0
CARREFOUR NEDERLAND BV	100.0
CARREFOUR PROPERTY BV	100.0
HOFIDIS INVESTMENT AND FINANCE INTERNATIONAL (HIFI)	100.0
FOURCAR BV	100.0
FOURET BV	100.0
FRANCOFIN BV	100.0
INTERCROSSROADS BV	100.0
KRUISDAM BV	100.0
MILDEW BV	100.0
ONESIA BV	100.0
SOCA BV	100.0
HYPER GERMANY BV	100.0
CARREFOUR INTERNATIONAL SERVICES BV (HYPER GERMANY HOLDING BV)	100.0

TURKEY

	Percentage interest used in consolidation
DIA SABANCI SUPERMARKETLERI TICARET ANONIM SIRKETI	60.0
CARREFOUR SABANCI TICARET MERKEZI AS CARREFOURSA	58.2

COMPANIES CONSOLIDATED BY THE EQUITY METHOD AS OF 31 DECEMBER 2010

FRANCE

	Percentage interest used in consolidation	Commercial business register number
ALTIS	50.0	310 710 223
CHERBOURG INVEST	48.0	452 819 014
COLODOR	50.0	388 890 311
DISTRIMAG	50.0	301 970 471
HYPERMARCHÉS DES 2 MERS - H2M	50.0	393 248 554
MASSEINE	50.0	397 833 252
PROVENCIA SA	50.0	326 521 002
SA BLADIS	33.3	401 298 583
SCI LATOUR	60.0	333 337 053
SOCADIS CAVALAIRE	50.0	352 623 326
SOCIÉTÉ SUPERMARCHÉ DU BASSIN - SSB	50.0	324 766 047
PROVED SAS	50.0	484 240 403

ARGENTINA

	Percentage interest used in consolidation
HIPERBROKER	65.0

BELGIUM

	Percentage interest used in consolidation
MESTDAGH	25.0

ITALY

	Percentage interest used in consolidation
CARREFOUR ITALIA MOBILE SRL	50.0
CONSORZIO CSA	33.3
FUTURE SRL (ex TREDI' ESPANSIONE SRL)	25.0
IPER ORIO SPA	49.9
IPER PESCARA SPA	49.9

THE NETHERLANDS

	Percentage interest used in consolidation
CM BALKANS B.V.	20.0

SPAIN

	Percentage interest used in consolidation
ANTONIO PEREZ, S.L	24.9
COSTASOL DE HIPERMERCADOS, S.L.	32.6
DIAGONAL PARKING, S.C.	55.1
GLORIAS PARKING S.A.	47.9
ILITURGITANA DE HIPERMERCADOS, S.L.	32.6

UNITED ARAB EMIRATES

	Percentage interest used in consolidation
MAJID AL FUTAIM	25.0

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

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 audit 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 balances, transactions, or disclosures.

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 Annual General Meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying consolidated financial statements of Carrefour S.A, "the Group" ;
- the justification of our assessments;
- the specific verification required by law.

These 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.

1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

NWe conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether 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 audit 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 assets and liabilities and of the financial position of the Group as at 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 1.2 to the consolidated financial statements, which describes changes in accounting methods pursuant to the application of new standards and interpretations adopted as of 1st January 2010, and more particularly IFRS 3 revised "Business Combinations" and the amendments of IAS 27 "Consolidated and separate financial statements" and IAS 17 "Leases" .

2. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:
Note 1.3 to the consolidated financial statements indicates that management of the company is required to take into account estimates and assumptions that may affect the book value of certain assets and liabilities. We remind however that the achievements may be different, sometimes significantly, from current estimates, which are based on forecasts uncertain by nature. In the scope of our audit as of 31 December 2010, we have in particular:

- reviewed the impact of these estimates made by the company on impairment of goodwill, intangible and tangible assets. We have assessed the information and assumptions on which these estimates are based, in particular cash flow forecasts prepared by the management of your company, reviewed their calculations, compared accounting estimates for the prior periods with what was achieved and examined the procedure of approval of these estimates by management;
- assessed the provisions recorded by the company. Our assessment was based on obtaining an understanding of the procedures in force within your group for identifying and evaluating these provisions and expressing them in accounting form, and comparing independent estimates to those made by the company.

Note 1.4 to the consolidated financial statements states that the comparative information relating to the year ended 31 December 2009 has been restated in accordance with IAS 8 "Accounting policies, Changes in accounting estimates and Errors". We have examined the elements relating to this restatement and verified the appropriateness of the information disclosed in this regard in the consolidated financial statements as at 31 December 2010.

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.

3. SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, 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.

Paris-La Défense and Neuilly-sur-Seine, 27 April 2011

The Statutory Auditors
French original signed by

KPMG Audit A division of KPMG S.A	Deloitte & Associés
Eric ROPERT Partner	Frédéric MOULIN

Report by the Chairman of the

ON CONDITIONS GOVERNING THE PREPARATION AND ORGANIZATION OF THE BOARD'S WORK AND

Pursuant to the provisions of Article L. 225-37 of the French Commercial Code, this report states the conditions for the preparation and organization of the Supervisory Board's work and that of the Board of Directors during the course of 2010, together with the internal-control procedures put in place by the Carrefour Group.
This report was approved by the Board of Directors at its meeting of April 26, 2011.

1. CORPORATE GOVERNANCE

1.1. THE BOARD OF DIRECTORS AND GENERAL CORPORATE MANAGEMENT

By decision of the Shareholders' Meeting of April 20, 2005, the company adopted the form of a public limited company 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 (*société anonyme*) with a Board of Directors. The positions of Chairman and Chief Executive Officer have been separated.
The Board of Directors comprises 12 members: Amaury de Seze (Chairman), Jean-Martin Folz (Vice-Chairman), Lars Olofsson (Chief Executive Officer), Anne-Claire Taittinger, René Abate, Bernard Arnault, Sébastien Bazin, Nicolas Bazire, Jean-Laurent Bonnafé, Thierry Breton, René Brillet and Charles Edelstenne.
Jean-Martin Folz resigned from his position as member of the Board of Directors effective March 1, 2011.
The members of the Board of Directors were appointed by the Shareholders' Meeting of July 28, 2008 for a term of three fiscal years. Pursuant to the Nineteenth Resolution adopted by the Shareholders' Meeting, 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 year.
The Directors whose terms will expire at the end of the 2010 fiscal year are Amaury de Seze, Bernard Arnault, Jean-Laurent Bonnafé and René Brillet.
The terms of office of René Abate, Nicolas Bazire and Jean-Martin Folz were renewed for a period of three years by the Shareholders' Meeting of April 28, 2009.

The terms of office of Anne-Claire Taittinger, Sébastien Bazin, Thierry Breton and Charles Edelstenne were renewed for a period of three years by the Shareholders' Meeting of May 4, 2010.
The Board aims to assess the independence of each of its members as compared with general corporate management. Under the criteria set forth by the AFEP MEDEF corporate governance code for listed companies, the Board of Directors believes that, among its members, seven may be considered independent with no relationship of any kind to the company, its group or its management that might compromise their freedom of judgment.
Thus, Anne-Claire Taittinger, Amaury de Seze, Jean-Martin Folz, René Abate, Thierry Breton, René Brillet and Charles Edelstenne are independent members.
In accordance (i) with the provisions of Article 823-19 of the French Commercial Code, the Board has verified that at least one independent member of the Accounts and Internal Audit Committee offered particular expertise in financial and accounting matters, and (ii) with those of the Commission Recommendation of April 30, 2009, that at least one member of the Remuneration, Appointments and Corporate Governance Committee offered knowledge and experience with regard to remuneration policy.

Each member of the Board of Directors must own a minimum of 1,000 shares for the duration of his/her term.

During the course of the 2010 fiscal year, the Board of Directors met 13 times (including once in a strategy seminar), with an average attendance rate of 83%.

During its meetings, the Board of Directors discussed the following issues in particular:
- A review of the strategy proposed by the Chief Executive Officer.
- The study of acquisition transactions, streamlining of the business portfolio and internal restructuring.
- A determination of the Chief Executive Officer's scope of authority and remuneration.
- Approval of the annual and half-yearly accounts, examination of the quarterly sales results and the related financial announcement, and preparation for the Shareholders' Meeting.
- A review of the Report by the Chairman of the Board of Directors on conditions governing the preparation and organization of the Board's work and internal-control and risk-management procedures.
- Implementation of the share-buyback programme.
- Authorization of financial transactions (bond issues, renewal of a syndicated loan, authorization concerning bonds, securities and guarantees).
- Allocation of share-purchase options and shares for years of service and/or performance on behalf of the Group's employees and corporate officers.
- Reports on the work of the Board's committees (the Remuneration, Appointments and Corporate Governance Committee, the Accounts and Internal Audit Committee and the Strategy Committee).

