Carrefour

Financial Report **2011**

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Consolidated Financial Statements

Management's discussion and analysis year ended December 31, 2011

This is a free translation into English of the Carrefour Group's financial report for 2011 which is issued in the French langague, and is provided solely for the convenience of English speaking users.

Sales and earnings performance

MAIN EARNINGS INDICATORS

(in millions of euros)	2011	2010	% change
Net sales	**81,271**	**80,511**	**0.9%**
Recurring operating income	2,182	2,701	(19.2)%
Non-recurring income and expenses, net	(2,662)	(999)	166.6%
Finance costs and other financial income and expenses, net	(757)	(648)	16.9%
Income tax expense	(1,002)	(610)	64.3%
Net (loss)/income from continuing operations – Group share	**(2,002)**	**340**	**na**
Net income from discontinued operations – Group share	2,573	93	na
Net income – Group share	**371**	**433**	**(14.3)%**

The Group's 2011 performance was shaped by a challenging economic environment in mature markets, especially southern Europe, and continued growth in emerging markets, particularly South America:

- sales rose by 0.9% as reported, led by the emerging markets;
- recurring operating income contracted by 19.2% to 2,182 million euros, mainly due to a decline in margins on operations in France and the rest of Europe;
- non-recurring items represented a net expense of 2,662 million euros, corresponding mainly to goodwill impairments in Italy (1,750 million euros) and Greece (188 million euros);
- the net loss from continuing operations – Group share came to 2,202 million euros;
- net income from discontinued operations amounted to 2,573 million euros, reflecting capital gains on the distribution of Dia shares and the sale of operations in Thailand;
- as a result, income – Group share came to 371 million euros;
- free cash flow totaled 77 million euros, compared with 839 million euros in 2010. The decline was due to a decrease in cash flow from operations and an increase in investments, mainly to remodel hypermarkets in Europe.

ANALYSIS OF THE MAIN INCOME STATEMENT ITEMS

Net sales by operating segment

(in millions of euros)	2011	2010	% change	% change at constant exchange rates
France	35,179	34,907	0.8%	0.8%
Rest of Europe	23,699	24,763	(4.3)%	(3.4)%
Latin America	15,082	13,919	8.4%	10.0%
Asia	7,312	6,923	5.6%	5.1%
TOTAL	**81,271**	**80,511**	**0.9%**	**1.5%**

Net sales before loyalty program costs totaled 81,271 million euros, up 0.9% over 2010, taking into account the currency effect.

The net increase breaks down as follows:

- 0.6% underlying decline on a same-store basis, excluding gasoline;
- 0.9% increase from expansion (creation and acquisition of stores, net of closures and disposals);
- 1.1% positive effect from growth in sales volumes and increases in the price of gasoline sold by the Group, linked to higher oil prices in the markets;
- (0.5)% negative currency effect, mainly concerning the Argentine peso and the Turkish lira.

At constant exchange rates, sales rose by 1.5%.

Net sales by operating segment – contribution to the consolidated total

(in %)	2011	2010
France	43.3%	43.4%
Rest of Europe	29.2%	30.8%
Latin America	18.6%	17.3%
Asia	9.0%	8.6%
TOTAL	**100.0%**	**100.0%**

RECURRING OPERATING INCOME BY OPERATING SEGMENT

Recurring operating income contracted by 19.2% year-on-year to 2,182 million euros, representing 2.7% of sales, compared with 3.4% in 2010.

(in millions of euros)	2011	2010	% change	% change at constant exchange rates
France	862	1,274	(32.4)%	(32.4)%
Rest of Europe	508	706	(28.0)%	(28.2)%
Latin America	554	434	27.5%	29.4%
Asia	258	286	(9.7)%	(9.9)%
TOTAL	**2,182**	**2,701**	**(19.2)%**	**(19.0)%**

The decline reflected:

- resilient margins, with gross margin down by 20 basis points over the year – and just 10 basis points in the second half – to 22.0% from 22.2% in 2010;
- a 3.3% rise in sales, general and administrative expenses, led by salary increases in emerging markets and the impact of recent legislation in France (profit-sharing bonus scheme and changes in the Fillon Act). These expenses represented 19.3% of sales in 2011, compared with 18.8% in the prior year, an increase of 50 basis points.

Recurring operating income by operating segment – contribution to the consolidated total

(in %)	2011	2010
France	39.5%	47.2%
Rest of Europe	23.3%	26.1%
Latin America	25.4%	16.1%
Asia	11.8%	10.6%
TOTAL	**100.0%**	**100.0%**

DEPRECIATION, AMORTIZATION AND PROVISIONS

Depreciation, amortization and provisions amounted to 1,701 million euros, representing 2.1% of sales, a ratio largely unchanged from 2010.

NON-RECURRING INCOME AND EXPENSES, NET

Non-recurring items represented a net expense of 2,662 million euros, comprising 3,005 million euros in expenses and 343 million euros in income.

The detailed breakdown is as follows:

(in millions of euros)	2011	2010
Net gains on disposals of assets	**255**	**54**
Restructuring costs, of which:	(209)	(346)
Transformation Plan	*(120)*	*(187)*
Other restructuring plans	*(89)*	*(159)*
Other non-recurring items, of which:	(547)	(571)
Changes in accounting estimates (Brazil)		*(321)*
Provisions for employee-related risks	*(156)*	
Provision for tax risks (Brazil)	*(130)*	
Net equity tax (Colombia)	*(38)*	
VAT reassessment (France)	*(77)*	
Other	*(146)*	*(250)*
Non-recurring income and expenses, net before impairment losses	**(501)**	**(863)**
Impairment losses, of which:	(2,161)	(135)
Impairment of goodwill	*(1,966)*	*0*
Impairment of tangible fixed assets	*(156)*	*(135)*
Non-recurring income and expenses, net	**(2,662)**	**(999)**
Of which:		
Non-recurring income	**343**	**102**
Non-recurring expense	*(3,005)*	*(1,101)*

The net expense was due mainly to non-recurring asset impairments of 2,161 million euros.

In response to the worsening economic and financial crises in Europe during the second half and the austerity plans implemented in southern European countries, the Group reviewed its business plans and downgraded its growth forecasts for operations in Greece and Italy. The impairment tests performed on the basis of the revised business plan projections (see Note 17 to the Consolidated Financial Statements) led to the recognition of impairment losses of 1,966 million euros on goodwill, with Italian goodwill written down by 1,750 million euros, of which 481 million euros in the first half, and Greek goodwill by 188 million euros.

In addition, impairment losses of 156 million euros were recorded on tangible fixed assets, mainly in France, Spain, Italy, Turkey and Romania, to reflect the loss-making situation of certain stores.

Other non-recurring items included a capital gain on the sale of 97 supermarket properties in France (229 million euros), as well as exceptional provisions for taxes (245 million euros) and employee-related risks (156 million euros). A detailed description of these other non-recurring items is provided in Note 11 to the Consolidated Financial Statements.

OPERATING (LOSS)/INCOME

The Group reported an operating loss of 481 million euros in 2011, compared with income of 1,703 million euros in the previous year. The negative swing was mainly due to the impairment losses booked in 2011 and described above.

Operating (loss)/income by operating segment

(in millions of euros)	2011	2010
France	836	1,010
Rest of Europe	(1,725)	351
Latin America	167	69
Asia	241	272
TOTAL	**(481)**	**1,703**

FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET

Finance costs and other financial income and expenses represented a net expense of 757 million euros, up 16.9% over 2010, corresponding to 0.9% of net sales compared with 0.8% in 2010.

(in millions of euros)	2011	2010
Finance costs, net	(482)	(545)
Other financial income and expenses, net	(275)	(103)
Finance costs	**(757)**	**(648)**

Finance costs, net totaled 482 million euros, an 11.5% decline that was mainly due to the reduction in net debt. This improvement only partially offset the increase in net financial expense, which was due to the sharp rise in late interest on several major tax reassessments contested by the Group.

INCOME TAX EXPENSE

Income taxes amounted to 1,002 million euros in 2011, compared with 610 million euros in 2010. The increase was due to a 268 million euros provision for tax deficiencies in Spain (set aside in the first half, following the receipt of the reassessment notice) and to 151 million euros in valuation allowances recorded on deferred tax assets in Italy and Greece following the downgrading of the Group's business plan projections in both countries.

NET INCOME FROM COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Net income from companies accounted for by the equity method totaled 64 million euros, an increase of 29 million euros over 2010.

NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Net income attributable to non-controlling interests came to 33 million euros, 102 million euros less than in 2010. The decrease was due to a decline in the contributions of companies that the Group operates through partnerships, especially in Greece.

NET (LOSS)/INCOME FROM CONTINUING OPERATIONS – GROUP SHARE

Because of the abovementioned factors, the Group reported a net loss from continuing operations of 2,202 million euros, compared with income of 340 million euros in 2010

NET INCOME FROM DISCONTINUED OPERATIONS – GROUP SHARE

Net income from discontinued operations totaled 2,573 million euros, compared with 93 million euros in 2010. The total included

- a 666 million euros net gain from the sale of operations in Thailand;
- a 1,909 million euros net gain on the distribution of Dia shares plus Dia's contribution to net income for the period until the date when control of the sub-group was lost.

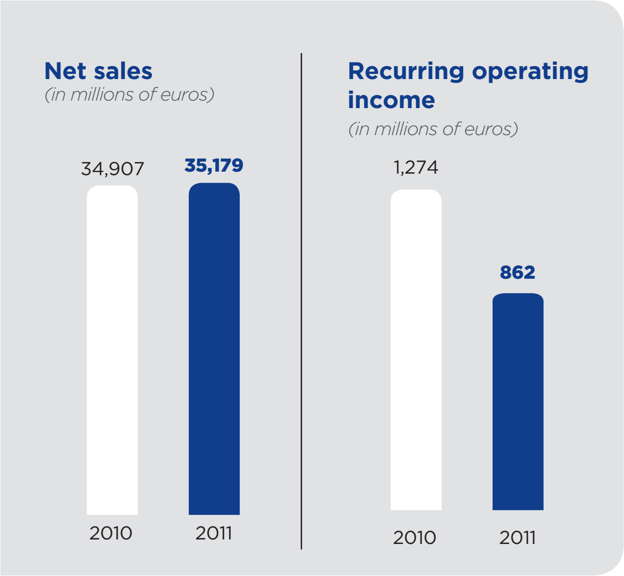
PERFORMANCE BY REGION

FRANCE

At December 31, 2011, the consolidated store base in France broke down as follows:

Hypermarkets	Supermarkets	Other stores	Total
205	558	0	763

During the year, one hypermarket was added – the 4,100-square-meter store in Aubervilliers that opened in April – and 20 supermarkets and 12 cash & carry outlets became franchise operations.



With the exception of the opening of the Aubervilliers hypermarket, there was little change in the store base during the year. However, 17 hypermarkets and 13 supermarkets launched a drive-in service in the second half. This format will continue to be deployed in 2012 with the goal of offering the service in some 150 to 200 stores.

Remodeling programs were pursued and by year-end, 29 of the 205 Carrefour hypermarkets in France displayed the Carrefour Planet banner. Alignment of the convenience banners also continued during the year, with nearly one-third of the store base converted to the Carrefour Contact (316 units) and Carrefour City (366) formats.

Sales in France rose by 0.8%, led mainly by a strong performance from supermarkets and convenience formats.

Recurring operating income contracted by 32.4%, to represent 2.4% of net sales versus 3.7% in 2010, due to a decline in gross margin linked to higher raw material prices and a more competitive business environment and to an increase in sales expenses, mainly for hypermarkets. Supermarkets, convenience stores and financial services maintained their margins at levels on a par with 2010.

The Reset action plan was rolled out in the second half to improve operations and restore margins in hypermarkets. There was an overall improvement in product availability in the second half. Promotions were fewer in number but more targeted and a price investment strategy was deployed to restore the price positioning and image of the Group's stores.

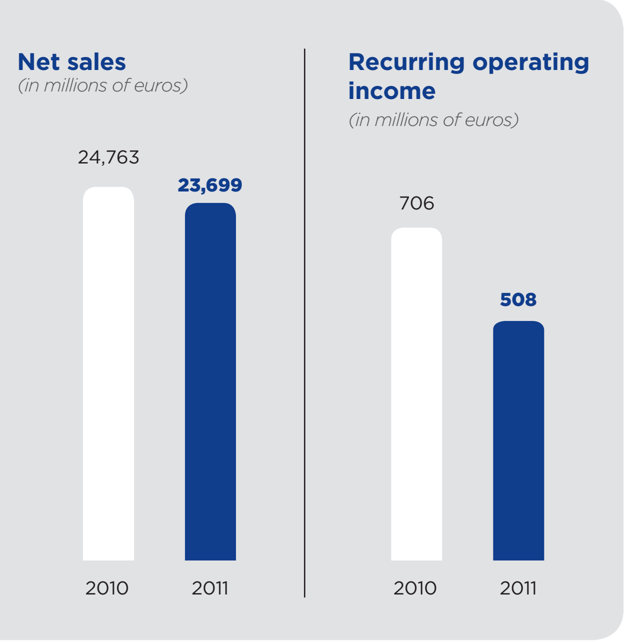
Operating investments totaled 928 million euros, and represented 2.6% of sales. The increase over 2010 was due mainly to the remodeling of Carrefour Planet stores.

REST OF EUROPE

At December 31, 2011, the consolidated store base in the rest of Europe broke down as follows:

Hypermarkets	Supermarkets	Other stores	Total
447	1,054	355	1,856

In 2011, a net 7 hypermarkets were added to the consolidated store base (1 in Spain, 3 in Greece, and 2 each in Poland and Romania, while 1 store closed in Belgium) along with 13 supermarkets, while the convenience store base contracted by 77 outlets, mainly due to the closing of 56 stores and the conversion of 19 others to the supermarket format in Greece.



In the rest of Europe, sales declined by 3.4% at constant exchange rates and 4.3% as reported, because of a sharp drop in sales of non-food items in a more difficult economic and competitive environment.

Operating income declined by 28.1% to 508 million euros, mainly due to the economic situation in Greece and, to a lesser degree, in Italy. Overall gross margin declined, while sales expenses increased as a percentage of sales because cost reductions driven by the Group's Transformation Plan only partly offset inflation.

Operating investments totaled 684 million euros and represented 2.9% of sales. The 29% increase over 2010 was due mainly to the remodeling of Carrefour Planet hypermarkets.

In **Spain,** in a difficult business environment, sales declined by 2.2% due to the negative impact of the economic situation on consumer purchasing power, especially for non-food products. Operating margins narrowed only slightly thanks to major cost-reduction initiatives. The store base included 39 Carrefour Planet stores at end-December.

In **Italy,** sales were down by 5.5%. As in Spain, the eroded economic environment led to a sharp fall-off in non-food sales.