Since January 1, 2009, Lars Olofsson has served as Chief Executive Officer of the company, appointed to this position by a decision of the Board of Directors on December 17, 2008.

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 asset 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 related sales greater than or equal to 150 million euros.
- Any entry by minority shareholders into the current or potential capital stock of any controlled entity.
- The sale, in any form including an asset transfer, 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 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.

During its November 12, 2008 meeting, the Board of Directors decided that the company would refer to the AFEP MEDEF corporate governance code.

The company's articles of association do not set forth specific details on shareholder participation at the Shareholders' Meeting.

During its July 28, 2008 meeting, the Board of Directors adopted bylaws, 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, Appointments and Corporate Governance Committee and the Strategy 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.

1.2. THE BOARD OF DIRECTORS' COMMITTEES

The Group has three specialized committees: The Accounts and Internal Audit Committee, the Remuneration, Appointments and Corporate Governance Committee and the Strategy Committee.
These committees meet at their convenience, with or without the involvement of company management. They may call upon outside experts as necessary. The committee chairman may ask the Chairman of the Board or Chief Executive Officer to interview any person within the Group who is responsible for issues that fall within the committee's purview.
They issue advice to the Board of Directors. The chairmen of the committees (or, if they are unavailable, another member of the same committee) present oral summaries of their work to the Board. A written report on committee meetings is prepared and submitted to the directors after approval.

1.2.1. THE ACCOUNTS AND INTERNAL AUDIT COMMITTEE

This committee, of which at least two-thirds of all members must be independent directors, meets at least four times per year. At least one member of the committee must have special expertise in financial or accounting matters. No members of the company's general management may sit on the committee. The committee chairman is appointed by the Board of Directors.
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 analyzes internal control reports.
In addition, the committee examines any issue relating to the compliance policy, notably with regard to reputation risk or professional ethics.
The committee oversees the process for 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 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 and share of the statutory auditors' revenues represented by Carrefour 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.
All statutory auditors 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' team without the presence of the company's general management.
The committee reviews the draft report by the chairman on internal-control procedures relating to the preparation and processing of accounting and financial information.
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.

Members of the committee are as follows:
Chairman: Jean-Martin Folz (independent director),
Members: René Brillet (independent director),
Sébastien Bazin.

During the course of fiscal year 2010, the committee met six times, with an attendance rate of 94%. Among other things, the committee reviewed the financial statements of December 31, 2009 and June 30, 2010, the methods of consolidation and the Group's balance sheet, key events and principal options, changes to certain standards, summaries of the income statement and balance sheet, the cash-flow statement and financing, and preparation of the 2010 year-end accounts.
The committee reviewed the results from internal and external audits carried out in Brazil following the discovery of accounting irregularities, studied the measures taken in order to bring accounting practices in Brazil up to standard and asked that internal-control procedures be reviewed to ensure that the problems which occurred in Brazil are not repeated.
The committee also studied the Report by the Chairman of the Board of Directors on conditions governing the preparation and organization of the Board's work and internal-control and risk-management procedures, as well as the Group's securitization and factoring activities. In addition, the committee was briefed on the latest developments in certain litigation matters.
At each meeting, the committee analyzed a summary of work performed by 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.

1.2.2. THE REMUNERATION, APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE

The majority of Remuneration, Appointments and Corporate Governance Committee members are independent. No members of the company's general management may sit on the committee. The committee chairman is appointed by the Board of Directors.
As the Remuneration Committee, it is responsible for reviewing all issues relating to the personal status of corporate officers, including remuneration, pension benefits, company subscription or purchase options, and provisions governing the departure of members from the company's management bodies.
It reviews the terms, amounts and allocation basis of stock-option plans, as well as the conditions for allocating performance-based shares.
It is consulted on the remuneration policy for top management.
As the Corporate Governance Committee, it assists the Board of Directors in determining Carrefour's corporate governance rules and assessing its 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, organization and conduct into line with best practices.
It examines the chairman's draft report on corporate governance. With the chairman, it prepares for Shareholders' Meeting discussions regarding proposals for director nominations.
As the Appointments Committee, it is responsible for submitting recommendations for the position of Chairman of the Board of Directors. Acting jointly with the Chairman, it submits recommendations for the position of Chief Executive Officer and, if applicable, for deputy managing directors.
The committee assesses the Chairman's performance outside of his/her presence. It evaluates the Chief Executive Officer's performance and, if applicable, that of the deputy managing directors, outside of the presence of the interested parties.
It is also responsible for reviewing preparatory measures for the transition to the corporate officers' new term of office.
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 suggests corresponding qualifications to the Board of Directors.

The membership of the committee is as follows:
Chairman: Anne-Claire Taittinger (independent director),
Members: René Abate (independent director),
René Brillet (independent director), Nicolas Bazire.
During the course of fiscal year 2010, the committee met seven times, with an attendance rate of 94%.

The Remuneration, Appointments and Corporate Governance Committee proposed to the Board of Directors a number of principles and rules for determining the remuneration and benefits of the corporate officers, and reviewed the components of remuneration for members of the Group's Executive Board and Executive Committee.
A full description of the Chief Executive Officer's remuneration appears in the reference document.

In addition, the committee:
- Reviewed the Report by the Chairman of the Board of Directors on the conditions governing the preparation and organization of the Board's work and internal-control and risk-management procedures.
- Studied the succession plan for the Group's main executives (Chief Executive Officer, Executive Board, Executive Committee).
- Assessed the company's corporate governance.
- Proposed to the Board the characteristics of allocation schemes used for share-purchase options and shares for years of service and/or performance on behalf of the Group's employees and corporate officers.
- Reviewed the status of the directors' terms of office.
- Reviewed the candidacies of independent directors and of potential members of the Executive Committee and the remuneration structure they could be offered.

1.2.3. THE STRATEGY COMMITTEE

This committee is composed of four members appointed by the Board of Directors from among its members. Its chairman is appointed by the Board of Directors.
The Strategy Committee assists the Board of Directors in guiding and setting the Group's strategy, but does not act as a replacement for it in this regard.
It prepares the groundwork for the most significant decisions affecting the Group's future (acquisitions and sales of assets, studies of external acquisition opportunities, store openings in new countries etc.) and oversees the preparatory work for the Board of Directors' annual seminar.
It serves as a think tank, carrying out its work assisted by individuals brought in to contribute according to their areas of expertise and experience.
The chairman periodically reports to the Board of Directors on the committee's work (analysis, studies, comments and conclusions).

The membership of the committee is as follows:
Chairman: Amaury de Seze (independent director),
Members: Bernard Arnault,
Nicolas Bazire (in the absence of Bernard Arnault),
Sébastien Bazin,
René Brillet (independent director).

The committee met twice during the 2010 fiscal year, with an attendance rate of 100%.
During this meeting, the committee reviewed the 2010-2012 strategic plan, the 2010 budget and various projects relating to acquisitions and streamlining of the business portfolio.

2. INTERNAL-CONTROL AND RISK-MANAGEMENT SYSTEM

INTRODUCTION

In 2010, Carrefour's general management decided to enhance its internal-control and risk-management system, improving control over its business by carrying out several major organizational and operational activities. These include:
- Formalization and update of operating rules through implementation of Group regulations.
- Undertaking a risk-assessment procedure.
- Enhancement and update of the accounting and financial self-assessment questionnaire.
- Distribution of a Code of Professional Conduct.
- The establishment of Ethics Committees.

These projects are described later in this report.

When composing and drafting this report, Carrefour relied on the Reference Framework recommended by the *Autorité des Marchés Financiers* (AMF – French Market Authority) in January 2007 and updated in July 2010, except with regard to its financing activities, which are subject to banking and financial regulations and whose internal-control framework is defined by Regulation 97-02.

Definition

Internal control is a company's system, defined and implemented under its responsibility, comprising a set of resources, patterns of conduct, procedures and actions adapted to the individual characteristics of each company that:
- Contributes to the control of its activities, the efficiency of its operations and the efficient utilisation of its resources.
- Enables it to take into consideration, in an appropriate manner, all major risks of an operational, financial or compliance nature.

More specifically, the system is designed to ensure that:
- Laws and regulations are complied with.

- The instructions and directional guidelines fixed by general management are applied.
- The company's internal processes are functioning correctly, particularly those contributing to the security of its assets.
- Financial information is reliable.

No matter how well designed and properly applied, risk-management and internal-control systems cannot fully guarantee that the company's objectives will be achieved. The likelihood of achieving these objectives does not rely solely on the company's intentions. There are inherent limitations in all systems and procedures. These limitations arise from a variety of factors, especially uncertainties in the outside world, the exercise of judgment and problems that might arise due to technical or human failures or simple error.

Deciding how to handle risk requires a balance between taking advantage of opportunities and the cost of measures for handling risk, taking into account their possible effects on the occurrence and/or consequences of risk, in order to avoid unnecessarily costly actions.

Scope

The Group's scope of consolidation as covered by the report extends to the parent company and all subsidiaries consolidated via the full-integration method, meaning companies in which the Group exercises a decisive influence, whether directly or indirectly.

The procedures described below were prepared with contributions from the Group Internal Audit department, the Financial Management department and the various participants involved in internal control and risk management. This report was presented to the Accounts and Internal Audit Committee and the Remuneration, Appointments and Corporate Governance Committee, and was approved by the Board of Directors.

2.1. COMPONENTS OF INTERNAL CONTROL

2.1.1. ORGANIZATION

General principles

Customers and consumers lie at the heart of everything the Carrefour Group undertakes to do. The company is organized 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 organization.

Countries are grouped into regions, which fall under the responsibility of a regional executive director.

The Europe region includes Spain, Italy, Belgium, Poland, Romania and Greece.

The High Growth Market region includes Malaysia, Singapore, Indonesia, India, Brazil, Argentina, Colombia and the International Partnerships department.

France and China (including Taiwan) report directly to the Chief Executive Officer.

The Group's corporate headquarters has four roles:

- To define and oversee the Group's strategic direction.
- To verify progress and results.
- To define and monitor the application of rules to guarantee the Group's integrity. These rules are incumbent upon every country.
- To disseminate know-how and innovations in order to boost the Group's competitive advantage.

Operations are handled jointly among countries so as to capitalize on the Group's size and promote operational and commercial efficiency in each country.

Functional units manage specific country-level activities (other than distribution operations) with the aim of enhancing professional development and accelerating growth in each country.

Organizational operations

Country

Each country is organized into profit centres (business units) that encompass all physical and virtual stores sharing the same format (e.g. hypermarkets, supermarkets, convenience stores, cash & carry, Internet).

The country executive director oversees country-level operations and:

- Is responsible for developing and ensuring the profitability of activities under his or her direct line of supervision.
- Commands the necessary resources to fulfil this responsibility.
- Monitors financial and operational performance among the functional administrators with whom he or she collaborates.

Each business unit is run by a management team, which includes operational managers and the support service managers required to conduct business.

The majority of countries have centralized functions that are not directly related to the stores' operational activities, particularly administrative, financial and IT functions. Such centralization allows stakeholders (customers, suppliers, employees and managers) the benefit of centralized communication channels that can respond to questions they may have in the course of their relationships with the operational companies.

Regions

As a member of the Group's Executive Board, the regional executive director helps to define the Group's medium- to long-term strategy and implements it in the countries within his or her region. The regional executive director also ensures that appropriate control and governance resources/systems are in place in each country, communicates and supports implementation of policies and rules established by the corporate functions and embodies the Group's values.

During 2010, the Group decided to enhance its functional leadership by strengthening regional structures, specifically Finance and Human Resources:

- To serve as an intermediary to distribute and implement the policies, rules and regulations defined by the corporate functions.
- To strengthen controls.

Corporate

Two management bodies exist at corporate level: the Executive Board and the Executive Committee.

The Executive Board has seven members: the Chief Executive Officer, the executive director - France, the executive director - Europe, the executive director - High Growth Markets, the executive director - Commercial Development and Marketing, the executive director - Financial Management and Financial Services, and the executive director - Human Resources and Organization. With the Chief Executive Officer, it develops corporate strategy, sets operational goals and the annual plan and oversees its application.

The Executive Committee consists of:

- The members of the Executive Board.
- Executive directors of the following countries/business units: Spain, Italy, Belgium, China-Taiwan, Brazil, Dia (the Group's hard-discount business), Hypermarkets France, Supermarkets France, Convenience-Cash & Carry France.
- The directors of the following functions: financial control, strategy, mergers & acquisitions, corporate communications, legal and IT.

It contributes to the definition and implementation of the strategic and operational plan and ensures project deployment. It ensures the teams' alignment and the dissemination of the company's management and leadership principles.

Based on the issues to be addressed, the Executive Committee can be expanded to include all country-level executive directors.

Activities shared among countries

Thanks to its size, the Group can capitalize on economies of scale in some areas and ensure that the countries have access to the best possible expertise. Accordingly, the Group encourages the countries to manage certain operations jointly. The analysis that began in 2009 took tangible form during 2010 in the following businesses:

- Non-food merchandise France/Spain, with extension to Belgium and Italy planned for 2011.
- International global sourcing.
- Non-retail purchasing at Group level.

Functional units

Certain operational departments with a strong functional identity serve as functional administrators on behalf of the countries. There are two such functional units in the Carrefour Group: the Group Financial Services and Insurance department and the Group Carrefour Property department. These departments operate within specific geographical perimeters. The functional administrators are profit centres whose line of reporting differs from that of the country executive director.

Operational networks

To ensure implementation of the strategic directions defined by the Group and to promote distribution of expertise and innovations to enhance the Group's competitive advantages, each corporate department provides operational leadership within its network.

An operational network is made up of country representatives for the specific function and is led by the Group's support manager at regular meetings (frequency and procedures specific to each function).

Moreover, functional specialists within the organization of operational lines (for example, check-outs or fresh produce) help to apply recommendations on matters of merchandising, organization and compliance with the product mix. These specialists provide technical support to operational staff in stores by demonstrating best practices, deploying projects and undertaking periodic audits using diagnostics and action plans.

In 2010, the Group sought to enhance its functional leadership by involving the Group's support manager in management decisions made by key positions within the network: remuneration, bonuses, long-term incentives, recruitment, promotions, mobility and layoffs.

2.1.2. CLEARLY DEFINED RESPONSIBILITIES AND LINES OF AUTHORITY

Group executives at all levels exercise their responsibilities within the limits of their defined functions. Each manager is free to determine the actions that he or she must undertake to achieve agreed-upon objectives while adapting to the circumstances. The freedom of initiative underlying this concept of responsibility requires that rules for the delegation of authority, particularly those that concern commitments to third parties, be observed and adhered to. These lines of authority are now in place for all of the principal country and corporate operational and support managers. For the majority of the corporate entities, the Group has limited the powers of the legal representative, listing the specific decisions requiring prior approval from the Board of Directors or their equivalent in each company involved. Delegation and sub-delegation of authority among managers and their subordinates are the responsibility of each entity, with support from the Group's Legal department.

The Group favours operational lines of reporting that are fully responsible for the profitable, controlled development of the business units. Operational line managers are also responsible for defining the extent of support services required.

Employees and their managers each have job and task descriptions as well as a list of control points allowing them to ensure internal control levels compatible with each banner's commitments.

2.1.3. HUMAN RESOURCE MANAGEMENT POLICY

Our human resources policy helps to enhance the internal control environment, in particular through the existence of job descriptions, a system for assessing employee performance and investment in training.

The Group's Human Resources and Organization department leads this function by defining broad approaches, making best practices and tools available and managing their implementation.

Job descriptions are available for the principal jobs and business units. These job descriptions outline the controls needed to supervise the activity and serve as a framework for the individual assessment system. The identification and description of key skills (managerial and functional) for the Group, which began in 2010, allows progressive implementation of a common skills-management programme.

Training schemes outlined in the annual plan aim to ensure progressive mastery of activities, combining specific know-how and management skills. To ensure individual development, training is provided when an employee moves into a new position and continues throughout their career.

All countries have implemented an annual evaluation system for management positions. This system will gradually be extended to all employees. Senior managers are monitored by the Group Human Resources department (recruitment, international mobility, career management and training).

Succession plans have been in place since 2003 for the Group's main management positions.

The Group's Human Resources department manages remuneration policies for such positions. Remuneration policies are handled at country level for other positions, in accordance with broadly defined guidelines.