In **Belgium,** the 0.9% dip in sales mainly reflected the impact of the store base reorganization in 2010, when eight hypermarkets and three supermarkets were closed, sixteen consolidated supermarkets were transferred to Mestdah, the Group's franchising partner, one hypermarket and four supermarkets were converted to franchise operations and one hypermarket was re-formatted as a supermarket. Same-store sales were up 2.8% in 2011, attesting to the success of the country's adjustment plan. At year-end, ten hypermarkets had converted to the Carrefour Planet format.

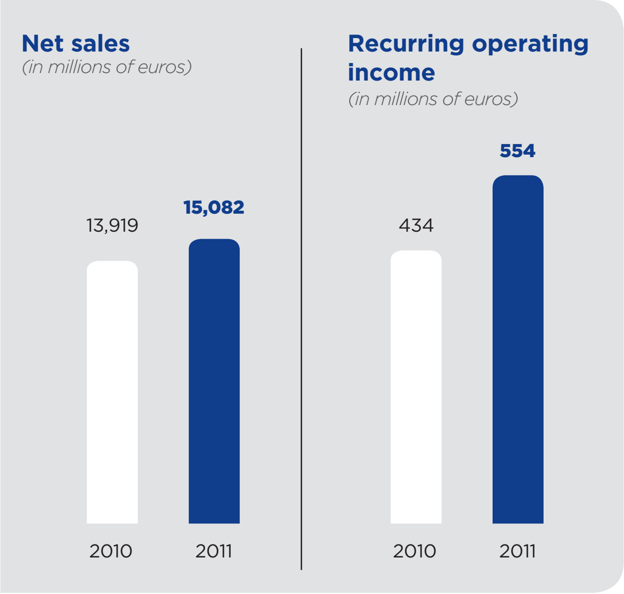
In **Greece,** sales and operating performance were strongly impacted by the degraded economic environment. The fall in operating income in Greece was responsible for most of the decline for Europe as a whole.

LATIN AMERICA

At December 31, 2011, the consolidated store base in Latin America broke down as follows:

Hypermarkets	Supermarkets	Other stores	Total
335	150	98	583

In 2011, 7 hypermarkets were added (3 in Argentina and 2 each in Brazil and Colombia), 6 supermarkets were removed and the number of convenience outlets increased by 53, with the opening of 39 stores in Argentina and 20 in Colombia in a period of rapid expansion.



Sales in Latin America rose by 10.0% at constant exchange rates (8.4% as reported) led by strong same-store growth and sustained expansion of the network. All countries reported higher sales.

Operating income rose by 29.4% at constant exchange rates (27.5% as reported), thanks to action taken in 2011 to improve the profitability of hypermarkets in Brazil.

Operating investments totaled 463 million euros, and represented 3.1% of sales, an increase over 2010 due to higher remodeling expenses.

In **Brazil,** in a buoyant economic environment, sale rose by 9.1% at constant exchange rates (9.3% as reported). The increase was due to a recovery in the hypermarket segment, led by non-food sales, and to the rapid pace of same-store growth in the Atacadao network.

In **Argentina,** sales increased by 20.7% at constant exchange rates (10.3% as reported). The average shopping cart rose sharply in an inflationary environment. All formats contributed to the growth in sales.

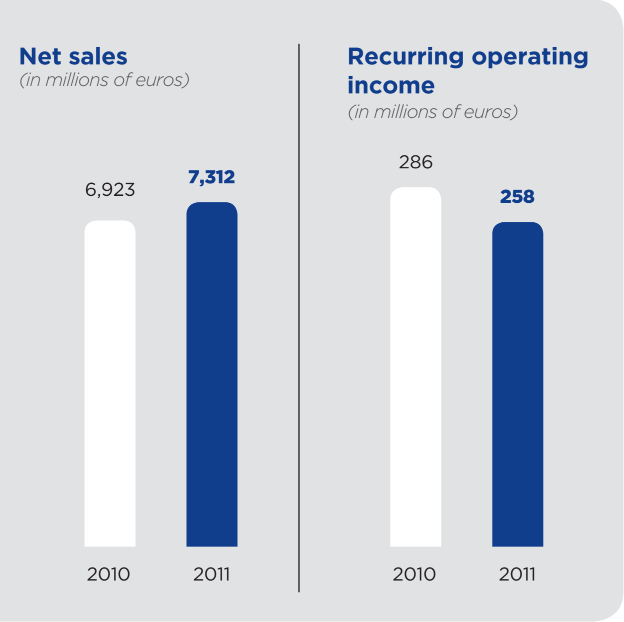
In **Colombia,** sales increased by 1.3% at constant exchange rates but declined by 0.8% as reported.

ASIA

At December 31, 2011, the consolidated store base in Asia broke down as follows:

Hypermarkets	Supermarkets	Other stores	Total
361	17	2	380

In 2011, 25 hypermarkets were added to the store base, with China (23 openings) accounting for most of the increase. In India, a second cash & carry outlet opened late in the year.



Sales in Asia rose by 5.1% at constant exchange rates (5.6% as reported), led by ongoing sustained expansion of the network, mainly in China, sales growth in Indonesia and a continuing recovery in Taiwan.

Recurring operating income declined by 9.9% at constant exchange rates because of a less favorable economic environment in the second half, especially in China where lower non-food sales had a negative impact on operating margin.

Operating investments in Asia totaled 256 million euros and represented 3.5% of sales.

In **China,** sales rose by 7.5% at constant exchange rates (7.8% as reported), led by strong expansion of the network, while same-store sales remained stable. Overall, 23 hypermarkets were opened and 2 closed.

In **Indonesia,** sales increased by 4.5% at constant exchange rates (2.9% as reported), driven by higher same-store sales and sustained expansion, with three hypermarkets opened during the year.

Financial position

SHAREHOLDERS' EQUITY

At December 31, 2011, shareholders' equity stood at 7,627 million euros, compared with 10,563 million euros one year earlier. The decrease of 2,936 million euros was mainly due to the distribution of Dia shares, which reduced shareholders' equity by 2,230 million euros, and the payment of 813 million euros in cash dividends (including dividends paid to non-controlling interests).

NET DEBT

Net debt declined by 1,086 million euros, or 13.6%, to 6,911 million euros from 7,997 million euros at end-2010.

These amounts break down as follows:

(in millions of euros)	12/31/2011	12/31/2010
Bonds and notes	8,545	9,488
Other borrowings	1,894	1,797
Commercial paper	250	500
Finance lease liabilities	492	523
TOTAL BORROWINGS BEFORE DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES	**11,180**	**12,308**
Derivative instruments recorded in liabilities	492	771
TOTAL LONG AND SHORT-TERM BORROWINGS	**11,672**	**13,079**
Of which, long-term borrowings	*9,513*	*10,365*
Of which, short-term borrowings	*2,159*	*2,715*
Other current financial assets	911	1,811
Cash and cash equivalents	3,849	3,271
TOTAL CURRENT FINANCIAL ASSETS	**4,760**	**5,082**
Net debt	**6,911**	**7,997**

Long and short-term borrowings (excluding derivatives) mature at different dates through 2021 for the longest tranche of bond debt, leading to balanced repayment obligations in the coming years as shown below:

(in millions of euros)	12/31/2011	12/31/2010
Due within one year	2,159	2,715
Due in 1 to 2 years	1,700	1,216
Due in 3 to 5 years	4,136	4,868
Due beyond 5 years	3,184	3,509
TOTAL	**11,180**	**12,308**

The Group also has 3.25 billion euros in committed syndicated lines of credit with no drawing restrictions expiring in 2015 and 2016.

Maintaining an adequate liquidity position is a core priority for the Group and one of the cornerstones of its financial strategy.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled 3,849 million euros at December 31, 2011, compared with 3,271 million euros one year earlier, an increase of 578 million euros.

The year-on-year change breaks down as follows:

(in millions of euros)	2011	2010(1)
Cash flow from operations (excluding discontinued operations)	2,360	2,914
Change in working capital requirement (excluding discontinued operations)	(117)	(729)
Impact of discontinued operations	104	635
Change in consumer credit granted by the financial services companies	(229)	(84)
Net cash from operating activities	**2,118**	**2,736**
Acquisitions of tangible fixed assets and intangible assets	(2,330)	(1,832)
Proceeds from the sale of tangible fixed assets and intangible assets	495	196
Impact of discontinued operations	1,329	(320)
Other cash flows from investing activities	108	(351)
Net cash used in investing activities	**(398)**	**(2,307)**
Dividends paid	(811)	(864)
Change in treasury stock and other equity instruments	(126)	(943)
Change in current financial assets	853	221
Change in borrowings	(1,132)	907
Other cash flows from financing activities	46	335
Net cash used in financing activities	**(1,170)**	**(344)**
Effect of changes in exchange rates	28	(114)
Net change in cash and cash equivalents	**578**	**(29)**
Cash and cash equivalents at beginning of period	3,271	3,300
Cash and cash equivalents at end of period	3,849	3,271

CASH FLOW FROM OPERATIONS AND WORKING CAPITAL REQUIREMENT

Cash flow from operations, excluding the impact of discontinued operations, totaled 2,360 million euros, down 19.0% from the 2,914 million euros generated in 2010 due to the overall decline in sales.

Working capital requirement increased by 117 million euros in 2011, after rising 729 million euros in 2010, mainly as a result of a 1.6-day increase in the inventory turnover rate.

INVESTMENTS

Acquisitions of tangible fixed assets and intangible assets rose by 27.2% to 2,330 million euros from 1,832 million euros in 2010. The rise reflects a 328 million euros increase in remodeling expenditure, mainly for the deployment of the new Carrefour Planet hypermarket format in Europe, and 137 million euros growth in maintenance expenditure (stores and IT systems).

In 2011, proceeds from the sale of subsidiaries, tangible fixed assets, and investments in non-consolidated companies improved the Group's cash position by 523 million euros, compared with a 262 million euros rise in the previous year. The increase was due to the sale and leaseback of 97 store properties in France.

Outlook for 2012

In 2012, the Group intends to maintain strict financial discipline in response to a still challenging business environment.

It will pursue initiatives deployed since the introduction of the Transformation Plan in 2009 with the goal of reducing costs by approximately 400 million euros. The Group has also set an objective of reducing inventory turnover by two days.

Expenditure for the deployment of the new Carrefour Planet hypermarket concept will be sharply reduced in 2012, with priority going to expanding the store network in key growth markets. Investments for the year will total between 1,600 million euros and 1,700 million euros.

At the Shareholders Meeting on June 18, 2012, the Group will recommend paying a dividend of 0.52 euro per share, a decline of 52% compared with the ordinary dividend of 1.08 euro paid in 2011. The recommended dividend corresponds to a payout rate of approximately 45% of recurring income – Group share.

Shareholders will be offered a dividend reinvestment option. In the event that all of them opt to receive the dividend in cash, the total payout would come to approximately 353 million euros, compared with 733 million euros in 2011.

Risk management

LITIGATION AND OTHER RISKS

RISK MANAGEMENT

The Group's strategy for managing credit risks, liquidity risks and market risks (interest rate, currency, equity and other financial instrument risks) is described in Note 36 to the Consolidated Financial Statements.

LITIGATION AND OTHER RISKS

Group companies are involved in a certain number of claims and legal proceedings arising in the normal course of business. They are also subject to tax audits that may result in reassessments. The main claims and legal proceedings are described in Note 31 to the Consolidated Financial Statements.

A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Group is also involved in various disputes whose outcome is not expected to have a material effect on its financial position, business and/or results.

INSURANCE

Carrefour's policy with regard to insurance is designed to provide the best possible protection of people and assets.

To this end, global insurance programs have been set up providing consistent cover for all consolidated stores, whatever their location (except in countries where this type of arrangement is not allowed under local regulations) and format. The programs notably cover property & casualty, liability, environmental and construction risks.

The Group ensures that entities acquired during a given year are included in these global programs without delay or covered by its Difference in Conditions/Difference in Limits (DIC/DIL) policies.

Carrefour's insurance policy consists of identifying and assessing existing and emerging risks, in close cooperation with line management, the Corporate departments concerned and outside experts. At the same time, risk prevention measures are tracked through a centralized management system implemented with the Group's insurers and with local correspondents in each country.

Identified insurable risks are transferred to the insurance market.

The methods used to monitor and manage insurance cover are subject to regular independent reviews performed by the brokers and insurers, and to internal reviews by the Corporate Legal department's insurance unit.

The following information is provided for the sole purpose of illustrating the scope of the Group's actions in 2011. It should not be regarded as static, since the insurance market is changing and the Group adapts its strategy to take account of market conditions and the cover available.

To optimize its insurance costs and more effectively control risks, Group policy consists of self-insuring high frequency-low severity risks through its captive reinsurance company and, since January 1, 2005, its consolidated insurance subsidiary in Ireland, Carrefour Insurance Limited, which is licensed by the Irish insurance supervisor.

This direct insurance company mainly insures property damage and business interruption risks for European subsidiaries in application of the Freedom to Provide Services directive. For subsidiaries outside Europe, the Group acts as reinsurer for these risks. The stop-loss policies set limits by claim and by insurance year, to protect the captive's interests and place a cap on its commitments. Losses above the stop-loss limit are transferred to the insurance market.

The same underwriting strategy applies to liability risks, but is limited to reinsurance. The captive's commitments are limited by claim and by insurance year, with losses in excess of a certain amount transferred to the insurance market.

PROPERTY DAMAGE AND BUSINESS INTERRUPTION RISKS

The purpose of this insurance cover is to protect the Group's assets.

The current policy is a comprehensive policy with named exclusions based on the guarantees available on the insurance market. It covers in particular the usual risks insured under this type of policy, such as fire, lightning, theft, natural disasters and business interruption.

Deductibles are aligned with the store format and the country. For some formats, a self-insured retention strategy is applied, aligned with a clearly pinpointed claims experience.

The program for the period from July 1, 2011 to June 30, 2012 provides combined direct damage and business interruption cover of up to 260 million euros per claim. Certain sub-limits apply, particularly for natural disaster losses.

The current named exclusions are in line with insurance market practice.

LIABILITY RISKS

Liability insurance covers claims against the Group in respect of losses caused to third parties by the Group during operations or after delivery.

As most of the Group's sites are regularly visited by members of the public, particular care is taken to ensure that liability risks are adequately covered.

Deductibles vary depending on the country. The policy's exclusions are in line with market practices and concern in particular certain substances identified and recognized as being toxic, carcinogenic, etc.

The global liability insurance program also covers environmental risks with a limit of more than 300 million euros per claim and per year. A special approach is taken to insuring these risks due to the conditions imposed by reinsurers, who generally limit the cover available for gradual pollution risks. Carrefour has nonetheless purchased specific coverage of this type of risk.

SPECIAL RISKS

These include in particular liability claims against the Group's officers.

They are covered by appropriate policies. The amounts of cover are considered by the Group as confidential and are not disclosed.

No insurance has been purchased covering the risk of illness, resignation or death of key executives.

CONSTRUCTION RISKS

Construction risks include losses arising during the construction process and after the project is delivered.

Insured amounts are aligned with market practices and the levels of cover available in the insurance market for this type of risk.