The Group manages the implementation of its overall human-resources strategy through:

- The 2010 creation of the 'regional director - human resources' position, who reports to the regional executive director (France, Europe and High Growth Markets) and is functionally tied to the Group director of human resources and organization, to enhance operational responsibility with regard to human-resources management.
- Regular feedback on performance indicators.
- In-country inspections.
- Regular meetings with country representatives within the HR function.
- Systems to determine employee opinions at various levels through questionnaires and focus groups.

Carrefour has expanded the Group's workplace reporting in a variety of ways. The Human Resources departments in each country have been provided with a data collection and consolidation tool to aid in decision-making and ensure simpler, more reliable reporting on human-resources indicators. Uniform administrative guidelines and a glossary of HR indicators have been prepared and disseminated among all of the Group's administrative auditors for human resources. Monthly tracking of the workforce was established in September 2009 in order to monitor employment trends by country.

2.1.4. INFORMATION SYSTEMS

The Group's Information Systems department (ISD) is responsible for preparing Carrefour's information-system (IS) strategy and guiding its implementation.

Preparation of Carrefour's IS strategy is based on a three-year strategic plan that is validated each year by the Group's general management. This plan covers the following elements:

- IS objectives and their alignment with Group priorities.
- Roadmaps from our IS skills centres and their alignment with priorities among functional departments and country-level management.
- Major initiatives to ensure effective implementation of the strategy in terms of IS and fulfilment of objectives.
- The financial plan, with the aim of contributing to the success of the roadmaps and other major initiatives and ensuring that the strategic plan is aligned with the Group's financial objectives.

Implementation of the IS strategy is guided by the Group's corporate-governance model, which is characterized by the following elements:

- Corporate governance activities, including:
  - Application portfolio management.
  - Request management.
  - Project portfolio management.
  - Roadmap management for skills centres.
  - Delegation-of-authority management.
  - Country ISD and Group ISD roadmap management in terms of IS security.
- Organization of the ISD in the various countries and at Group level.
- Management bodies, including:
  - The Request Management Committee.
  - The Investment Committees at country-level ISD or Group level.
  - Performance reviews at country-level ISD or Group level.
  - Project reviews.
  - Crisis meetings.

Information systems security uses a governance structure adapted to the Carrefour Group's business, comprising:

- The Group Information Systems Security department, responsible for developing the information-systems security policy and guiding its implementation; it also provides technical expertise for all Carrefour countries, especially in the field of security investigations.
- A country-specific entity dedicated to implementing the security strategy at local level.

The Carrefour Group's information-systems security strategy focuses on several themes:

- Computer equipment security.
- Security of the Carrefour Group's international network.
- Electronic identity and access management.
- Protection of sensitive information.
- Increased awareness among information-system users.
- Security of the applications function and integration of security management into IT projects.
- Protection of payment data (customers and suppliers).
- Continuity of technical-support and business plans as well as crisis-management plans.
- Information-systems safety requirements set forth in agreements with third parties.

The implementation of this strategy in each country is subject to individualized oversight, both concerning compliance with recommended measures and their effective implementation. Oversight is also provided through regularly scheduled on-site checks.

2.1.5. PROCEDURES, OPERATING METHODS AND TOOLS

The Group's values

In order to develop a common culture, Carrefour has defined a mission statement expressed through three values - "committed, caring and positive" - and 10 convictions. These concepts are described in the *Guide to Carrefour Values*, which is distributed to all new employees at hiring and explained during special training on this issue.

Group regulations

General management sought to redefine and formalize the operating rules governing the Group in order to:

- Ensure sound Group governance.
- Create confidence in the business.
- Permit effective management of the business.

This reference guide to Group regulations comprises 395 essential rules concerning the organization and control of the business. These regulations apply to the entire Group (corporate, country and functional operators), which was required to implement them as of September 2010.

The Group regulations were established by the corporate departments with the support of members of the Executive Board. Application of this reference guide is the responsibility of each country/business unit.

These regulations cover the following processes:

- Internal control.
- Support functions: insurance, internal audit, communication, financial management, taxation, investments and M&A, legal and governance, management and strategy, human resources, risk and compliance, information systems, treasury and non-retail purchasing.
- Distribution networks: merchandise, supply chain, stores, marketing, franchise, assets and expansion.
- Functional operators: Carrefour Property, Financial Services and Insurance.

The regulations are available to company managers in three languages (French, English and Spanish) on the Group's intranet.

The senior directors for the entire Group signed a commitment letter with regard to compliance with these regulations.

Code of Professional Conduct

General management decided to formalize its Code of Professional Conduct and make all employees aware of its contents.

Comprising 10 fundamental principles, this code establishes the framework within which Carrefour employees must conduct their activities, with a priority on respect for ethics and the law. It describes the conduct expected of each company employee, regardless of the location or company in which he or she works.

Since they must deploy and properly apply the Code of Professional Conduct within their scope of operations, country executive directors were accordingly informed and assigned this responsibility by letter from the Chief Executive Officer in July 2010.

The rollout of the Code of Professional Conduct began with the issuing of a communications kit to all countries in October 2010, in compliance with all procedures for informing and consulting with our labour partners and employee-representative bodies.

Several countries have already translated the Code of Professional Conduct and begun to distribute it to all employees along the chain of command.

This process will continue in 2011 with the launch of an e-learning program to train all Group managers.

To promote application of these principles by all employees, a deployment kit will also be provided to managers so that they can discuss concrete issues relevant to day-to-day operations with their teams.

Practices

Documentary databases of procedures and operating methods are available for most functional areas. This information can be accessed through the various intranet sites for Group entities and reviewed onsite.

2.2. INTERNAL DISTRIBUTION OF APPLICABLE INFORMATION

The Group Communications department is actively involved in the internal distribution of information to employees via a wide range of internal-communications tools, including the GroupOnline intranet, which regularly distributes information about the Group's activities and provides employees with a number of practical tools.

The various countries send management reporting data to the Group on a monthly basis. This concerns commercial activities (especially sales, customer flows, average baskets, sales areas and store openings) and financial activities (especially income statements, balance sheets and cash-flow statements).

2.3. RISK-MANAGEMENT SYSTEM

Definition

In an uncertain, constantly changing environment, proactive risk management is a key element in the sustainability of the business.

Risk management is a job shared by all Group employees. It is intended to be global and must cover all of the company's activities, processes and assets.

Risk management is a dynamic system, which the company must define and implement.

It involves a set of resources, patterns of conduct, procedures and actions adapted to the individual characteristics of each company, enabling managers to maintain risk at an acceptable level for the company.

Risk is the possibility that an event will occur whose consequences are likely to impact the company's personnel, assets, environment, objectives or reputation.

Risk management is a lever for company management that contributes to:

- The creation and preservation of the company's value, assets and reputation.
- Increasing the security of the company's decision-making and procedures to promote achievement of objectives.
- Actions consistent with the company's values.
- Mobilizing company employees to adopt a shared vision of the principal risks.

2.3.1. ORGANIZATIONAL FRAMEWORK

Organization

Effective risk management in a complex environment relies on a shared vision of challenges and optimal coordination.
Accordingly, risk management is adapted to the Group's decentralized structure.

Risk management at country/BU level

The monitoring and control of decentralized risk exposure depends on local managers, who are as close as possible to the risks related to the activities they perform or supervise.
The process of drawing up a strategic plan offers a chance to take stock of the principal risks and outside opportunities and to update the mapping of major risks. In accordance with the rules, it must be submitted to their regional director and to the Group Internal Audit department.
Monthly performance reviews contribute to detection of risk's appearance and occurrence.

In their role as guarantors and promoters of progress, support services may identify risks and suggest action plans to line managers with a view to controlling them.
Annual reporting includes an assessment of safety and security risks to which Carrefour is exposed within the country, as well as a summary of action plans. This is submitted each year to the Group Risk and Compliance department, which leads the network of risk-prevention directors present in all Group countries.

Risk management at Group level

Risk management at Group level is jointly handled by two complementary departments, with a focus on the identification, analysis and handling of risk.

Internal Audit department

The Internal Audit department leads the process of mapping the Group's major risks on behalf of management, based on a risk identification and assessment process.

Risk & Compliance department

As a complement to the Internal Audit department's mapping of the Group's major risks, the Risk and Compliance department performs the following work for countries in which the Group operates:

- Annual risk mapping at country level since 2007, with updates distributed monthly.
- Natural-risk mapping. Educational and practical sheets on prevention were also drafted, describing best practices for risk reduction.
- Health-risk mapping, with an assessment of the situation in each country. With the goal of prevention, sheets were also prepared to provide a better understanding of risks and to share best practices for risk reduction.
- A process of mapping specific legal risks.

2.3.2. MAPPING OF MAJOR RISKS

Risk assessment is a key aspect of internal control, providing management with an overview of events that could influence the achievement of our objectives. The ability to identify, assess and manage risk often reveals an organization's ability to react and adapt to change. Risk assessment allows organizations to quickly recognise potential undesirable effects, to be more reactive and forward-looking, and to establish responses appropriate to the risk, reducing surprise and costs or losses associated with business disruptions.

In 2010, general management decided to implement a risk-assessment system within each country and at Group level to:

- Obtain consensus on an overall understanding of the stakes and focus on major challenges.
- Organize a cross-category approach and establish a shared language and a consistent approach.
- Prioritize risks and determine priority actions.
- Optimize allocation of resources for prevention, insurance and other financial coverage.
- Define a reasonable level of risk (risk/reward balance).

Risk identification

The risk-assessment process was coordinated by the Group's Internal Audit department.
The risk matrix was updated to take into account changes in the economic and regulatory environment, in the Group's organization and in its business.
Based on this update, risks were segmented as follows:

- Into external, operational and back-office risks, and
- By major processes within the company.

Risk analysis

Risk analysis is based on three assessment criteria:

- Impact of risk.
- The likelihood of occurrence.
- The control system implemented to reduce the impact or probability of the risk.

A first wave of analysis was carried out by conducting interviews in a sample of five countries (France, Spain, Italy, Greece and China), functional operators (Carrefour Property, Financial Services and Insurance) and the Group's Treasury department. This analysis, which identified 24 major risks, was presented to and approved by the Group Executive Committee.

Handling risk

Following identification and analysis by country, action plans are prepared for each entity.

The risk matrix and its analysis contributed to the preparation of the Group's 2011 Internal Audit Plan.

2.3.3. ONGOING OVERSIGHT OF THE RISK-MANAGEMENT SYSTEM

In 2011, updates to the mapping of major risks will be handled by each country as part of the annual assessment of strategic plans, under the supervision of regional managers.

For the 2011 campaign, the Internal Audit department will distribute a toolkit to all countries during the first quarter of 2011 through the Rules@ Carrefour intranet site and by e-mail. This toolkit will contain the risk-assessment methodology used during the initial wave in 2010, including:

- A presentation of the approach.
- A grading scale.
- A summary of risks to be listed by country and business unit.
- A scorecard for monitoring major risks and action plans.

The Group Risk Committee will be deployed by the Group Executive Committee twice per year to:

- Oversee implementation of action plans established following initial risk mapping.
- Monitor risk-mapping developments.
- Lead subsequent annual campaigns.

2.3.4. CRISIS MANAGEMENT

Given its businesses, size, diversity and geographic locations, the Carrefour Group is exposed to a whole range of potential crises.

The Risk & Compliance department defined and provided all business units with crisis-management standards ("minimum ticket") that permit units to implement procedures adapted to their specific situation. These principles are incorporated into the reference guide to the Group regulations.

To ensure appropriate, uniform dissemination of best practices and tools in every country, the Risk & Compliance department and the Group Communications department have deployed an extranet site known as "Carrefouralert." The site includes contact information for crisis-management and crisis-communications coordinators, handy guidelines, steps for crisis response, preventive tools and a wealth of other helpful information.

To ensure greater employee preparedness, several of our subsidiaries' management committees were trained in crisis management and communications. Some of them tested crisis-management systems during crisis simulations as well.

Given the Group's exposure to product-related risk, the Group Quality department manages a highly comprehensive system for product recalls and withdrawals, ensuring coordination and the dissemination of best practices in each country and contributing to the Group's Crisis Coordination Committee.

2.4. CONTROL ACTIVITIES

Control activities ensure proper implementation and compliance with regard to internal-control procedures.

Control is first and foremost exercised by each operational and functional department.

The Group has implemented specific controls for certain key processes, such as investments and ethics.

To ensure consistency, the following three Group projects (risk assessment, rules and self-assessment questionnaires) were based on a single common benchmark.

2.4.1. INVESTMENT COMMITTEES

Proposed investments are subject to a validation procedure that ensures their compliance with the strategic directions and profitability criteria defined by the Group.

On the investment process related to expansion

The following improvements were made during 2010:

- Improved coordination between Carrefour Property, the countries and the Group.
- Implementation of five committees to coordinate the expansion process:
  - The Country Strategic Expansion Committee.
  - The Development Committee.
  - The Country/BU Investment Committee.
  - The Property Investment Committee.
  - The Group Investment Committee.
  - More comprehensive criteria for project evaluation.
- Improved reliability of projections through project-reevaluation rules and an annual performance review of the most recent store openings.

The Group Investment Committee meets every month.

On the information-systems investment process

The Request Management Committee approves proposed investments and IT contracts. It meets every month.

2.4.2. ETHICS COMMITTEES

As part of the deployment of Carrefour's Code of Business Conduct, a Group Ethics Committee and Country Ethics Committees were established at the end of 2010 to ensure compliance with our principles wherever we carry out our business.

The Group Ethics Committee functions as a body responsible for overseeing and assessing application of our principles of professional conduct. It ensures dissemination, understanding and compliance with our Code of Business 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. Its operating principles are formalized in a charter approved by the Chief Executive Officer and distributed to all countries in October 2010.
The Group Ethics Committee has met three times since its creation in September 2010.
The Country Ethics Committees are the local bodies responsible for overseeing application of our principles of professional conduct. Their operation and composition are defined in the charter distributed by the Group Ethics Committee.
A single ethics committee handles the entire geographic and operational scope of the "vertical" operations (Carrefour Property, Dia and Financial Services). Like the Country Ethics Committees, it is also composed of four members who are appointed by the director in charge of the operations, with roles and responsibilities, principles and governance identical to those of the Country Ethics Committee.

2.4.3. PERFORMANCE REVIEWS AND REPORTING

Oversight of operations and projects occurs through monthly performance reviews that are systematically conducted for both operational and support lines.
In order to allow everyone in the Group to assess their material contributions and the importance of their responsibility with regard to internal auditing, the Group relies on a process for setting objectives and analyzing performance.
Objectives are set annually within the context of a budgetary process based on a multi-year strategic plan. This process focuses on collecting budgetary data at the appropriate levels of responsibility (i.e. at department level for hypermarkets and supermarkets and at store level for hard-discount stores). This reporting is validated at various levels, principally at the business-unit level. Making all managers (i.e. all those responsible for overseeing an income statement or activity or for leading teams) accountable for agreed-upon, approved budget objectives is an essential part of ensuring managerial effectiveness.
The budget is broken down on a monthly basis so that everyone, at each level, can monitor his or her performance throughout the year. It contains commercial and financial data as well as specific performance indicators. During the year, capital expenditure planned for in the budget is subject to updated profitability studies and specific authorizations.
Accounting data is reconciled with management data each time financial statements are drawn up.
The scope of this reporting (companies, methods of consolidation, interest percentages etc.) matches the reporting involved in Group consolidated financial statements. In this way, the Group uses the same management reporting information as that obtained through consolidated accounting. The same figures are used for financial communications when half-yearly financial statements are produced.
Each month, actual performance is compared to budgeted performance and the previous year's performance.
A summary of Group and country performance is presented to the Group Executive Committee. The Board of Directors also receives a summary of sales trends and performance indicators each month.
The financial-control team is available in each Group entity to help managers draw up and monitor budgets, participate in validation phases and propose action plans made necessary by discrepancies in their implementation, and, broadly speaking, to help ensure the reliability of the entire process and the financial data thus collected.

2.5. SYSTEM MANAGEMENT AND OVERSIGHT

2.5.1. MANAGERIAL CONTROL

Internal control is continuously monitored by management on a daily basis, insofar as commercial operations require attention at all times, particularly on store sales floors.
Line and functional operators actively participate in country and business-unit control activities and implement control systems for assessing proper application of stated principles.
As part of the Group's decentralized structure, each business unit defines and establishes the appropriate organization for managing the internal-control system within its context.
Several of them have implemented internal-control functions that focus mainly on compliance.
Performance reviews contribute to regular monitoring of the system at each management level.
Each year, the executive and financial directors of each Group business unit formally attest to the quality of internal controls in the companies they manage.