During the construction phase, the comprehensive worksite insurance policy provides cover of up to 3 million euros per claim (with ceilings aligned with the project amount for projects of between 3 million euros and 30 million euros).

After delivery, the building defects and/or ten-year builder liability policies cover amounts up to the total rebuilding cost.

EMPLOYEE RISKS

Insurance programs covering workplace accidents, healthcare costs, death/disability benefits and pensions have been set up in each country in accordance with the applicable legislation, collective bargaining agreements and corporate agreements.

INDUSTRIAL AND ENVIRONMENTAL RISKS

Carrefour is strategically committed to acting in an environmentally responsible manner.

While the business does not give rise directly to any major environmental risks, the main impacts have been identified and acted upon in the following areas:

- prevention of risks associated with service station operations (hydrocarbon pollution of topsoil and subsoil);
- limitation of energy and cooling liquid use;
- automobile pollution (parking lots, sale of cleaner fuel);
- logistics: reduction of discharges into the atmosphere and use of alternative, cleaner transportation solutions;
- action to limit the nuisance caused to local residents and workers (noise, integration in the landscape);
- natural resource management (fish stocks, wood, etc.);
- action to reduce the environmental impact of packaging (environmental considerations taken into account in packaging design, drive to reduce packaging);
- waste recycling;
- water management.

Considering the business's environmental impact and implementing preventive measures are not just the responsibility of the Quality and Sustainable Development department and its local correspondents. On the contrary, environmental policy and risk prevention and management are an integral part of line management's activities in all host countries.

Other information

ACCOUNTING PRINCIPLES

Carrefour's Consolidated Financial Statements for 2011 were prepared in accordance with IFRS international accounting standards.

The 2010 income statement is provided for purposes of comparison. The 2010 comparative information presented in this document has been restated to comply with the IFRSs applicable for the preparation of the 2011 financial statements and to reflect the reclassification of certain operations in accordance with IFRS 5.

CHANGES IN THE SCOPE OF CONSOLIDATION

DISTRIBUTION OF DIA SHARES

The Shareholders Meeting of June 21, 2011 approved the payment on July 5, 2011 of a special dividend in Dia shares. At that date, there were 679,336,000 Carrefour shares outstanding and the same number of Dia shares, so that shareholders received one Dia share for each Carrefour share held.

On the same day as the special dividend was paid, Dia SA was listed on the Madrid Stock Exchange at an IPO price of 3.40 euros per share.

The transaction fell within the scope of IFRIC 17 – *Distributions of Non-Cash Assets to Owners,* which states that:

- the liability to pay a dividend should be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity;
- the liability should be measured at the fair value of the assets to be distributed – in this case, the IPO price of 3.40 euros per share;
- the carrying amount of the dividend should be reviewed at the period-end, with any changes in this amount recognized in shareholders' equity;
- when the dividend is settled, any difference between the carrying amount of the distributed assets and the carrying amount of the dividend should be recognized in profit or loss.

Consequently, in the interim financial statements at June 30, 2011, the dividend was recognized by recording a liability towards shareholders. In the absence of a more reliable indicator at June 30, 2011, the fair value of Dia shares at that date was considered as being equal to the initial fair value of 3.40 euros per share, corresponding to the July 5, 2011 IPO price.

In the financial statements at December 31, 2011, the Group recorded:

- in shareholders' equity – Group share, the dividend recorded in Carrefour SA's accounts, *i.e.* 2,230 million euros (unchanged from June 30, 2011);
- in cash and cash equivalents, the proceeds from the sale of Dia shares held in treasury stock at the time of the distribution (79 million euros);
- in net income from discontinued operations, the 1,909 million euros capital gain corresponding to the difference between the fair value of the Dia shares (2,309 million euros) and their carrying amount, including disposal costs and the tax effect (400 million euros).

Dia and its subsidiaries were consolidated by Carrefour up to the date when control of the companies was lost, on July 5, 2011. In accordance with IFRS 5, the following reclassifications were made in the 2011 annual financial statements:

- Dia's net income for the period up to the date when control was lost (32 million euros) was included in the carrying amount at June 30 and therefore presented under "Net income from discontinued operations" as part of the 1,909 million euros capital gain referred to above. To permit meaningful comparisons, Dia's 2010 net income was also reclassified to this line;
- in the statement of cash flows, all of Dia's cash flows for the first half of 2011 were presented on the lines "Impact of discontinued operations". Its 2010 cash flows were reclassified accordingly.

SALE OF THE GROUP'S OPERATIONS IN THAILAND

Pursuant to an agreement signed on November 15, 2010, on January 7, 2011 Carrefour sold its operations in Thailand to Big C, a subsidiary of Groupe Casino, for a total of 816 million euros net of transaction costs. The capital gain on the transaction, in the amount of 667 million euros, is reported in the 2011 income statement under "Net income from discontinued operations".

MAJOR OPERATIONS UNDERWAY

TENDER OFFER FOR GUYENNE & GASCOGNE

On December 12, 2011, the Group announced that it planned to file a cash offer with a stock alternative for Guyenne & Gascogne, its historical partner in south western France.

The offer terms are as follows:

- cash offer: one Guyenne & Gascogne share (cum dividend) for 74.25 euros in cash (as adjusted for any dividend payment in addition to the interim dividend described below);

- alternative stock offer: one Guyenne & Gascogne share for 3.90 Carrefour shares (cum dividend). The stock alternative will be available for a maximum of 4,986,786 Guyenne & Gascogne shares.

Guyenne & Gascogne has stated that it will pay an interim dividend of 7 euros before the close of the offer period. This interim dividend has been taken into account in determining the offer price.

Guyenne & Gascogne operates six Carrefour hypermarkets and 28 Carrefour Market supermarkets under franchise agreements. In 2011, these stores generated sales of 623 million euros including VAT. Guyenne & Gascogne is also a 50/50 shareholder of Sogara alongside Carrefour, which exercises management control. Sogara owns and operates 13 hypermarkets, which generated sales of 1.6 billion euros including VAT in 2011, and also holds an 8.2% stake in Centros Comerciales Carrefour, the holding company for Carrefour's operating activities in Spain.

Carrefour's draft information memorandum was filed with France's securities supervisor, *Autorité des Marchés Financiers* (AMF), on February 14, 2012. It was approved by the AMF on February 28 under *visa* no. 12-095.

EXERCISE OF THE PUT OPTION ON ALTIS SHARES

Pursuant to the agreements with the Eroski Group and given that the partnership with this group was due to expire at the end of 2011, Carrefour's Board of Directors decided to exercise its put option on 50% of the Altis Group (Altis, Distrimag, SSB and H2M) owned on a 50/50 basis by Carrefour and Eroski.

The option was exercised at a price of 153 million euros.

In accordance with IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations,* the investment in the Altis Group was reclassified at December 31, 2011 from "Investments in companies accounted for by the equity method" to "Assets held for sale" at its carrying amount of 41 million euros.

The transaction is subject to approval by the anti-trust authorities.

NEW FINANCIAL SERVICES PARTNERSHIP IN BRAZIL

On April 14, 2011, the Group announced that it had signed an agreement for the sale to Itaù Unibanco of 49% of BSF Holding, the company that controls Carrefour's financial services and insurance operations in Brazil. The partnership with Itaù Unibanco will enable Carrefour to bolster its financial services and insurance businesses by leveraging major potential synergies between the two groups and expanding its financial product and service offering.

On June 30, 2011, Carrefour notified Cetelem, its current partner in BSF Holding, that it intended to exercise its call option on Cetelem's 40% interest at a total price of 132.5 million euros. The buyout of its current partner and the sale of shares to Itaù Unibanco are subject to the usual regulatory provisions, including the requirement to obtain an authorization from the Brazilian central bank.

On completion of the transactions, Carrefour will hold a 51% majority stake in BSF Holding along with the 315 million euros proceeds from the sale of the 49% interest.

The deal is expected to close during the first half of 2012.

Consolidated Financial Statements year ended December 31, 2011

This is a free translation into English of the Carrefour Group's financial report for 2011 which is issued in the French langague, and is provided solely for the convenience of English speaking users.

The 2010 comparative information presented in this report has been restated to reflect the reclassification of discontinued operations in accordance with IFRS 5. These restatements are described in Note 4.

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

Consolidated income statement

(in millions of euros)	Notes	2011	2010*	% change
Net sales	6	81,271	80,511	0.9%
Loyalty program costs		(816)	(774)	5.5%
Net sales net of loyalty program costs		**80,455**	**79,737**	**0.9%**
Other revenue	7	2,309	2,103	9.8%
Total revenue		**82,764**	**81,840**	**1.1%**
Cost of sales	8	(64,912)	(63,969)	1.5%
Gross margin from recurring operations		**17,852**	**17,871**	**(0.1%)**
Sales, general and administrative expenses	9	(13,969)	(13,494)	3.5%
Depreciation, amortization and provisions	10	(1,701)	(1,675)	1.5%
Recurring operating income		**2,182**	**2,701**	**(19.2%)**
Non-recurring income and expenses, net	11	(2,662)	(999)	-
Operating (loss)/income		**(481)**	**1,703**	**(128.2%)**
Finance costs and other financial income and expenses, net	12	(757)	(648)	16.9%
Finance costs, net		*(482)*	*(545)*	*(11.6%)*
Other financial income and expenses, net		*(275)*	*(103)*	*167.6%*
(Loss)/income before taxes		**(1,238)**	**1,055**	**(217.4%)**
Income tax expense	13	(1,002)	(610)	64.3%
Net income from companies accounted for by the equity method		64	34	88.7%
Net (loss)/income from continuing operations		**(2,176)**	**479**	**(554.7%)**
Net income from discontinued operations	14	2,580	90	-
NET INCOME FOR THE YEAR		**404**	**568**	**(28.9%)**
Group share		**371**	**433**	**(14.3%)**
of which net (loss)/income from continuing operations		(2,202)	340	(746.8%)
of which net income from discontinued operations		2,573	93	-
Attributable to non-controlling interests		**33**	**135**	**(75.8%)**

* *Restated, see Note 4.*

Basic (loss)/income per share

(in euros)	2011	2010	% change
(Loss)/income from continuing operations per share	(3.35)	0.50	na
Income from discontinued operations per share	3.91	0.14	na
Basic income per share – Group share	0.56	0.64	(11.6%)

Diluted (loss)/income per share

(in euros)	2011	2010	% change
(Loss)/income from continuing operations per share	(3.35)	0.50	na
Income from discontinued operations per share	3.91	0.14	na
Diluted income per share – Group share	0.56	0.64	(11.6%)

Calculation details are provided in Note 15.

Consolidated statement of comprehensive income

(in millions of euros)	2011	2010(1)
Net income for the year	**404**	**568**
Effective portion of changes in the fair value of cash flow hedges(2)	(14)	(13)
Changes in the fair value of available-for-sale financial assets(2)	(2)	2
Exchange differences on translating foreign operations(3)	(324)	651
Other comprehensive income after tax	**(340)**	**639**
Total comprehensive income	**64**	**1,208**
Group share	72	1,014
Attributable to non-controlling interests	(9)	194

(1) Restated, see Note 4.
(2) Presented net of the tax effect (see Note 16 for details).
(3) The negative net exchange difference on translating foreign operations in 2011 mainly reflects the decline in the Brazilian, Polish and Turkish currencies against the euro during the period.

The effect of reclassifying to the income statement gains and losses on cash flow hedges and available-for-sale financial assets is presented in Note 12. The deconsolidation of operations in Thailand and the Dia sub-group (see Note 3 – Significant events) led to the reclassification to the income statement of cumulative negative exchange differences of 26 million euros, reported in the consolidated income statement under “Net income from discontinued operations”.

Consolidated statement of financial position

(in millions of euros)	Notes	12/31/2011	12/31/2010
ASSETS			
Goodwill	17	8,740	11,829
Other intangible assets	17	966	1,101
Tangible fixed assets	18	13,771	15,297
Investment property	19	507	536
Investments in companies accounted for by the equity method	20	280	256
Other non-current financial assets	20	1,433	1,542
Consumer credit granted by the financial services companies – long-term	36	2,236	2,112
Deferred tax assets	21	745	766
Non-current assets		**28,676**	**33,440**
Inventories	22	6,848	6,994
Commercial receivables	23	2,782	2,555
Consumer credit granted by the financial services companies – short-term	36	3,384	3,444
Other current financial assets	24	911	1,811
Tax receivables		468	621
Other assets	25	969	1,043
Cash and cash equivalents	26	3,849	3,271
Assets held for sale(1)		44	472
Current assets		**19,254**	**20,210**
TOTAL ASSETS		**47,931**	**53,650**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	27	1,698	1,698
Consolidated reserves and (loss)/income for the year		4,919	7,886
Shareholders' equity – Group share		**6,617**	**9,584**
Shareholders' equity attributable to non-controlling interests		1,009	979
Total shareholders' equity		**7,627**	**10,563**
Long-term borrowings	32	9,513	10,365
Provisions	29	3,680	3,188
Consumer credit financing – long-term	33	419	493
Deferred tax liabilities	21	586	560
Non-current liabilities		**14,198**	**14,605**
Short-term borrowings	32	2,159	2,715
Suppliers and other creditors	34	15,362	16,796
Consumer credit financing – short-term	33	4,482	4,527
Tax payables		1,319	1,298
Other payables	35	2,785	2,824
Liabilities related to assets held for sale(1)		0	321
Current liabilities		**26,106**	**28,481**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**47,931**	**53,650**

(1) *Assets held for sale and related liabilities correspond:*
- *in 2010, to certain assets and liabilities in Italy and Russia, certain Dia Spain assets and liabilities and all assets and liabilities associated with operations in Thailand (see Note 3);*
- *in 2011, to shares in the Altis Group which was accounted for by the equity method in 2010 (see Note 3) and certain assets in Italy.*

Consolidated statement of cash flows

(in millions of euros)	2011	2010[1]
(LOSS)/INCOME BEFORE TAXES	**(1,238)**	**1,055**
CASH FLOWS FROM OPERATING ACTIVITIES		
Taxes	(712)	(589)
Depreciation and amortization expense	1,795	1,740
Capital (gains)/losses on sales of assets	(155)	(74)
Change in provisions and *impairment*	2,643	771
Dividends received from companies accounted for by the equity method	26	12
Impact of discontinued operations	217	478
Cash flow from operations	**2,577**	**3,392**
Change in working capital requirement	(117)	(729)
Impact of discontinued operations	(111)	158
Net cash from operating activities (excluding financial services companies)	**2,348**	**2,821**
Change in consumer credit granted by the financial services companies	(229)	(84)
Net cash from operating activities	**2,118**	**2,736**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment and intangible assets[2]	(2,330)	(1,832)
Acquisitions of financial assets	(30)	(46)
Acquisitions of subsidiaries	(41)	(97)
Proceeds from the disposal of subsidiaries	7	15
Proceeds from the disposal of property and equipment and intangible assets[3]	495	196
Proceeds from disposals of investments in non-consolidated companies	21	51
Investments net of disposals	**(1,878)**	**(1,712)**
Other cash flows from investing activities[4]	151	(274)
Impact of discontinued operations[5]	1,329	(320)
Net cash used in investing activities	**(398)**	**(2,307)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	37	17
Acquisitions and disposals of investments without any change of control	(13)	218
Dividends paid by Carrefour (parent company)	(708)	(740)
Dividends paid by consolidated companies to non-controlling interests	(103)	(124)
Change in treasury stock and other equity instruments[6]	(126)	(943)
Change in current financial assets	853	221
Issuance of bonds	500	1,978
Repayments of bonds	(1,442)	(1,000)
Other changes in borrowings	(190)	(71)
Impact of discontinued operations[5]	23	101
Net cash used in financing activities	**(1,170)**	**(344)**

(in millions of euros)	2011	2010[1]
Net change in cash and cash equivalents before the effect of changes in exchange rates	**551**	**86**
Effect of changes in exchange rates	27	(115)
Net change in cash and cash equivalents	**578**	**(29)**
Cash and cash equivalents at beginning of period	**3,271**	**3,300**
Cash and cash equivalents at end of period	**3,849**	**3,271**

(1) Restated, see Note 4.
(2) The increased expenditure on property and equipment and intangible assets in 2011 corresponds mainly to store remodeling costs to support deployment of the new hypermarket format in Europe.
(3) Disposals of property and equipment and intangible assets in 2011 include the sale of a portfolio of 97 supermarket properties ("Chambolle" transaction, see Note 3).
(4) Including changes in amounts due to suppliers of non-current assets (increases of 206 million euros in 2011 and 159 million euros in 2010).
(5) The impact of discontinued operations in 2011 corresponds to the distribution of shares in the Dia sub-group and completion of the sale of operations in Thailand (see Note 3).
(6) The net cash outflow of 943 million euros in 2010 concerns the purchase and subsequent cancellation of 25,566,716 Carrefour shares under the shareholder-approved buyback program.