2.5.2. SELF-ASSESSMENT QUESTIONNAIRES

To reaffirm management's full responsibility for applying Carrefour's framework of group regulations, the Executive Board decided to:

- Expand the self-assessment process based on group regulations.
- Ensure that the regulations are effectively implemented.
- Ensure that there is adequate oversight.

An initial self-assessment with 108 questions was conducted during 2010 in 39 business units/countries and concerned internal-accounting and financial-control procedures.
A second assessment with 233 questions was prepared in 2010 and will be distributed in 2011 to all business units, based on a selection of other critical issues addressed in the regulations, such as:

- Internal control.
- Support functions: Insurance, taxation, legal, investments, human resources, information systems, treasury etc.

• The retail business: Merchandise, supply chain, stores, marketing, franchises, assets etc.
• Functional operators: Carrefour Property, financial companies.

Each questionnaire will be reviewed every two years, in alternate years.

2.5.3. GROUP INTERNAL AUDIT DEPARTMENT

Internal audit

Mission

Within the context of the Group's annual audit plan, the Internal Audit department is involved in evaluating internal-control management for all operations. This assignment is performed independently of management. The Audit department is involved at all Group levels and in all Group companies.

This evaluation specifically addresses the following components:

- The reliability and integrity of financial and operational information.
- The effectiveness and efficiency of operations.
- Asset protection.
- Compliance with laws, regulations and agreements.

The Internal Audit department's assignments and responsibilities are governed by a charter approved by the Group Executive Committee and by the Accounts and Internal Audit Committee.

Organization

Internal-audit functions are performed by full-time auditors with appropriate training and experience, located in three regions: Europe, Asia and Latin America. Internal-audit managers in each region report to the Group audit director, who reports to the Chief Executive Officer.

The Audit department's budget, which allows it to properly carry out its mission, is approved each year by the Chief Executive Officer. This budget is also reviewed annually, in accordance with the development of Group functions and scope.

At the end of December 2010, the Group Internal Audit department had 33 internal auditors.

With the consent of the Accounts and Internal Audit Committee, in 2011 general management decided to expand the workforce in the three regions, adding expatriated employees in Asia and Latin America.

The financial services and insurance businesses use a regular, ongoing independent-control system.

Organization of internal-audit assignments

A draft annual audit plan is drawn up by the Audit department, which relies, in particular, on the Group's process repository and the risk mapping of Group functions. This draft serves as a basis for discussions with the Group's principal managers. The projected annual audit plan is then reviewed and validated by the Chief Executive Officer and presented to the Accounts and Internal Audit Committee.

Specific assignments can also be initiated at the request of:

- The Accounts and Internal Audit Committee and the Board of Directors.
- The Chief Executive Officer.

The Internal Audit department relies on professional standards and practices to carry out its assignments. Much attention is paid to the specifics and challenges inherent in each Group activity so that audits serve as a source of value-added for the companies involved. Assignments are always coordinated with the departments to be audited in order to disturb their operation as little as possible.

Assignments are carried out either by the Internal Audit department itself or – when it is necessary to have access to all useful skills for a relevant analysis of risks and procedures – by teams that bring together members of the Internal Audit department and staff from other Group departments and divisions. If necessary, the Internal Audit department may also rely on outside advisors.

Internal audit reports and summaries

A detailed report and summary are drawn up for each audit, and then validated and distributed as follows:

- A final document, which includes the audit report and summary plus any management corrective action plans, is provided to the executive director and the audited company's chief financial officer. Corrective action plans must specify the major lines of corrective action, responsibilities and the implementation timetable.
- A summary of this report is provided to the Chief Executive Officer, the Group's chief financial officer and/or the manager of the region concerned and the Group support manager.

Projects that result in recommendations are subject to ongoing monitoring and self-reporting with regard to the implementation of action plans.

The audit director informs the Chief Executive Officer and the Accounts and Internal Audit Committee of the audit plan's proper implementation, as follows:

- Each quarter, a detailed report addressing the audit programme's implementation and its main findings, analyses and recommendations is presented to the Chief Executive Officer. A summary is presented to the Group Executive Committee.
- Each quarter, a summary report on the audit programme's implementation and its main findings, analyses and recommendations is presented to the Accounts and Internal Audit Committee. Results derived from monitoring the recommendations' implementation are presented to the Accounts and Internal Audit Committee.

Risk-management and internal-control assistance

During the last quarter of 2010, general management decided to allocate expertise to help the Group and the countries manage risks and internal control.

A team reporting to the Group Internal Audit department will be formed in early 2011 to perform the following tasks:

- Coordinate updates to rules and exceptions.
- Support the rollout of risk mapping.
- Lead self-assessment questionnaire campaigns.

3. DATA RELATING TO INTERNAL ACCOUNTING AND FINANCIAL CONTROL

During 2010, significant weaknesses in the internal-control system were identified in Brazil. Investigations resulted in communication of significant adjustments to the market.
The Group, which initiated improvements to its internal-control system by boosting the role of the support departments and implementing the Group regulations, initiated supplemental actions in the accounting and financial field.

3.1. GENERAL ORGANIZATIONAL 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 positioned close to decentralized operations.
- Those related to the accounting of sensitive 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 Chief Executive Officer.

The Group Consolidation department frequently checks the consolidated reporting packages for each country (in-country inspections). If need be, corrections are made to the reporting packages.
Impairment testing, testing of goodwill and impairment of goodwill are handled by the Consolidation department. In addition, it carefully reviews impairment testing of tangible fixed assets.

3.2. MANAGEMENT OF THE ACCOUNTING AND FINANCE ORGANIZATION

3.2.1. ORGANIZATION OF FINANCIAL FUNCTION

The financial function mainly relies on a two-level organization:
- 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. It is the direct link to the Finance departments at country level.
  - The Performance Analysis department aggregates and analyzes 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 points and any potential impact.
- The country-level Finance departments are responsible for production and control of the country's 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 at country level also falls under their responsibility.

The country/business unit/functional operator accounting function is handled by centralized 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, financial management and services appoints the country-level finance directors.

During 2010, the system was enhanced via the following actions:
- Regional finance directors were put in place and charged with improving dissemination of the culture and principles of financial control and supervising their application.
- Merchandise-management control is reported to the finance director at country level.

3.2.2. ACCOUNTING PRINCIPLES

Group accounting principles are specified in a regularly updated document that is distributed 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 validation. Significant changes, additions or withdrawals are presented to the Accounts and Internal Audit Committee.

The most recent version is distributed 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. In case of doubt, country-level finance departments are instructed to consult the Consolidation department, which alone can provide interpretations or clarifications.
A meeting of country-level finance directors is held once per year, during which new changes to the IFRS principles applicable to Carrefour and any problems with application that have been encountered since the last meeting are discussed.

3.2.3. TOOLS AND OPERATING METHODS

In recent years, the Group has standardized the accounting systems used in the various countries. Specifically, this has led to the implementation of an organizational 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 standardizing and documenting procedures in various countries and ensuring the appropriate separation of tasks. Operating instructions are 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.

3.2.4. CONSOLIDATION PROCESS AND PRINCIPAL CONTROLS

Each country is responsible for consolidating financial statements at its own level. Consolidation at this level is provided by centralized 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 the Group regulations, countries have had access to a benchmark for expected controls during the production of accounting and financial information and the consolidation process. These regulations were established by taking into account the recommendations set forth in the Reference Framework published and updated in 2010 by the AMF, adapted to the risks faced by a company like Carrefour.
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, in cooperation with external auditors.
Since the beginning of 2011, the Consolidation department's workforce will expand from four to five people, which will increase the frequency of in-country inspections between account closings. These inspections provide opportunities to improve the process at country level (by promoting an understanding of the Group's accounting principles and disseminating those principles, addressing specific issues within the country). If necessary, inspections can lead to recommendations aimed at improving the country's consolidation procedures.
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 reviews 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 relevant.

3.2.5. OVERSIGHT OF THE INTERNAL-CONTROL SYSTEM

Oversight of the internal-control system was improved during 2010, relying mainly on:

- A self-assessment process for the application and oversight of the main regulations defined by the Group concerning internal accounting and financial controls. The self-assessment process took place at the end of 2010. Action plans were defined at country level where necessary, and will be subject to monitoring during the 2011 fiscal year.
- In-country actions by the Group Internal Audit department. The internal-audit plan incorporated enhanced missions to review internal accounting and financial controls. The intervention plan was submitted to general management, taking into account the requirements of the Financial Management department and the limitations related to the workforce and other assignments that must be carried out as part of broader risk oversight.