Consolidated statement of changes in shareholders' equity

(in millions of euros)	Share capital	Translation reserve	Fair value reserve[1]	Other Consolidated reserves and net income/(loss) for the year	Shareholders' equity – Group share	Non-controlling interests	Total shareholders' equity
Shareholders' equity at December 31, 2009 (restated)	**1,762**	**180**	**(38)**	**8,212**	**10,116**	**798**	**10,914**
Restatement related to corrections of errors				(45)	(45)		(45)
Shareholders' equity at January 1, 2010 (restated)	**1,762**	**180**	**(38)**	**8,168**	**10,072**	**798**	**10,870**
Net income for the year				433	433	135	568
Other comprehensive income after tax		598	(17)		581	58	639
Total comprehensive income	**0**	**598**	**(17)**	**433**	**1,014**	**194**	**1,207**
Share-based payments				25	25		25
Treasury stock (net of tax)[2]	(64)			(871)	(935)		(935)
2009 dividend payment				(740)	(740)	(102)	(842)
Change in capital and additional paid-in capital				0	0	31	31
Effect of changes in scope of consolidation and other movements	0			148	148	59	207
Shareholders' equity at December 31, 2010 (restated)	**1,698**	**778**	**(55)**	**7,162**	**9,584**	**979**	**10,563**
Net income for the year				371	371	33	404
Other comprehensive income after tax		(320)	(6)	27	(299)	(42)	(340)
Total comprehensive income	**0**	**(320)**	**(6)**	**398**	**72**	**(9)**	**64**
Share-based payments				29	29		29
Treasury stock (net of tax)				(73)	(73)		(73)
2010 dividend payment				(708)	(708)	(105)	(813)
Distribution of Dia shares[3]				(2,230)	(2,230)		(2,230)
Change in capital and additional paid-in capital					0	36	36
Effect of changes in scope of consolidation and other movements[4]				(56)	(56)	107	51
Shareholders' equity at December 31, 2011	**1,698**	**458**	**(61)**	**4,521**	**6,617**	**1,009**	**7,627**

(1) This item comprises:
- *the effective portion of changes in the fair value of cash flow hedges;*
- *cumulative changes in the fair value of available-for-sale financial assets.*

(2) Including the effect of the share buyback plan announced on April 15, 2010. Under the shareholder-approved plan, a total of 25,566,716 shares were bought back on the market during 2010 and subsequently canceled on December 13, 2010, for an amount of 923 million euros.

(3) Impact of the distribution of Dia shares on July 5, 2011 (see Note 3).

(4) Including the impact of changes in financial liabilities for put options written over non-controlling interests in subsidiaries.

Notes

CONTENTS

Note 1 Basis of preparation of the Consolidated Financial Statements

1.1 ACCOUNTING PRINCIPLES AND STATEMENT OF COMPLIANCE

The Consolidated Financial Statements for the year ended December 31, 2011 were approved for publication by the Board of Directors on March 7, 2012. They will be submitted to shareholders for final approval at the Annual General Meeting on June 18, 2012.

Carrefour (the "Company") is domiciled in France. The Consolidated Financial Statements for the year ended December 31, 2011 comprise the financial statements of the Company and its subsidiaries (together the "Group") and the Group's share of the profits and losses, assets and liabilities of associated and jointly controlled companies. The presentation currency of the Consolidated Financial Statements is the euro, which is the Company's functional currency.

In accordance with European Regulation (EC) 1606/2002 dated July 19, 2002, the 2011 Consolidated Financial Statements have been prepared in compliance with the international accounting standards adopted for use in the European Union as of December 31, 2011 and applicable at that date, with 2010 comparative information prepared using the same standards.

International accounting standards comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), International Financial Reporting Standards Interpretation Committee (IFRIC) Interpretations and Standing Interpretations Committee (SIC) Interpretations.

All of the standards and interpretations adopted for use in the European Union are available on the European Commission's website,

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

At December 31, 2011, the standards and interpretations adopted for use in the European Union were the same as the standards and interpretations published by the IASB and applicable at that date, except for IAS 39 which had been only partly adopted. The unadopted provisions of IAS 39 have no impact on the Group's Consolidated Financial Statements. Consequently, the Group's Consolidated Financial Statements have been prepared in compliance with the IFRSs published by the IASB.

1.2 IFRSS AND INTERPRETATIONS APPLIED BY THE GROUP

The accounting and calculation methods used to prepare the 2011 Consolidated Financial Statements are the same as those used the previous year, except for the following new and amended standards and interpretations that were applicable from January 1, 2011:

- IAS 24 (revised) – *Related Party Disclosures;*
- amendment to IAS 32 – *Classification of Rights Issues;*
- IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments;*
- amendment to IFRIC 14 – *Prepayments of a Minimum Funding Requirement;*
- annual improvements to IFRSs published in May 2010.

These new and amended standards and interpretations do not have a material impact on the Consolidated Financial Statements or do not concern the Group.

The Group decided not to early adopt the following standards and interpretations that were not applicable as of January 1, 2011:

- amendment to IFRS 7 – *Financial Instruments:* Disclosures concerning transfers of financial assets;
- amendment to IAS 1 – *Presentation of Other Comprehensive Income* (not yet adopted for use in the European Union);
- standards dealing with consolidation (IFRS 10 – *Consolidated Financial Statements,* IFRS 11 – *Joint Arrangements,* IFRS 12 – *Disclosure of Interests in Other Entities*) and the resulting revisions to IAS 27 and IAS 28;
- IFRS 9 – *Financial Instruments: Classification and Measurement of Assets and Liabilities;*
- IFRS 13 – *Fair Value Measurement;*
- amendment to IAS 19 – *Employee Benefits;*
- amendment to IFRS 1 – *Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters;*
- amendment to IAS 12 – *Deferred Tax: Recovery of Underlying Assets;*
- amendment to IAS 32 – *Offsetting Financial Assets and Financial Liabilities;*
- amendment to IFRS 7 – *Disclosures: Offsetting Financial Assets and Financial Liabilities.*

Application of IFRS 11, which eliminates proportionate consolidation as a method of accounting for jointly controlled entities, should not have any impact on the Consolidated Financial Statements as the Group already uses the equity method to account for these entities. The possible impact on the Consolidated Financial Statements of applying the other new and amended standards is currently being assessed.

The amendment to IAS 19 will eliminate the use of the corridor method. Consequently, all unamortized actuarial gains and losses and all unrecognized past service costs will be recognized in shareholders' equity when the amendment is applied, no later than January 1, 2013. The effect of this change on consolidated shareholders' equity at December 31, 2011 would be a negative 126 million euros.

1.3 USE OF ESTIMATES

Preparation of Consolidated Financial Statements involves the use of management estimates and assumptions that may affect the reported amounts of certain assets, liabilities, income and expenses, as well as the disclosures contained in the notes. These estimates and assumptions are reviewed at regular intervals to ensure that they are reasonable in light of past experience and the current economic situation. Actual results may differ from current estimates.

The main management estimates used in the preparation of the Consolidated Financial Statements concern the useful lives of operating assets, the recoverable amount of goodwill and other intangible assets (Note 17) and property and equipment (Note 18), the amount of provisions for contingencies and other business-related provisions (Note 29). The main assumptions concern pension and other post-employment benefit obligations (Note 30) and recognized deferred taxes (Note 21).

IAS 32 requires the recognition of a financial liability for put options written over non-controlling interests ("NCI puts"). The Group has chosen to apply a differentiated treatment depending on whether the puts were written before or after the first-time adoption of IAS 27 (amended) on January 1, 2010, as explained in the paragraph "Put options written over non-controlling interests" in Note 2 – Summary of significant accounting policies.

Note 2 Summary of significant accounting policies

The accounting policies described below have been applied consistently in all periods presented in the Consolidated Financial Statements and by all Group entities.

2.1 BASIS OF CONSOLIDATION

Companies over which the Group exercises exclusive control, directly or indirectly, are fully consolidated. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether control exists.

Investments in associates – defined as entities over which the Group has significant influence – and joint ventures are accounted for by the equity method. This method consists of recognizing in the Consolidated Financial Statements the Group's share of the total profits and losses recorded by the associate or joint venture as adjusted to comply with Group accounting policies, for the period from the date when significant influence or joint control is acquired until the date when it is lost.

Investments in companies where the Group does not exercise control or significant influence over financial and operating policy decisions are reported under "Non-current financial assets". The accounting treatment of these investments is described in the paragraph "Financial assets and liabilities".

Control over special purpose entities (SPEs), as defined in SIC 12, is determined based on an assessment of whether the Group obtains the majority of the benefits of the SPE and therefore may be exposed to risks incident to the SPE's activities.

An SPE is consolidated when the substance of the relationship between the Group and the SPE indicates that the SPE is controlled by the Group. This is considered to be the case, for example, when:

- in substance, the activities of the SPE are being conducted on behalf of the Group according to its specific business needs so that the Group obtains benefits from the SPE's operations;
- in substance, the Group has the decision-making powers to obtain the majority of the benefits of the SPE's activities or, by setting up an "autopilot" mechanism, the Group has delegated these decision-making powers;
- in substance, the Group has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the SPE's activities;
- in substance, the Group retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities.

2.2 SEGMENT INFORMATION

IFRS 8 – *Operating Segments* requires the disclosure of information about an entity's operating segments extracted from the internal reporting system and used by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance. Based on the IFRS 8 definition, the Group's operating segments are the countries in which it conducts its business through consolidated stores.

These countries have been combined to create four geographical segments:

- France;
- Rest of Europe: Spain, Italy, Belgium, Greece, Poland, Turkey and Romania;
- Latin America: Brazil, Argentina and Colombia;
- Asia: China, Taiwan, Malaysia, Indonesia, India and Singapore.

The hard discount operating segment for which information was disclosed in 2010 no longer exists following the loss of control of the Dia sub-group on July 5, 2011.

2.3 BUSINESS COMBINATIONS

At the IFRS transition date, the Group elected not to apply IFRS 3 to business combinations carried out prior to that date, in line with the option available to first-time adopters under IFRS 1.

Whenever the Group acquires control of an entity or group of entities, the identifiable assets acquired and liabilities assumed are recognized and measured at fair value. The difference between the acquisition cost and the fair value of the identifiable assets acquired, net of the liabilities and contingent liabilities assumed, is recognized as goodwill. Goodwill is recorded directly in the statement of financial position of the acquired entity, in the entity's functional currency. Its recoverable amount is subsequently monitored at the level of the cash-generating unit to which the entity belongs, corresponding to the country.

Since the adoption of IFRS 3 (revised) on January 1, 2010, the Group applies the following principles:

- transaction costs are now recorded directly as an operating expense for the period in which they are incurred;
- for each business combination, the Group determines whether to apply the full goodwill or partial goodwill method:
  - the full goodwill method consists of measuring non-controlling interests in the acquiree at fair value and allocating to these interests part of the goodwill recognized at the time of the business combination,
  - under the partial goodwill method, non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets and no goodwill is allocated to these interests;
- any contingent consideration is measured at its acquisition-date fair value. Any subsequent change in fair value during the 12-month measurement period is recognized by adjusting goodwill only if it results from additional information about facts and circumstances that existed at the acquisition date. If this criterion is not met or the change in fair value arises after the measurement period, it is recorded in other comprehensive income;
- for a business combination achieved in stages (step acquisition), when control is acquired the previously held equity interest is remeasured at fair value through profit. In the case of a reduction in the Group's equity interest resulting in a loss of control, the remaining interest is also remeasured at fair value through profit;
- in the case of a bargain purchase, the gain is recognized immediately in profit;
- any acquisition or disposal of equity interests that does not result in control being acquired or lost is treated as a transaction between owners and recognized directly in shareholders' equity in accordance with IAS 27 (amended).

For entities or additional equity interests acquired during the year, the Group's share or increased share of the entity's profit or loss for the period from the transaction date is recognized in the consolidated income statement. For entities sold or equity interests reduced during the year, the Group's share of the entity's profit or loss for the period up to the transaction date is recognized in the consolidated income statement.

2.4 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

The Consolidated Financial Statements are presented in euros.

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

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

- assets and liabilities are translated at the period-end closing rate;
- income and expenses are translated at the average exchange rate for the period;
- all resulting exchange differences are recognized in other comprehensive income and are taken into account in the calculation of any gain or loss realized on the subsequent disposal of the foreign operation;
- items in the statement of cash flows are translated at the average rate for the period unless the rate on the transaction date is materially different.

No Group companies operated in a hyperinflationary economy in either 2011 or 2010.

2.5 TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

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

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

Intra-group loans to certain foreign operations are treated as part of the net investment in that operation if settlement of the loan is neither planned nor likely to occur. The gains or losses arising from translation of the loan at each successive period-end are recorded directly in other comprehensive income in accordance with IAS 21.

2.6 INTANGIBLE ASSETS AND PROPERTY AND EQUIPMENT

2.6.1 GOODWILL

Since the transition to IFRS, goodwill recognized on business combinations is no longer amortized but is tested for impairment every year, at December 31.

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

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

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

Impairment methods are described in Note 2.6.4 – Impairment tests.