Oversight also incorporates an 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 interventions and letters of recommendation from the statutory auditors. It oversees implementation of its recommendations.
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.

In January 2011, the Group executive director - finance management and financial services assigned an outside service provider to evaluate the Group's internal-control procedures.

3.3. CONTROL OVER FINANCIAL COMMUNICATIONS

3.3.1. 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, coherent message: communications must allow investors to gain a precise, accurate understanding of the company's value and management's capacity to boost value still 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 price must be made public via a single, centralized source at Group level.

3.3.2. ORGANIZATION 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 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 by 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 utilize the press, the Internet, direct telephone contact, individual meetings and special forums.

3.3.3. PROCEDURES FOR CONTROLLING FINANCIAL COMMUNICATIONS

The Finance department is the exclusive purveyor of financial information.

Internal controls regarding the financial-communications process primarily focus on compliance with the principle of equality among shareholders. 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 the Group Executive Committee, the departments concerned (e.g. Mergers and Acquisitions) and the Financial Communications department.

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (OR FRENCH COMMERCIAL LAW) ("CODE DE COMMERCE"), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

YEAR ENDED 31 DECEMBER 2010

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is 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 to you 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 31 December 2010.

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 containing the other disclosures required by Article L.225-37, particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of 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 ("Code de commerce"), 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 in respect of 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 in respect of 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, prepared in accordance with Article L. 225-37 of the French Commercial Code ("Code de Commerce").

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code ("Code de commerce").

Paris-La Défense and Neuilly-sur-Seine, April 27, 2011

The Statutory Auditors
French original signed by

KPMG Audit A division of KPMG S.A.	Deloitte & Associés
Eric ROPERT Partner	Frédéric MOULIN

Additional Information

STORE NETWORK (CONSOLIDATED)

FRANCE	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Hypermarkets	**179**	**175**	**178**	**178**	**179**	**179**	**192**	**194**	**203**	**203**	**204**
Supermarkets	**539**	**534**	**547**	**566**	**588**	**595**	**615**	**604**	**590**	**582**	**575**
Hard-discount stores	**424**	**459**	**487**	**578**	**630**	**782**	**811**	**840**	**842**	**835**	**760**
Other formats	**584**	**127**	**126**	**126**	**129**	**108**	**101**	**61**	**9**	**5**	**12**
Total	**1,726**	**1,295**	**1,338**	**1,448**	**1,526**	**1,664**	**1,719**	**1,699**	**1,644**	**1,625**	**1,551**

EUROPE (excluding France)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Hypermarkets	**187**	**253**	**268**	**281**	**288**	**321**	**365**	**399**	**437**	**447**	**440**
Supermarkets	**480**	**548**	**650**	**651**	**690**	**765**	**746**	**957**	**974**	**996**	**1031**
Hard-discount stores	**2,099**	**2,210**	**2,325**	**2,464**	**2,606**	**2,789**	**2,969**	**3,136**	**3,038**	**2,988**	**2,677**
Other formats	**263**	**173**	**130**	**210**	**240**	**223**	**241**	**229**	**236**	**223**	**442**
Total	**3,029**	**3,184**	**3,373**	**3,606**	**3,824**	**4,098**	**4,321**	**4,721**	**4,685**	**4,654**	**4,590**

BELGIUM											
Hypermarkets		57	57	56	56	56	56	56	57	56	47
Supermarkets		72	73	73	77	79	79	79	63	62	40
Other formats		1	1	1	1						
Total		**130**	**131**	**130**	**134**	**135**	**135**	**135**	**120**	**118**	**87**

SPAIN											
Hypermarkets	116	108	115	119	121	136	148	155	162	164	165
Supermarkets	187	167	174	200	190	143	82	86	96	98	104
Hard-discount stores	1,609	1,649	1,700	1,778	1,836	1,891	1,961	2,072	1,972	1,929	1,761
Other formats	27	28	31	32	32			3	11	10	8
Total	**1,939**	**1,952**	**2,020**	**2,129**	**2,179**	**2,170**	**2,191**	**2,316**	**2,241**	**2,201**	**2,038**

GREECE											
Hypermarkets	11	11	13	13	16	19	25	28	31	35	38
Supermarkets	85	82	142	101	120	148	164	197	209	219	227
Hard-discount stores	181	199	212	221	251	267	295	300	271	255	
Other formats	46	46		47	60	52	51	32	33	24	256
Total	**323**	**338**	**367**	**382**	**447**	**486**	**535**	**557**	**544**	**533**	**521**

ITALY											
Hypermarkets	31	34	34	39	38	50	55	58	66	61	58
Supermarkets	192	173	203	205	226	238	247	249	236	227	213
Other formats	190	98	98	130	147	171	190	194	192	189	178
Total	**413**	**305**	**335**	**374**	**411**	**459**	**492**	**501**	**494**	**477**	**449**

POLAND	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Hypermarkets	8	9	13	15	17	32	42	72	78	82	82
Supermarkets	15	51	55	67	70	71	83	247	225	200	194
Total	**23**	**60**	**68**	**82**	**87**	**103**	**125**	**319**	**303**	**282**	**276**
PORTUGAL											
Hypermarkets	5	5	6	7	7	7	10				
Hard-discount stores	272	276	281	283	286	292	320	348	364	367	353
Total	**277**	**281**	**287**	**290**	**293**	**299**	**330**	**348**	**364**	**367**	**353**
CZECH REPUBLIC											
Hypermarkets	6	7	8	9	10						
Total	**6**	**7**	**8**	**9**	**10**						
ROMANIA											
Hypermarkets							7	11	21	22	23
Supermarkets									20	25	32
Total							**7**	**11**	**41**	**47**	**55**
SLOVAKIA											
Hypermarkets	2	4	4	4	4						
Total	**2**	**4**	**4**	**4**	**4**						
SWITZERLAND											
Hypermarkets		8	8	8	8	9	9				
Total		**8**	**8**	**8**	**8**	**9**	**9**				
TURKEY											
Hypermarkets	8	10	10	11	11	12	13	19	22	26	27
Supermarkets	1	3	3	5	7	86	91	99	125	165	221
Hard-discount stores	37	86	132	182	233	339	393	416	431	437	563
Total	**46**	**99**	**145**	**198**	**251**	**437**	**497**	**534**	**578**	**628**	**811**
BULGARIA											
Hypermarkets										1	
Total										**1**	

LATIN AMERICA	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Hypermarkets	**120**	**124**	**135**	**147**	**157**	**148**	**204**	**255**	**288**	**309**	**328**
Supermarkets	**253**	**263**	**249**	**254**	**211**	**149**	**118**	**141**	**151**	**166**	**156**
Hard-discount stores	**201**	**263**	**313**	**413**	**488**	**520**	**539**	**572**	**606**	**635**	**622**
Other formats								**5**	**8**	**8**	**45**
Total	**574**	**650**	**697**	**814**	**856**	**817**	**861**	**973**	**1053**	**1118**	**1151**
ARGENTINA											
Hypermarkets	22	22	23	24	28	28	30	59	67	68	71
Supermarkets	138	132	141	141	114	114	118	103	112	117	107
Hard-discount stores	201	246	246	285	310	319	325	329	339	353	363
Other formats											32
Total	**361**	**400**	**410**	**450**	**452**	**461**	**473**	**491**	**518**	**538**	**573**
BRAZIL											
Hypermarkets	74	74	79	85	85	99	143	150	162	172	184
Supermarkets	115	131	108	113	97	35		38	39	49	49
Hard-discount stores		17	67	128	178	201	214	243	267	282	259
Other formats								5	8	8	13
Total	**189**	**222**	**254**	**326**	**360**	**335**	**357**	**436**	**476**	**511**	**505**
CHILE											
Hypermarkets	3	4	4								
Total	**3**	**4**	**4**								
COLOMBIA											
Hypermarkets	3	5	8	11	15	21	31	46	59	69	73
Total	**3**	**5**	**8**	**11**	**15**	**21**	**31**	**46**	**59**	**69**	**73**
MEXICO											
Hypermarkets	18	19	21	27	29						
Total	**18**	**19**	**21**	**27**	**29**						
ASIA											
Hypermarkets	**94**	**105**	**123**	**144**	**170**	**191**	**202**	**238**	**285**	**339**	**336**
Supermarkets					**6**	**8**			**30**	**18**	**19**
Hard-discount stores				**55**	**164**	**225**	**255**	**275**	**309**	**268**	**244**
Other formats										**1**	**1**
Total	**94**	**105**	**123**	**199**	**340**	**424**	**457**	**513**	**624**	**626**	**600**