2.6.2 OTHER INTANGIBLE ASSETS

Other intangible assets consist mainly of software, which is amortized over periods ranging from one to five years.

2.6.3 TANGIBLE FIXED ASSETS

In accordance with IAS 16 – *Property, Plant and Equipment,* land, buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (defined in IAS 23 – *Borrowing Costs* as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of the asset.

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

Depreciation of property and equipment begins when the asset is available for use and ends when the asset is sold, scrapped or reclassified as held for sale in accordance with IFRS 5.

Tangible fixed assets, or each significant part of an item of property and equipment, are depreciated by the straight-line method over the following estimated useful lives:

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

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

Depreciation methods and periods are reviewed at each period-end and, where appropriate, are adjusted prospectively.

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

Finance leases are accounted for as follows:

- the leased assets are recognized in the statement of financial position at fair value or, if lower, the present value of the minimum lease payments. They are depreciated over their useful life, in the same way as assets owned outright, or, if shorter, over the lease term;

- the liability for the future lease payments is recognized in the statement of financial position under liabilities;
- lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

Impairment tests

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

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

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

Impairment of intangible assets other than goodwill and property and equipment

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

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

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

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

Impairment of goodwill

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

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

For the purpose of analyzing the recoverable amount of goodwill, each individual country is considered as representing a separate CGU. The choice of this level is based on a combination of organizational and strategic criteria:

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

Value in use is considered as corresponding to the sum of discounted future cash flows for a five-year period plus a terminal value calculated by projecting data for the fifth year to perpetuity at a perpetual growth rate. A specific discount rate by country is used for the calculation. Future cash flows are estimated based on the 3-year business plan drawn up by country management and approved by Group management.

The discount rate for each country is calculated as the weighted average cost of equity and debt, determined using the median gearing rate for the sector. Each country's cost of equity is obtained by adjusting the cost of equity in France to reflect the difference in the local inflation rate and to include a country risk premium. The country risk premium is generally estimated by reference to the difference between the five-year credit default swap (CDS) spread applicable to the country's sovereign debt and the spread applicable in France. The cost of debt is determined by applying the same logic.

The main assumptions used for impairment testing purposes are presented in Note 17.

2.7 FINANCIAL ASSETS AND LIABILITIES (EXCLUDING BANKING ACTIVITIES)

2.7.1 NON-DERIVATIVE FINANCIAL ASSETS

Accounting policy

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

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

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

Financial assets at fair value through profit or loss

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

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

Loans and receivables

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

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

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

This category includes receivables from non-consolidated companies, other loans and receivables and trade receivables. They are reported under "Other financial assets" or "Commercial receivables".

Held-to-maturity investments

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

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

Held-to-maturity investments are reported under "Other financial assets".

The Group did not hold any assets classified as held-to-maturity at December 31, 2011.

Available-for-sale financial assets

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

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

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

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

NON-DERIVATIVE FINANCIAL ASSETS HELD BY THE GROUP

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

Non-current financial assets

This line item mainly comprises investments in non-consolidated companies and long-term loans.

Commercial receivables

Commercial receivables include amounts receivable from suppliers and franchisees and rent receivable from tenants of shopping mall units. Impairment losses are recognized where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable.

Current financial assets

Current financial assets consist mainly of available-for-sale financial assets, measured at fair value, and short-term loans and deposits.

Cash and cash equivalents

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

Cash includes cash on hand and demand deposits.

2.7.2 NON-DERIVATIVE FINANCIAL LIABILITIES

Accounting policy

Non-derivative financial liabilities are initially recognized at fair value plus transaction costs and premiums directly attributable to their issue. They are subsequently measured at amortized cost by the effective interest method, except when they are hedged by a fair value hedge (see Note 2.7.3).

Non-derivative financial liabilities held by the Group

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

Borrowings

"Long-term borrowings" and "Short-term borrowings" include bonds and notes issued by the Group, finance lease liabilities, other bank loans, financial liabilities for put options written over non-controlling interests in subsidiaries, and financial liabilities related to securitized receivables for which the credit risk is retained by the Group.

Suppliers and other creditors

Trade payables are reported on this line of the statement of financial position whatever their due date.

Other payables

Other payables classified in current liabilities correspond to all other operating payables (mainly accrued employee benefits expense and amounts due to suppliers of non-current assets) and miscellaneous liabilities.

Financial liabilities related to securitized receivables

The securitization program set up in December 2002 in France, Belgium and Spain was wound up in 2010.

Put options written over non-controlling interests in subsidiaries ("NCI puts")

The Group has written put options over certain non-controlling interests in fully consolidated subsidiaries. The option exercise price may be fixed or determined according to a predefined formula and the options may be exercisable at any time or on a fixed date.

IAS 27 (amended), which has been applied by the Group since January 1, 2010, describes the accounting treatment of purchases of additional shares in controlled subsidiaries. The Group has decided to apply two different accounting methods to these puts, depending on whether they were written before or after first-time adoption of the amended standard.

NCI puts written prior to January 1, 2010: continued application of the partial goodwill method

- a financial liability was recognized for NCI puts;
- the liability, initially recognized at the present value of the exercise price, is remeasured at each period-end at the fair value of the shares that would be purchased if the exercise price were to be based on fair value;
- it is recorded as a deduction from non-controlling interests and, if necessary, goodwill;
- subsequent changes in the value of the liability are recognized by adjusting non-controlling interests and goodwill (except for discounting adjustments which are recognized in financial income and expense);
- income – Group share continues to be calculated based on the Group's percent interest in the subsidiary, without taking into account the percent interest represented by the NCI puts.

NCI puts written since January 1, 2010:

IAS 27 (amended) stipulates that transactions in equity instruments with non-controlling instruments that do not result in a change of control should be recognized by adjusting shareholders' equity. The Group therefore considers that the NCI puts written after the date of first-time adoption of the amended standard should only affect consolidated shareholders' equity. Accordingly:

- a financial liability is recognized for NCI puts;
- the liability is initially recognized at the present value of the exercise price and is subsequently measured at each period-end at the fair value of the shares that would be purchased if the exercise price were to be based on fair value;
- it is recorded as a deduction from non-controlling interests and, if necessary, shareholders' equity – Group share;
- subsequent changes in the value of the liability are recognized by adjusting non-controlling interests and Group share (except for discounting adjustments which are recognized in financial income and expense);

- income – Group share continues to be calculated based on the Group's percent interest in the subsidiary, without taking into account the percent interest represented by the NCI puts.

2.7.3 DERIVATIVE FINANCIAL INSTRUMENTS

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

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

Derivatives designated as hedging instruments

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

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

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

Cash flow hedges

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

The main cash flow hedges consist of interest rate swaps acquired as hedges of future variable rate interest payments.

Fair value hedges

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

Examples of fair value hedges include swaps set up at the time of issue of fixed rate bonds and notes. The hedged portion of the underlying financial liability is remeasured at fair value, with changes in fair value recognized in the income statement. The changes are offset by the effective portion of symmetrical changes in the fair value of the interest rate swaps.

Other derivative instruments

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

2.7.4 FAIR VALUE CALCULATION METHOD

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

Values estimated using pricing models are based on discounted future cash flows. The models are calibrated using market data such as yield curves and exchange rates obtained from Reuters. For example, the fair value of most interest rate derivatives is calculated based on yield curves for euro-denominated debt and volatility curves displayed on Reuters screens at the period-end (deposit yield curve for maturities of less than one year and swap yield curve for longer maturities).

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

2.8 BANKING ACTIVITIES

To support its core retailing business, the Group offers banking and insurance services to customers through its subsidiary Carrefour Banque.

Due to its specific financial structure, this secondary business is presented separately in the Consolidated Financial Statements:

- consumer credit granted by the financial services companies (payment card receivables, personal loans, etc.) is presented in the statement of financial position under "Consumer credit granted by the financial services companies – long-term" and "Consumer credit granted by the financial services companies – short-term" as appropriate;
- financing for these loans is presented under "Consumer credit financing – long-term" and "Consumer credit financing – short-term" as appropriate;
- revenues from banking activities are reported in the income statement under "Other revenue";
- cash flows generated by banking activities are reported in the statement of cash flows under "Change in consumer credit granted by the financial services companies".

2.9 INVESTMENT PROPERTY

IAS 40 defines investment property as property (land or a building or both) held to earn rentals or for capital appreciation or both. Based on this definition, investment property held by the Group consists of shopping malls (retail and service units located behind the stores' check-out area) that are exclusively or jointly owned and represent a surface area of at least 2,500 square meters.

Investment property is recognized at cost and is depreciated over the same period as owner-occupied property.

The properties' fair value is measured twice a year:

- by applying a multiple that is a function of (i) each shopping mall's profitability and (ii) a country-specific capitalization rate to the gross annualized rental revenue generated by each property; or
- based on independent valuations.

The fair value of investment property is presented in Note 19.

2.10 INVENTORIES

In accordance with IAS 2 – *Inventories,* goods inventories are measured at the lower of cost and net realizable value.

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

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

2.11 PROVISIONS

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

2.12 EMPLOYEE BEN TS

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

DEFINED CONTRIBUTION PLANS

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

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

DEFINED BENEFIT AND LONG-TERM BENEFIT PLANS

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

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

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

The Group elected to account for post-employment benefit obligations using the corridor method. Under this method, the portion of actuarial gains and losses that falls within a "corridor" of plus or minus 10% of the defined benefit obligation (or the value of plan assets if the plan has a surplus) is not recognized in profit or loss. The portion that falls outside the 10% corridor is recognized in profit or loss over the average remaining service lives of the plan participants.

SHARE-BASED PAYMENTS

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

As allowed under IFRS 1, upon first-time adoption of IFRS the Group elected to apply IFRS 2 – *Share-based Payment* only to equity-settled stock options granted after November 7, 2002 that had not yet vested as of January 1, 2004. This had no impact on opening shareholders' equity at January 1, 2004.

All subsequent share-based payment plans have been accounted for in accordance with IFRS 2. As the plans are equity-settled, the benefit represented by the share-based payment is recorded in employee benefits expense with a corresponding increase in shareholders' equity. The amount recorded in employee benefits expense corresponds to the recognition over the vesting period of the benefit's fair value. Fair value is the value determined using the Black & Scholes option pricing model at the grant date in the case of options or the share price at the grant date in the case of stock grants. In accordance with IFRS 2, performance conditions that are not market conditions are not taken into account to estimate the fair value of stock grants and stock options at the measurement date.

2.13 INCOME TAX EXPENSE

Income tax expense includes current taxes and deferred taxes.

Deferred taxes are calculated on all temporary differences between the carrying amount of assets and liabilities and their tax basis. They are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position under "Non-current assets" and "Non-current liabilities".

A deferred tax asset is recognized for deductible temporary differences and for tax loss carryforwards and tax credits to the extent that it is probable that taxable income will be available against which they can be utilized.

The CVAE local business tax in France, which is assessed on the basis of the value-added generated by the business, is reported under income tax expense because the Group considers that it meets the definition of a tax on income contained in IAS 12.

2.14 TREASURY STOCK

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

2.15 NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

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

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

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

2.16 NET SALES NET OF LOYALTY PROGRAM COSTS

Net sales correspond exclusively to sales realized in the Group's stores and cash and carry outlets.

In accordance with IFRIC 13, which describes the accounting treatment of loyalty award credits granted to customers as part of a sales transaction, award credits are considered as a separately identifiable component of the sales transaction and are deducted from the amount of the sale at fair value.

2.17 OTHER REVENUE

Other revenue, corresponding mainly to sales of financial services and travel, rental revenues and franchise fees, is reported on a separate line below "Net sales" in the income statement.

Financial services revenues correspond mainly to bank card fees and arranging fees for traditional and revolving credit facilities, which are recognized over the life of the contract.

2.18 GROSS MARGIN FROM RECURRING OPERATIONS

Gross margin from recurring operations corresponds to the sum of net sales and other revenue less cost of sales as defined in Note 8.

2.19 RECURRING OPERATING INCOME

Recurring operating income corresponds to gross margin from recurring operations less sales, general and administrative expenses and depreciation, amortization and provisions.

2.20 NON-RECURRING INCOME AND EXPENSES

In accordance with the recommendation of the French accounting authorities (*Conseil National de la Comptabilité* recommendation 2009-R-03 dated July 2, 2009), non-recurring income and expenses are reported on a separate line of the income statement. Non-recurring items are defined as "items that are limited in number, clearly identifiable and non-recurring that have a material impact on consolidated results".

They consist mainly of gains and losses on disposal of property and equipment or intangible assets, impairment losses on property and equipment or intangible assets (including goodwill), restructuring costs and provisions for claims and litigation that are material at Group level.

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

2.21 INCOME PER SHARE

Basic income per share is calculated by dividing consolidated income – Group share by the weighted average number of shares outstanding during the period. Treasury stock is not considered as being outstanding and is therefore deducted from the number of shares used for the calculation. Contingently issuable shares are treated as outstanding and included in the calculation only from the date when all necessary conditions are satisfied.

Diluted income per share is calculated by adjusting consolidated income – Group share and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares (if any). Dilutive potential ordinary shares correspond mainly to convertible bonds and employee stock options. Stock options are considered as potentially dilutive if they are in-the-money (based on the sum of the exercise price and the fair value of the services rendered by the grantee, in accordance with IFRS 2 – *Share-based Payment*). Stock grants are considered as potentially dilutive if the vesting conditions have been fulfilled.

Note 3 Significant events of the year

ECONOMIC ENVIRONMENT

The Group operated in a challenging macro-economic environment in 2011, particularly in Southern Europe.

In response to the deepening crisis in the second half and the introduction of successive austerity plans in the various European countries, the Group revised its business plan projections to reflect the new environment. The downgrading of the Group's growth forecasts in Greece and Italy led to the recognition of significant impairment losses on goodwill, in the amounts of 188 million euros and 1,750 million euros respectively, representing total non-recurring expense for the year of 1,938 million euros.

DISTRIBUTION OF DIA SHARES

The Shareholders Meeting of June 21, 2011 approved the distribution on July 5, 2011 of 100% of Dia's share capital to Carrefour shareholders, in the form of a special dividend in kind. At that date, there were 679,336,000 Carrefour shares outstanding and the same number of Dia shares, so that shareholders received one Dia share for each Carrefour share held.

Also on July 5, 2011, Dia SA was listed on the Madrid Stock Exchange at an IPO price of 3.40 euros per share.

The transaction fell within the scope of IFRIC 17 – *Distributions of Non-Cash Assets to Owners,* which states that:

- the liability to pay a dividend should be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity;
- the liability should be measured at the fair value of the assets to be distributed – in this case, the IPO price of 3.40 euros per share;
- the carrying amount of the liability should be reviewed at the period-end, with any changes in this amount recognized in shareholders' equity;
- when the liability is settled, any difference between the carrying amount of the distributed assets and the carrying amount of the dividend should be recognized in profit or loss.

Consequently, in the interim financial statements at June 30, 2011, the dividend was recognized by recording a liability towards shareholders. In the absence of a more reliable indicator at June 30, 2011, the fair value of Dia shares at that date was considered as being equal to the initial fair value of 3.40 euros per share, corresponding to the July 5, 2011 IPO price.

In the financial statements at December 31, 2011, the Group recorded:

- in shareholders' equity – Group share, the dividend recorded in Carrefour SA's accounts, *i.e.* 2,230 million euros (unchanged from June 30, 2011);
- in cash and cash equivalents, the proceeds from the sale of Dia shares held in treasury stock at the time of the distribution (79 million euros);
- in net income from discontinued operations, the 1,909 million euros capital gain corresponding to the difference between the fair value of the Dia shares (2,309 million euros) and their carrying amount, including disposal costs and the tax effect (400 million euros).

Dia and its subsidiaries were consolidated by Carrefour up to the date when control of the companies was lost, on July 5, 2011. In accordance with IFRS 5, the following reclassifications were made in the 2011 annual financial statements:

- Dia's net income for the period up to the date when control was lost (32 million euros) was included in the carrying amount at June 30 and therefore presented under "Net income from discontinued operations" as part of the 1,909 million euros capital gain referred to above. To permit meaningful comparisons, Dia's 2010 net income was also reclassified to this line;
- in the statement of cash flows, all of Dia's cash flows for the first half of 2011 were presented on the lines "Impact of discontinued operations". Its 2010 cash flows were reclassified accordingly.

DISPOSAL OF OPERATIONS IN THAILAND

Pursuant to an agreement signed on November 15, 2010, on January 7, 2011 Carrefour sold its operations in Thailand to Big C, a subsidiary of the Casino Group, for a total of 816 million euros net of transaction costs. The capital gain on the transaction, in the amount of 667 million euros, is reported in the 2011 income statement under "Net income from discontinued operations".

The condensed consolidated statement of financial position for operations in Thailand at December 31, 2010 is presented below:

(in millions of euros)	12/31/2010
ASSETS	
Tangible fixed assets	235
Financial assets	64
Investment property	21
Non-current assets	**320**
Inventories	49
Commercial receivables	2
Deferred tax assets	3
Tax receivables	9
Other assets	7
Cash and cash equivalents	74
Current assets	**145**
Total assets	**465**
SHAREHOLDERS' EQUITY AND LIABILITIES	
Shareholders' equity – Group share	149
Total shareholders' equity	**149**
Long-term borrowings	7
Provisions	1
Deferred tax liabilities	11
Non-current liabilities	**18**
Short-term borrowings	147
Suppliers and other creditors	125
Tax payables	17
Other payables	10
Current liabilities	**298**
Total shareholders' equity and liabilities	**465**

OTHER SIGNIFICANT EVENTS

TRANSFORMATION PLAN

In the first half of 2009, a four-year transformation plan was launched to make the Group's sales concepts more attractive and drive improvement in operating efficiency (see Note 11 – Non-recurring income and expenses).

EXERCISE OF THE PUT OPTION ON ALTIS SHARES

Pursuant to the agreements with the Eroski Group and given that the partnership with this group was due to expire at the end of 2011, Carrefour's Board of Directors decided to exercise its put option on 50% of the Altis Group (Altis, Distrimag, SSB and H2M) owned on a 50/50 basis by Carrefour and Eroski.

The option was exercised at a price of 153 million euros.

In accordance with IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations,* the investment in the Altis Group was reclassified at December 31, 2011 from "Investments in companies accounted for by the equity method" to "Assets held for sale" at its carrying amount of 41 million euros.

The transaction is subject to approval by the anti-trust authorities.

SALE OF A PROPERTY PORTFOLIO IN FRANCE

On December 27, 2011, the Group sold a portfolio of 97 supermarket properties owned by Carrefour Property for 365 million euros. The supermarkets will continue to be operated under the Carrefour Market banner under long-term fixed rent leases with an indexation clause.

The transaction qualifies as a sale-and-leaseback transaction under IAS 17 – *Leases*. The leases with the new owner of the properties, for an initial term of 12 years with multiple renewal options, fulfill the criteria for classification as operating leases, as substantially all the risks and rewards incidental to ownership of the asset are retained by the lessor.

The properties were sold at market price and the capital gain, net of transaction costs, was recognized in full in the 2011 income statement in the amount of 229 million euros.

PROPOSED TENDER OFFER FOR GUYENNE & GASCOGNE

The announcement of this planned offer, on December 12, 2011, had no impact on the Consolidated Financial Statements at December 31, 2011. Additional information is provided in Note 42 – Subsequent events.

Note 4 Restatement of comparative information

4.1 DISTRIBUTION OF DIA SHARES

The decision by the Shareholders' Meeting of June 2011 to distribute Dia shares to shareholders led to the loss of control of this sub-group on July 5, 2011.

In accordance with IFRS 5, Dia's income and expenses were reclassified to "Net income from discontinued operations" in the 2011 and 2010 income statements, and its cash flows were reclassified to the lines "Impact of discontinued operations" in the 2011 and 2010 statements of cash flows.

The following table shows Dia's contribution to the Group's main earnings indicators in 2011 and 2010.

(in millions of euros)	2011*	2010
Net sales	4,786	9,588
Gross margin from recurring operations	981	2,002
Recurring operating income	123	271
Operating income	67	133
Income before taxes	59	124
Net income	32	38

* *For the period up to the distribution date.*

4.2 IMPACT ON THE 2010 INCOME STATEMENT AND STATEMENT OF CASH FLOWS

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	2010 reported	Dia	2010 restated
Net sales	90,099	(9,588)	80,511
Loyalty program costs	(774)	0	(774)
Net sales net of loyalty program costs	**89,325**	**(9,588)**	**79,737**
Other revenue	2,187	(85)	2,103
Total revenue	**91,513**	**(9,673)**	**81,840**
Cost of sales	(71,640)	7,671	(63,969)
Gross margin from recurring operations	**19,873**	**(2,002)**	**17,871**
Sales, general and administrative expenses	(14,979)	1,485	(13,494)
Depreciation, amortization and provisions	(1,921)	246	(1,675)
Recurring operating income	**2,972**	**(271)**	**2,701**
Non-recurring income and expenses, net	(1,137)	138	(999)
Operating income	**1,836**	**(133)**	**1,703**
Finance costs and other financial income and expenses, net	(657)	9	(648)
Income before taxes	**1,179**	**(124)**	**1,055**
Income tax expense	(697)	87	(610)
Net income from companies accounted for by the equity method	35	(1)	34
Net income from continuing operations	**517**	**(38)**	**479**
Net income from discontinued operations	52	38	90
Net income for the year	**568**	**0**	**568**
Group share	**433**	**0**	**433**
of which net income from continuing operations	382	(41)	340
of which net income from discontinued operations	52	41	93
Attributable to non-controlling interests	**135**		**135**
Net income for the year	**568**		**568**
Effective portion of changes in the fair value of cash flow hedges	(13)		(13)
Changes in the fair value of available-for-sale financial assets	2		2
Exchange differences on translating foreign operations	651		651
Other comprehensive income after tax	**639**		**639**
TOTAL COMPREHENSIVE INCOME	**1,208**		**1,208**
Group share	1,014		1,014
Attributable to non-controlling interests	194		194

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Dec. 2010 reported	IFRS 5 Dia	Dec. 2010 restated
INCOME BEFORE TAXES	**1,179**	**(124)**	**1,055**
CASH FLOWS FROM OPERATING ACTIVITIES			
Taxes paid	(678)	89	(589)
Depreciation and amortization expense	2,033	(292)	1,740
Capital (gains)/losses on sales of assets	(30)	(44)	(74)
Change in provisions and *impairment*	804	(33)	771
Dividends received from companies accounted for by the equity method	12		12
Impact of discontinued operations	73	405	478
Cash flow from operations	**3,392**	**0**	**3,392**
Change in working capital requirement	(598)	(131)	(729)
Impact of discontinued operations	26	131	158
Net cash from operating activities (excl. financial services companies)	**2,821**	**0**	**2,821**
Change in consumer credit granted by the financial services companies	(84)		(84)
Net cash from operating activities	**2,736**		**2,736**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of tangible fixed assets and intangible assets	(2,122)	290	(1,832)
Acquisitions of financial assets	(48)	2	(46)
Acquisitions of subsidiaries	(97)		(97)
Proceeds from the disposal of subsidiaries	15		15
Proceeds from the disposal of tangible fixed assets and intangible assets	203	(7)	196
Proceeds from disposals of investments in non-consolidated companies	51		51
Investments net of disposals	**(1,998)**	**286**	**(1,712)**
Other cash flows from investing activities	(284)	10	(274)
Impact of discontinued operations	(25)	(296)	(320)
Net cash used in investing activities	**(2,307)**	**0**	**(2,307)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues	17		17
Acquisitions and disposals of investments without any change of control	218		218
Dividends paid by Carrefour (parent company)	(740)		(740)
Dividends paid by consolidated companies to non-controlling interests	(124)		(124)
Change in treasury stock and other equity instruments	(943)		(943)
Change in current financial assets	221		221
Issuance of bonds	1,978		1,978
Repayments of bonds	(1,000)		(1,000)
Other changes in borrowings	(53)	(18)	(71)
Impact of discontinued operations	83	18	101
Net cash used in financing activities	**(344)**	**0**	**(344)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	86		86
Effect of changes in exchange rates	(115)		(115)
Net change in cash and cash equivalents	**(29)**		**(29)**
Cash and cash equivalents at beginning of period	**3,300**		**3,300**
Cash and cash equivalents at end of period	**3,271**		**3,271**

Note 5 Segment information

The Group's operating segments correspond to the countries in which it does business. For segment reporting purposes, these countries have been combined to create four geographical segments (see Note 2.2):

2011 (in millions of euros)	Total	France	Rest of Europe	Latin America	Asia
Net sales	81,271	35,179	23,699	15,082	7,312
Other revenue	2,309	904	544	537	324
Recurring operating income	**2,182**	**862**	**508**	**554**	**258**
Operating (loss)/income	**(481)**				
Finance costs and other financial income and expenses, net	(757)				
(Loss)/income before taxes	**(1,238)**				
Net income for the year	**404**				
Capital expenditure[1]	2,330	928	683	463	256
Depreciation and amortization expense	(1,711)	(688)	(517)	(290)	(216)

December 31, 2011 (in millions of euros)	Total	France	Rest of Europe	Latin America	Asia
ASSETS					
Goodwill	8,740	4,311	3,143	1,146	140
Other intangible assets	966	408	369	176	13
Tangible fixed assets	13,771	4,269	4,741	3,277	1,484
Investment property	507	101	261	49	95
Other segment assets[2]	16,686	7,340	5,007	3,176	1,163
Total segment assets	**40,669**	**16,430**	**13,521**	**7,824**	**2,894**
Unallocated assets	7,262				
TOTAL ASSETS	**47,931**				
LIABILITIES					
Segment liabilities[3]	24,031	10,939	7,027	3,594	2,471
Unallocated liabilities	16,273				
TOTAL LIABILITIES	**40,304**				

(1) Capital expenditure corresponds to the acquisitions of tangible fixed assets and intangible assets reported in the statement of cash flows.

(2) Other segment assets consist of inventories, commercial receivables, consumer credit granted by the financial services companies and other receivables.

(3) Segment liabilities include trade payables, consumer credit financing and other payables.

2010[1]

(in millions of euros)	Total	France	Rest of Europe	Latin America	Asia
Net sales	80,511	34,907	24,763	13,919	6,923
Other revenue	2,103	847	539	461	256
Recurring operating income	**2,701**	**1,275**	**706**	**435**	**286**
Operating income	**1,703**				
Finance costs and other financial income and expenses, net	(648)				
Income before taxes	**1,055**				
Net income for the year	**568**				
Capital expenditure[2]	1,832	744	452	418	218
Depreciation and amortization expense	(1,677)	(652)	(536)	(278)	(210)

(1) The hard discount operating segment for which information was disclosed in 2010 no longer exists following the loss of control of the Dia sub-group on July 5, 2011.
(2) Capital expenditure corresponds to the acquisitions of property and equipment and intangible assets reported in the statement of cash flows.

December 31, 2010

(in millions of euros)	Total	France	Rest of Europe	Latin America	Asia	Hard Discount
ASSETS						
Goodwill	11,829	4,278	5,356	1,288	136	771
Other intangible assets	1,101	427	385	231	12	46
Tangible fixed assets	15,297	4,177	4,839	3,279	1,405	1,597
Investment property	536	97	293	53	93	-
Other segment assets[3]	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**
Unallocated assets	8,118					
TOTAL ASSETS	**53,650**					
LIABILITIES						
Segment liabilities[4]	25,545	10,271	7,453	3,695	2,080	2,045
Unallocated liabilities	17,542					
TOTAL LIABILITIES	**43,087**					

(3) Other segment assets consist of inventories, commercial receivables, consumer credit granted by the financial services companies and other receivables.
(4) Segment liabilities include trade payables, consumer credit financing and other payables.

Note 6 Net sales

Excluding the currency effect, 2011 net sales amounted to 81,701 million euros versus 80,511 million euros the previous year, an increase of 1.5%.

Changes in exchange rates reduced net sales by 430 million euros in 2011, reflecting negative effects of 233 million euros in the Latin America segment and 232 million euros in the Rest of Europe segment, partly offset by a positive effect of 36 million euros in the Asia segment.

(in millions of euros)	2011	2010	% change
Net sales	81,271	80,511	0.9%

Net sales by country

(in millions of euros)	2011	2010
France	**35,179**	**34,907**
Rest of Europe	**23,699**	**24,763**
Spain	8,373	8,563
Italy	5,419	5,733
Belgium	3,825	3,859
Greece	2,163	2,401
Poland	1,892	1,998
Turkey	1,071	1,237
Romania	955	930
Other	0	42

(in millions of euros)	2011	2010
Latin America	**15,082**	**13,919**
Brazil	11,131	10,181
Argentina	2,420	2,194
Colombia	1,531	1,544
Asia	**7,312**	**6,923**
Taiwan	1,430	1,394
China	4,345	4,029
Malaysia	402	410
Indonesia	1,032	1,004
Singapore	76	86
India	26	0

Note 7 Other revenue by nature

(in millions of euros)	2011	2010	% change
Financing fees*	1,292	1,184	9.1%
Rental revenue	299	278	7.7%
Revenue from sub-leases	204	170	19.7%
Other revenue	515	471	9.2%
TOTAL	**2,309**	**2,103**	**9.8%**

* *Revenue generated by the financial services companies.*

The amounts reported on the line “Other revenue” in the above table correspond mainly to franchise fees, business lease fees and related revenue.

Note 8 Cost of sales

Cost of sales comprises purchase costs, changes in inventory, the cost of products sold by the financial services companies, discounting revenue and exchange gains and losses on goods purchases.