CHINA	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Hypermarkets	24	24	32	40	56	70	90	112	134	156	182
Supermarkets					6	8		0	0	0	0
Hard-discount stores				55	164	225	255	275	309	268	244
Total	**24**	**24**	**32**	**95**	**226**	**303**	**345**	**387**	**443**	**424**	**426**
SOUTH KOREA											
Hypermarkets	20	22	25	27	27	31					
Total	**20**	**22**	**25**	**27**	**27**	**31**					
INDONESIA											
Hypermarkets	7	8	10	11	15	20	29	37	43	61	67
Supermarkets									30	15	16
Total	**7**	**8**	**10**	**11**	**15**	**20**	**29**	**37**	**73**	**76**	**83**
JAPAN											
Hypermarkets	1	3	4	7	8						
Total	**1**	**3**	**4**	**7**	**8**						
MALAYSIA											
Hypermarkets	6	6	6	7	8	8	10	12	16	19	25
Total	**6**	**6**	**6**	**7**	**8**	**8**	**10**	**12**	**16**	**19**	**25**
SINGAPORE											
Hypermarkets	1	1	1	2	2	2	2	2	2	2	2
Total	**1**	**1**	**1**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
TAIWAN											
Hypermarkets	24	26	28	31	34	37	47	48	59	62	60
Supermarkets										3	3
Total	**24**	**26**	**28**	**31**	**34**	**37**	**47**	**48**	**59**	**65**	**63**
THAILAND											
Hypermarkets	11	15	17	19	20	23	24	27	31	39	
Other formats										1	
Total	**11**	**15**	**17**	**19**	**20**	**23**	**24**	**27**	**31**	**40**	
INDIA											
Other formats											1
Total											**1**

GROUP	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Hypermarkets	580	657	704	750	794	839	963	1,086	1,213	1,298	1,308
Supermarkets	1,272	1,345	1,446	1,471	1,495	1,517	1,479	1,702	1,745	1,762	1,781
Hard-discount stores	2,724	2,932	3,125	3,510	3,888	4,316	4,574	4,823	4,795	4,726	4,303
Other formats	847	300	256	336	369	331	342	295	253	237	500
Total	**5,423**	**5,234**	**5,531**	**6,067**	**6,546**	**7,003**	**7,358**	**7,906**	**8,006**	**8,023**	**7,892**

SALES AREA BY COUNTRY (CONSOLIDATED STORES)

In thousands of sq.m	Hypermarkets	Supermarkets	Hard-discount stores	Other formats	Total
France	**1,968**	**1,134**	**541**	**24**	**3,667**
Europe (excluding France)	**3,171**	**1,115**	**1,161**	**181**	**5,628**
Spain	1,468	152	893	2	2,515
Italy	390	257		93	740
Belgium	317	77			394
Greece	196	236		86	517
Poland	438	176			614
Turkey	191	189	123		503
Portugal			146		146
Romania	172	28			199
Latin America	**2,080**	**217**	**224**	**7**	**2,528**
Argentina	425	142	116	6	689
Brazil	1,263	75	107	1	1,447
Colombia	392				392
Asia	**2,427**	**27**	**57**	**5**	**2,516**
China	1,416		57		1,473
Indonesia	405	24			429
Malaysia	170				170
Singapore	16				16
Taiwan	421	2			423
India				5	5
Total	**9,646**	**2,493**	**1,983**	**217**	**14,338**

COMMERCIAL STATISTICS

SALES AREA PER FORMAT (CONSOLIDATED STORES) AS OF DECEMBER 31, 2010

In thousands of sq.m	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Hypermarkets	5,256	5,674	6,180	6,510	6,885	7,087	7,620	8,539	9,264	9,685	**9,646**
Supermarkets	1, 968	2,117	2,132	2,277	2,321	2,319	2,283	2,446	2,507	2,509	**2,493**
Hard-discount stores	906	997	1,093	1,255	1,466	1,674	1,850	2,065	2,101	2,134	**1,983**

CONSOLIDATED HYPERMARKET DATA AS OF DECEMBER 31, 2010

In thousands of sq.m	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sales per sq.m (Annual net sales in euros)	8,110	7,214	6,594	6,319	6,109	6,201	6,023	5,959	5,852	5,508	**5,844**
Sales per store (Annual net sales in millions of euros)	67	65	58	55	53	52	48	47	44	41	**43**
Annual number of cash transactions	1,115	1,206	1,264	1,355	1,466	1,487	1,563	1,680	1,773	1,840	**1,827**

GROSS SALES ACCORDING TO REGION AND FORMAT AS OF DECEMBER 31, 2010

In millions of euros	Hypermarkets	Supermarkets	Hard-discount stores	Other formats	Total
France	22,413	12,803	2, 736	3,926	41,878
Europe	17,988	7,805	5,802	2,052	33,647
Latin America	13,513	1,344	1,805	926	17,588
Asia	7,662	55	188	0	7,905
Total	**61, 575**	**22,008**	**10,531**	**6,903**	**101,018**

NUMBER OF CUSTOMERS PASSING THROUGH CHECK-OUTS IN CONSOLIDATED HYPERMARKETS AS OF DECEMBER 31, 2010

In millions of euros	2010	2009
France	**344**	352
Europe	**516**	520
Latin America	**332**	324
Asia	**634**	644
TOTAL	**1,827**	**1,840**

The number of check-out transactions for 2010 does not take into account the Group's business in Thailand (54 million check-out transactions). In 2009, 48 million check-out transactions were recorded in this country.

INFORMATION ON STORE NETWORK UNDER BANNERS

All formats	France	Europe	Latin America	Asia	Group
Total commercial sales incl. tax (in millions of euros)	46,367	40,658	17,286	7,933	112,245
2010-2009 change (as a %)	1.4%	-0.2%	31.2%	18.8%	5.6%
% of total commercial sales incl. tax	41.3%	36.2%	15.4%	7.1%	100.0%
Number of stores	5,494	8,302	1,385	756	15,937
Sales area (in sq.m)	5,707,442	7,703,001	2,607,319	2,545,807	18,563,569
Hypermarkets					
Total commercial sales incl. tax (in millions of euros)	23,196	22,018	13,513	7,662	66,388
2010-2009 change (as a %)	-0.1%	-0.8%	29.1%	18.4%	6.4%
% of total commercial sales incl. tax	20.7%	19.6%	12.0%	6.8%	59.1%
Number of stores	231	506	328	336	1,401
Sales area (in sq.m)	2,129,631	3,682,695	2,080,331	2,426,541	10,319,198
Sales incl. tax/sq.m (in euros)	10,892	5,979	6,496	3,157	6,433
Supermarkets					
Total commercial sales incl. tax (in millions of euros)	14,842	9,903	1,344	55	26,145
2010-2009 change (as a %)	4.0%	-0.4%	23.0%	41.8%	3.1%
% of total commercial sales incl. tax	13.2%	8.8%	1.2%	0.0%	23.3%
Number of stores	973	1,804	156	19	2,952
Sales area (in sq.m)	1,831,946	1,914,672	216,845	26,812	3,990,275
Sales incl. tax/sq.m (in euros)	8,102	5,172	6,200	2,054	6,552
Hard-discount stores					
Total commercial sales incl. tax (in millions of euros)	2,823	6,179	1,925	201	11, 128
2010-2009 change (as a %)	-5.4%	-3.6%	40.7%	18.4%	1.8%
% of total commercial sales incl. tax	2.5%	5.5%	1.7%	0.2%	9.9%
Number of stores	936	4,195	856	386	6,373
Sales area (in sq.m)	670,304	1,589,228	303,006	84,845	2,647,382
Sales incl. tax/sq.m (in euros)	4,212	3,888	6,354	2,366	4,204
Other					
Total commercial sales incl. tax (in millions of euros)	5,506	2,559	503	16	8 ,584
2010-2009 change (as a %)	5.4%	16.9%	104.1%		12.1%
% of total commercial sales incl. tax	4.9%	2.3%	0.4%	0.0%	7.6%
Number of stores	3,354	1,797	45	15	5,211

Carrefour

Société Anonyme with capital of €1,698,340,000 – RCS Nanterre 652 014 051 - www.carrefour.com