Note 9 Sales, general and administrative expenses

(in millions of euros)	2011	2010	% change
Employee benefits expense	7,843	7,699	1.9%
Property rentals	981	946	3.7%
Maintenance and repair costs	756	750	0.8%
Fees	793	694	14.4%
Advertising expense	1,094	1,110	(1.4%)
Taxes other than on income	547	455	20.1%
Energy and electricity	712	698	2.0%
Other	1,242	1,142	8.8%
TOTAL	**13,969**	**13,494**	**3.5%**

Note 10 Depreciation, amortization and provisions

(in millions of euros)	2011	2010	% change
Depreciation	1,394	1,395	(0.1%)
Amortization	267	232	14.9%
Depreciation – finance leases	33	32	5.5%
Depreciation – investment property	18	19	(7.1%)
Provision expense, net	(10)	(2)	395.6%
TOTAL	**1,701**	**1,675**	**1.5%**

Note 11 Non-recurring income and expenses

Certain material items that are unusual in terms of their nature and frequency are reported under "Non-recurring income" or "Non-recurring expense".

(in millions of euros)	2011	2010
Net gains on sales of assets	255	54
Restructuring costs, of which:	(209)	(346)
Transformation Plan	*(120)*	*(187)*
Other restructuring plans	*(89)*	*(159)*
Other non-recurring items, of which:	(547)	(571)
Changes in accounting estimates (Brazil)		*(321)*
Provisions for employee-related risks	*(156)*	
Provision for tax risks (Brazil)	*(130)*	
Net equity tax (Colombia)	*(38)*	
VAT reassessment (France)	*(77)*	
Other	*(146)*	*(250)*
Non-recurring income and expenses, net before impairment losses	**(501)**	**(863)**
Impairment losses, of which:	(2,161)	(135)
Impairment of goodwill	*(1,966)*	*0*
Impairment of property and equipment	*(156)*	*(135)*
Non-recurring income and expenses, net	**(2,662)**	**(999)**
Of which:		
Non-recurring income	*343*	*102*
Non-recurring expense	*(3,005)*	*(1,101)*

NET GAINS ON SALES OF ASSETS

On December 27, 2011, the Group sold a portfolio of 97 supermarket properties in France for 365 million euros. The pre-tax gain on the sale amounted to 229 million euros.

RESTRUCTURING COSTS

Restructuring costs include the costs associated with the Group-wide Transformation Plan launched in 2009 for 120 million euros and other restructuring costs for 89 million euros.

The Transformation Plan costs resulted from measures to streamline the organization and were incurred mainly in Spain, Italy and France. They included employee severance costs, and 19 million euros in accelerated depreciation of hypermarkets converted to the Carrefour Planet concept.

In 2010, restructuring costs other than those incurred for the Transformation Plan mainly concerned Belgium.

IMPAIRMENT LOSSES

In response to the deepening economic crisis in the second half of 2011 and the austerity plans implemented in southern European countries, the Group reviewed all of its business plans and downgraded its growth forecasts for operations in Greece and Italy. The impairment tests performed on the basis of the revised business plan projections (see Note 17.3 for details) led to impairment losses of 1,966 million euros being recorded on goodwill, with Italian goodwill written down by 1,750 million euros of which 481 million euros in the first half, and Greek goodwill by 188 million euros.

In addition, impairment losses of 156 million euros were recorded on property and equipment, mainly in France, Italy, Spain and Romania, to reflect the loss-making situation of certain stores.

OTHER NON-RECURRING INCOME AND EXPENSES

Other non-recurring income and expenses represented a net expense of 547 million euros in 2011, including:

- a provision for additional tax risks identified in Brazil (130 million euros);
- an increase in the provision for the VAT reassessment in France (77 million euros);
- an exceptional tax charge in Colombia, assessed on the local subsidiary's net equity at January 1, 2011 and payable in half-yearly installments over the next four years (38 million euros). The related liability has been discounted based on the timing of the future payments;
- provisions for various material identified employee-related risks, mainly in Brazil but also in France (156 million euros).

Note 12 Finance costs and other financial income and expenses

This item breaks down as follows:

(in millions of euros)	2011	2010
Interest income from loans and cash equivalents	**63**	**27**
Interest income from bank deposits	48	21
Interest income from loans	15	7
Finance costs	**(545)**	**(573)**
Interest expense on financial assets measured at amortized cost	(581)	(530)
Interest expense on finance lease liabilities	(42)	(38)
Increase in fair value of financial assets held for trading	10	7
Increase in fair value of financial assets designated upon initial recognition as at fair value through profit or loss	13	36
Decrease in fair value of financial liabilities	1	5
Income from interest rate instruments	88	16
Decrease in fair value of financial assets held for trading	(11)	(26)
Decrease in fair value of financial assets designated upon initial recognition as at fair value through profit or loss	(1)	(5)
Increase in fair value of financial liabilities designated upon initial recognition as at fair value through profit or loss	(13)	(36)
Net change in fair value of cash flow hedges reclassified from other comprehensive income	(8)	(2)
Finance costs, net	**(482)**	**(545)**
Other financial income and expenses, net	**(275)**	**(103)**
Interest cost on post-employment benefit obligations	(43)	(46)
Late interest due in connection with tax reassessments and employee-related litigation	(150)	(35)
Income from marketable securities	9	10
Dividends received on available-for-sale financial assets	8	10
Net gain on the sale of available-for-sale financial assets reclassified from other comprehensive income	6	16
Exchange gains and losses, net	(14)	(2)
Other	(90)	(55)
Finance costs and other financial income and expenses, net	**(757)**	**(648)**
Financial expenses	*(954)*	*(810)*
Financial income	*197*	*162*

The following items are reported directly in “Other comprehensive income”:

Entered as other items of comprehensive income (in millions of euros)	2011	2010
Net change in the fair value of available-for-sale financial assets	3	18
Net change in the fair value of available-for-sale financial assets transferred to profit or loss	(6)	(16)
Effective portion of the change in fair value of cash flow hedges.	(23)	(14)
Net change in fair value of cash flow hedges transferred to profit	8	2
Exchange differences on translating foreign operations	(324)	651
TOTAL	**(340)**	**639**

Note 13 Income tax expense

(in millions of euros)	2011	2010
Current taxes	(981)	(573)
Deferred taxes	(21)	(37)
TOTAL INCOME TAX EXPENSE	**(1,002)**	**(610)**

Income tax expense for 2011 includes a 268 million euros provision set aside for a tax reassessment in Spain (see Note 31.1) and valuation allowances recorded on deferred tax assets following the downgrading of the Group’s business plan projections in Italy and Greece (see Note 17.3.1), for a total of 151 million euros.

TAX PROOF

Theoretical income tax for 2011, calculated by multiplying consolidated income before tax by the standard French corporate income tax rate (excluding the *contribution exceptionnelle et temporaire* surtax), represents a benefit of 426 million euros, compared with actual income tax expense of 1,002 million euros. The difference between these two amounts can be explained as follows:

(in millions of euros)	2011	2010
Income before taxes	(1,238)	1,055
Standard French corporate income tax rate	34.4%	34.4%
Theoretical income tax(1)	426	(363)
Tax effect of untaxed income and income taxed at a different rate	(3)	132
Taxes with no tax base (provisions recorded solely for tax purposes, withholding taxes, etc.)(2)	(401)	(149)
Impact of non-deductible impairment *losses* on goodwill	(516)	0
Tax effect of other permanent differences(3)	(143)	(65)
Valuation allowances on deferred tax assets(4)	(164)	0
Deferred tax assets not recognized during the period	(202)	(171)
Deferred tax assets recognized in prior periods	27	27
Other	(27)	(21)
TOTAL INCOME TAX EXPENSE	**(1,002)**	**(610)**
Effective tax rate	na	57.8%

(1) If the 5% surtax provided for in the 2011 rectified Finance Act were to be taken into account in the standard tax rate, this would have a 21 million euros impact on theoretical income tax.

(2) The reported amount of taxes with no tax base in 2011 includes the 268 million euros provision recorded for a tax reassessment in Spain. Since 2010, the CVAE local business tax in France, which is assessed on the basis of the value-added generated by the business, is reported under income tax expense. This tax amounted to 54 million euros in 2011 (2010: 57 million euros).

(3) The tax effect of other permanent differences in 2011 corresponds to the significant tax provisions booked in Brazil and France and to the impact of the non-deductible net equity tax in Colombia which is reported under non-recurring expense.

(4) Valuation allowances recorded on deferred tax assets in 2011 mainly resulted from the use of revised business plan projections to assess the recoverability of deferred tax assets in Italy (allowance of 116 million euros) and Greece (allowance of 35 million euros).

Note 14 Net income from discontinued operations

(in millions of euros)	2011	2010
Net income from discontinued operations – Group share	2,573	93
Net income from discontinued operations attributable to non-controlling interests	7	(3)
TOTAL	**2,580**	**90**

Net income from discontinued operations in 2011 comprises:

- the net gain on the sale of operations in Thailand, for 667 million euros;
- the net gain on the sale of the Dia entities and their contribution to consolidated income for the period up to the sale date, for 1,909 million euros.

Net income from discontinued operations in 2010 comprises:

- the contribution to 2010 consolidated income of operations in Thailand, for 44 million euros;
- the contribution to 2010 consolidated income of the Dia subsidiaries, for 38 million euros;
- the contribution to 2010 consolidated income of the Russian subsidiary, for a negative 3 million euros;
- the reversal of a provision set aside at the time of the 2005 sale of the out-of-home dining business, for 11 million euros.

Note 15 Income per share (Group share)

Basic income per share

(in millions of euros)	2011	2010
Net (loss)/income from continuing operations	(2,202)	340
Net income from discontinued operations	2,573	93
Net income for the year	**371**	**433**
Weighted average number of shares outstanding	657,524,770	677,979,764
Basic (loss)/income from continuing operations per share *(in euros)*	**(3.35)**	**0.50**
Basic income from discontinued operations per share *(in euros)*	**3.91**	**0.14**
Basic income per share *(in euros)*	**0.56**	**0.64**

Treasury stock and shares held indirectly through the equity swap described in Note 27.3.2 are not considered as outstanding shares for income per share calculations.

Diluted income per share

(in millions of euros)	2011	2010
Net income from continuing operations	(2,202)	340
Net income from discontinued operations	2,573	93
Net income for the year	**371**	**433**
Weighted average number of shares outstanding, before dilution	657,524,770	677,979,764
Dilutive potential shares	0	538,605
Stock grants	*0*	*538,605*
Stock options	*0*	*0*
Diluted weighted average number of shares outstanding	657,524,770	678,518,369
Diluted (loss)/income from continuing operations per share *(in euros)*	**(3.35)**	**0.50**
Diluted income from discontinued operations per share *(in euros)*	**3.91**	**0.14**
Diluted income per share *(in euros)*	**0.56**	**0.64**

All of the stock options granted by the Group were out of the money (*i.e.* their exercise price was greater than the average Carrefour share price) in both 2011 and 2010 and were therefore not dilutive.

As the Group reported a loss from continuing operations in 2011, the stock grants are not considered as being dilutive.

Note 16 Other comprehensive income

(in millions of euros)	2011 Pre-tax	2011 Tax	2011 Net	2010 Pre-tax	2010 Tax	2010 Net
Effective portion of changes in the fair value of cash flow hedges	(23)	8	(14)	(21)	8	(13)
Changes in the fair value of available-for-sale financial assets	(3)	0	(2)	1	1	2
Exchange differences on translating foreign operations	(324)	0	(324)	651		651
Other comprehensive income	**(349)**	**8**	**(340)**	**631**	**9**	**639**

Note 17 Intangible assets

Goodwill, which constitutes the main intangible asset, is reported on a separate line of the statement of financial position from other intangible assets.

(in millions of euros)	12/31/2011	12/31/2010
***Goodwill*, net**	**8,740**	**11,829**
Other intangible assets, at cost	3,024	2,948
Amortization of other intangible assets	(1,973)	(1,806)
Impairment	(227)	(196)
Other intangible assets, net	**824**	**946**
Intangible assets in progress	**142**	**154**
Intangible assets, net	**9,706**	**12,929**

17.1 CHANGES IN GOODWILL

The recoverable amount of goodwill is monitored at the level of the CGUs represented by the countries in which the Group conducts its business.

During 2011, the total carrying amount of goodwill was reduced by 3,089 million euros following recognition of impairment losses (1,942 million euros) and the sale of the Dia sub-group (767 million euros)

(in millions of euros)	*Net* goodwill 12/31/2010	Acquisi-tions	Disposals	*Impairment*	Other movements	Translation adjustment	*Net* goodwill 12/31/2011
France	4,278	56	(32)	(3)	(6)		4,292
Italy	2,648			(1,750)			898
Belgium	947	1	(0)		(0)		948
Spain	810						810
Brazil	1,061		(51)			(86)	923
Argentina	141					(7)	134
Greece	188			(188)			
Hard Discount	772				(767)	(3)	
Other countries	983				(203)	(48)	733
TOTAL	**11,829**	**57**	**(84)**	**(1,942)**	**(976)**	**(144)**	**8,740**

"Other movements" concern the sale of the Dia sub-group and changes in the fair value of NCI puts (use of the partial goodwill method described in Note 2.7 – Financial Assets and Liabilities).

During 2010, the carrying amount of goodwill remained stable.

(in millions of euros)	Net goodwill 12/31/2009	Acquisi-tions	Disposals	*Impairment*	Other movements	Translation adjustment	*Net* goodwill 12/31/2010
France	4,129	145	(5)		9		4,278
Italy	2,660		(12)		(0)		2,648
Belgium	948	1	(1)				947
Spain	815		(0)		(5)		810
Brazil	937					124	1,061
Argentina	136					4	141
Hard Discount	810		(6)	(13)	(21)	2	772
Other countries	1,038	56	(2)		41	38	1,171
TOTAL	**11,473**	**202**	**(26)**	**(13)**	**24**	**168**	**11,829**

17.2 CHANGES IN OTHER INTANGIBLE ASSETS

(in millions of euros)	Cost	Amortization and impairment	Net
At December 31, 2009	**2,821**	**(1,746)**	**1,075**
Acquisitions	260		260
Disposals	(51)	34	(17)
Translation adjustment	31		31
Amortization		(239)	(239)
Impairment		(8)	(8)
Changes in scope of consolidation, transfers and other movements	42	(42)	(0)
At December 31, 2010	**3,102**	**(2,002)**	**1,101**
Acquisitions	241	0	241
Disposals	(52)	39	(13)
Translation adjustment	(49)	29	(20)
Amortization	0	(261)	(261)
Impairment	0	(42)	(42)
Changes in scope of consolidation, transfers and other movements	(76)	37	(38)
At December 31, 2011	**3,166**	**(2,200)**	**966**

17.3 IMPAIRMENT OF GOODWILL AND SENSITIVITY ANALYSIS

Asset impairment policies are described in Note 2 – Summary of Significant Accounting Policies.

The impairment tests performed on goodwill and other intangible assets in 2011 in accordance with IAS 36 led to the recognition of impairment losses of 1,750 million euros on Italian goodwill and 188 million euros on Greek goodwill. In 2010, no impairment losses were recorded on goodwill.

The perpetual growth rates and discount rates applied for impairment testing purposes are presented below by CGU:

	2011		2010	
Segment	After-tax discount rate	Perpetual growth rate	After-tax discount rate	Perpetual growth rate
France	6.2%	1.5%	6.0%	1.5%
Rest of Europe	7.5% to 15.0%	0% to 3.0%	6.2% to 11.8%	1.3% to 3.5%
Latin America	7.7% to 20.5%	2.0%	8.6% to 22.4%	1.5%
Asia	6.6% to 11.3%	2.0%	6.6% to 11.5%	1.5%

17.3.1 CGUS FOR WHICH GOODWILL IMPAIRMENTS WERE RECOGNIZED IN 2011

Italy

In response to the worsening economic environment in Italy during 2011 and the steep escalation of the sovereign debt crisis in the second half, the Group revised its business plan projections for the coming years. In particular, the recently announced austerity measures ("Monti plan") will curb the purchasing power of Italian consumers for some time to come, limiting the Group's potential for growth in this market.

As a result, goodwill on the Group's Italian operations was written down by 1,750 million euros in 2011 (of which 481 million euros in the first half), to 898 million euros at December 31, 2011 (December 31, 2010: 2,648 million euros).

The main assumptions used for impairment testing purposes were as follows:

	2011	2010
Perpetual growth rate	1.5%	1.3%
After-tax discount rate	7.9%	7.0%

Sensitivity analyses were carried out to assess the impact on the impairment loss of changes in the main assumptions.

Sensitivity to changes in WACC and perpetual growth rate

		WACC *(%)*				
		(0.50)%	**(0.25)%**	**0.00%**	**0.25%**	**0.50%**
Perpetual growth rate *(%)*	(0.50)%	31	(28)	(84)	(135)	(183)
	(0.25)%	80	16	(43)	(98)	(149)
	0.00%	132	63	0	(58)	(113)
	0.25%	189	115	47	(15)	(73)
	0.50%	251	171	98	31	(31)

Sensitivity to changes in net sales and EBITDA margin growth rates

		Net sales growth *(%)**				
		(1.00)%	**(0.50)%**	**0.00%**	**0.50%**	**1.00%**
EBITDA margin growth *(%)*	(0.50)%	(328)	(304)	(280)	(256)	(231)
	(0.25)%	(194)	(167)	(140)	(113)	(85)
	0.00%	(59)	(30)	0	31	62
	0.25%	75	107	140	174	208
	0.50%	209	244	280	317	355

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

Greece

In light of the deepening crisis and growing climate of uncertainty in Greece, the Group revised its business plan projections for this market and wrote down the goodwill on its Greek operations in full, in the amount of 188 million euros.

The main assumptions used for impairment testing purposes were as follows:

	2011	**2010**
Perpetual growth rate	0.0%	1.5%
After-tax discount rate	15.0%*	10.1%

* *In light of the highly unusual economic and financial environment at the end of 2011, the discount rate was based on an external valuation report.*

Sensitivity analyses were carried out to assess the impact on the impairment loss of changes in the main assumptions.

Sensitivity to changes in WACC and perpetual growth rate

		WACC *(%)*				
		(2.00)%	**(1.00)%**	**0.00%**	**1.00%**	**2.00%**
Perpetual growth rate *(%)*	(0.50)%	15	5	(5)	(14)	(22)
	(0.25)%	18	7	(2)	(12)	(20)
	0.00%	21	10	0	(9)	(18)
	0.25%	24	13	2	(7)	(16)
	0.50%	27	16	5	(5)	(14)

Sensitivity to changes in net sales and EBITDA margin growth rates

		Net sales growth *(%)**				
		(1.00)%	**(0.50)%**	**0.00%**	**0.50%**	**1.00%**
EBITDA margin growth *(%)**	(0.50)%	(63)	(59)	(54)	(50)	(45)
	(0.25)%	(37)	(32)	(27)	(22)	(17)
	0.00%	(11)	(5)	0	6	11
	0.25%	15	21	27	33	39
	0.50%	41	48	54	61	68

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

17.3.2 CGUS FOR WHICH THE RECOVERABLE AMOUNT OF GOODWILL WAS CLOSE TO THE CARRYING AMOUNT

The tests performed at December 31, 2011 showed that the recoverable amount of goodwill was only slightly higher than the carrying amount for two CGUs, Poland and Turkey, for which the carrying amount of goodwill was 248 million euros and 143 million euros respectively (December 31, 2010: 278 million euros and 368 million euros respectively).

The main assumptions used for impairment testing purposes were as follows:

	Poland		Turkey	
	2011	**2010**	**2011**	**2010**
Perpetual growth rate	1.5%	1.5%	3.0%	3.5%
After-tax discount rate	8.3%	8.1%	12.2%	11.4%

Sensitivity analyses were performed to identify the changes in the main assumptions that would lead to an impairment loss being recognized (amounts preceded by a minus sign correspond to the impairment loss that would have to be recorded under the scenario concerned).

Poland

Sensitivity to changes in WACC and perpetual growth rate

		WACC *(%)*				
		(0.50)%	**(0.25)%**	**0.00%**	**0.25%**	**0.50%**
Perpetual growth rate *(%)*	(0.50)%	50	26	3	(19)	(39)
	(0.25)%	70	43	19	(4)	(25)
	0.00%	91	63	37	12	(10)
	0.25%	113	83	55	30	6
	0.50%	138	105	76	48	23

Sensitivity to changes in net sales and EBITDA margin growth rates

		Net sales growth *(%)**				
		(1.00)%	**(0.50)%**	**0.00%**	**0.50%**	**1.00%**
EBITDA margin growth *(%)**	(0.50)%	(96)	(86)	(76)	(66)	(55)
	(0.25)%	(42)	(31)	(20)	(8)	4
	0.00%	12	24	37	49	63
	0.25%	65	79	93	107	121
	0.50%	119	134	149	164	180

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

Turkey

Sensitivity to changes in WACC and perpetual growth rate

		WACC *(%)*				
		(0.50)%	**(0.25)%**	**0.00%**	**0.25%**	**0.50%**
Perpetual growth rate *(%)*	(0.50)%	32	22	12	2	(7)
	(0.25)%	40	29	18	8	(1)
	0.00%	48	36	25	14	5
	0.25%	56	44	32	21	11
	0.50%	65	52	40	28	18

Sensitivity to changes in net sales and EBITDA margin growth rates

		Net sales growth *(%)**				
		(1.00)%	(0.50)%	0.00%	0.50%	1.00%
EBITDA margin growth *(%)**	(0.50)%	(31)	(26)	(20)	(14)	(7)
	(0.25)%	(10)	(4)	3	9	16
	0.00%	11	18	25	32	39
	0.25%	33	40	47	55	62
	0.50%	54	62	69	77	85

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

17.3.3 OTHER COUNTRIES

For the other countries where the Group conducts business, the analysis of sensitivity to a simultaneous change in the key parameters based on reasonably possible assumptions did not reveal any probable scenario according to which the recoverable amount of any of the CGUs would be less than its carrying amount.

Note 18 Property and equipment

Tangible fixed assets correspond mainly to the retail space managed by the Group.

(in millions of euros)	12/31/2011	12/31/2010
Land	3,012	3,235
Buildings	10,433	11,089
Equipment, fixtures and fittings	14,382	15,763
Other	651	1,158
Assets under construction	507	517
Finance leases – land	476	456
Finance leases – buildings	1,275	1,369
Finance leases – equipment, fixtures and fittings	116	122
Finance leases – other	14	17
Tangible fixed assets at cost	**30,867**	**33,726**
Depreciation	(15,560)	(16,889)
Depreciation of assets under finance leases	(1,006)	(1,047)
Impairment	(530)	(493)
TANGIBLE FIXED ASSETS, NET	**13,771**	**15,297**

CHANGES IN PROPERTY AND EQUIPMENT

(in millions of euros)	Cost	Depreciation and impairment	Net
At December 31, 2009	**32,115**	**(17,084)**	**15,032**
Acquisitions	1,821		1,821
Disposals	(1,283)	765	(518)
Depreciation		(1,665)	(1,665)
Impairment		(190)	(190)
Translation adjustment	635		635
Changes in scope of consolidation, transfers and other movements	437	(255)	182
At December 31, 2010	**33,726**	**(18,429)**	**15,297**
Acquisitions	2,050		2,050
Disposals	(1,249)	970	(279)
Depreciation		(1,471)	(1,471)
Impairment		(132)	(132)
Translation adjustment	(482)	209	(272)
Changes in scope of consolidation, transfers and other movements*	(3,178)	1,757	(1,421)
At December 31, 2011	**30,867**	**(17,096)**	**13,771**

* *The 1,421 million euros net decrease recorded in 2011 mainly concerned the deconsolidation of Dia (1,579 million euros impact).*

FINANCE LEASES

All property leases have been reviewed and where the criteria for classification as finance leases are met, the properties have been recognized in the statement of financial position. All other leases are classified as operating leases.

LEASE COMMITMENTS AT DECEMBER 31, 2011

Finance leases

(in millions of euros)	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	824	64	221	539
Discounted present value	449	59	166	224

Operating leases

(in millions of euros)	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	4,558	957	1,888	1,714
Discounted present value	3,150	879	1,405	866

LEASE FINANCIAL IMPACT RELATED TO 2011

Finance leases

(in millions of euros)	Total
Minimum revenue receivable from sub-leases	11
Minimum lease payments made during the period	71
Contingent rentals	0
Revenue from sub-leases	22

Operating leases

(in millions of euros)	Total
Minimum revenue receivable from sub-leases	43
Minimum lease payments made during the period	1,015
Contingent rentals	38
Revenue from sub-leases	144

Note 19 Investment property

Investment property consists mainly of shopping malls located adjacent to the Group's stores.

(in millions of euros)	12/31/2011	12/31/2010
Investment property at cost	702	709
Depreciation	(195)	(173)
TOTAL	**507**	**536**

Changes in investment property	
Investment property at December 31, 2009	**455**
Depreciation for the period	(19)
Translation adjustment	25
Acquisitions for the period	43
Disposals for the period	(1)
Transfers	60
Other movements	(27)
Investment property at December 31, 2010	**536**
Depreciation for the period	(33)
Translation adjustment	(23)
Acquisitions for the period	18
Disposals for the period	0
Transfers	9
Other movements	0
Investment property at December 31, 2011	**507**

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totaled 104.6 million euros in 2011 (2010: 100 million euros). Operating costs directly attributable to the properties amounted to 12.1 million euros in 2011 (2010: 14.7 million euros).

The estimated fair value of investment property was 1,346 million euros at December 31, 2011 (December 31, 2010: 1,343 million euros).

Note 20 Investments in companies accounted for by the equity method and other non-current financial assets

20.1 INVESTMENTS IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Changes in this item can be analyzed as follows:

At December 31, 2009	**201**
Translation adjustment	3
Equity in net income	35
Dividends received	(10)
Other[1]	28
At December 31, 2010	**256**
Translation adjustment	(2)
Equity in net income	64
Dividends received	(26)
Other[2]	(13)
At December 31, 2011	**280**

(1) Including 23 million euros corresponding to the creation of the Balkans joint venture.
(2) Including a 36 million euros decrease corresponding to the reclassification of Altis Group shares in "Assets held for sale" (see Note 3 – Other Significant Events) and a 22 million euros increase following the inclusion of ten new entities in Spain (franchisees).

The main 2011 financial indicators for companies accounted for by the equity method are presented below:

		On a 100% basis, including consolidation adjustments				
(in millions of euros)	% interest	Total assets	Shareholders' equity	Non-current assets	Net sales	Net income/ (loss)
TOTAL		**1,796**	**700**	**808**	**4,408**	**172**
of which:						
- Majid Al Futtaim	25%	860	232	235	2,759	138
- Provencia SA	50%	333	179	192	680	14
- Iper Orio	50%	116	38	96	160	(4)
- Mestdagh	25%	170	90	51	458	21
- As Cancelas S.XXI,SL	50%	64	44	45	0	(0)
- Costasol	34%	60	28	49	77	2
- CM Balkans BV	20%	51	25	49	98	(3)
- Iliturgitana de Hyper, SL	34%	50	17	21	113	0
- Other companies*		94	47	71	64	4

* *A total of 27 companies none of which is individually material.*

20.2 OTHER NON-CURRENT FINANCIAL ASSETS

(in millions of euros)	12/31/2011	12/31/2010
Investments in non-consolidated companies	152	181
Long-term loans	290	310
Other*	991	1,051
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,433**	**1,542**

* *Mainly deposits and other long-term receivables.*

Note 21 Deferred taxes

Deferred taxes reported in the consolidated statement of financial position represent a net deferred tax asset of 158 million euros at December 31, 2011, 48 million euros less than at the previous year-end.

(in millions of euros)	12/31/2011	12/31/2010	Change
Deferred tax assets	745	766	(22)
Deferred tax liabilities	(586)	(560)	(26)
Net deferred tax asset	**158**	**206**	**(48)**

The year-on-year decrease is partly due to the downgrading of business plan projections for Italy and Greece, leading to valuation allowances being recorded on deferred tax assets in these countries in the amount of 116 million euros and 35 million euros respectively.

The following table shows the main sources of deferred taxes:

(in millions of euros)	12/31/2010	Change			12/31/2011
		Income statement	Shareholders' equity (other comprehensive income)	Changes in consolidation scope, translation adjustment, other	
Tax loss carryforwards	125	(37)	-	(20)	68
Tangible fixed assets	413	(26)	-	(52)	335
Non-deductible provisions	296	55	0	7	358
Goodwill amortization allowed for tax purposes	55	3	-	(0)	58
Other intangible assets	22	3	-	(0)	24
Inventories	42	106	-	1	149
Financial instruments	41	(1)	18	(0)	58
Other temporary differences	275	(63)	0	(52)	160
Deferred tax assets before netting	**1,269**	**40**	**19**	**(117)**	**1,211**
Effect of netting deferred tax assets and liabilities	(503)				(466)
Deferred tax assets net of deferred tax liabilities	**766**	**40**	**19**	**(117)**	**745**
Tangible fixed assets	(374)	(66)	(1)	22	(419)
Untaxed provisions	(255)	34	-	0	(221)
Goodwill amortization allowed for tax purposes	(261)	(57)	-	32	(286)
Other intangible assets	(16)	(2)	-	0	(19)
Inventories	(0)	(0)	-	(0)	(0)
Financial instruments	(12)	2	(10)	(0)	(20)
Other temporary differences	(143)	27	0	28	(88)
Deferred tax liabilities before netting	**(1,062)**	**(61)**	**(10)**	**82**	**(1,052)**
Effect of netting deferred tax assets and liabilities	503				466
Deferred tax liabilities net of deferred tax assets	**(560)**	**(61)**	**(10)**	**82**	**(586)**
NET DEFERRED TAXES	**206**	**(21)**	**9**	**(35)**	**158**

UNRECOGNIZED DEFERRED TAX ASSETS

Unrecognized deferred tax assets amounted to 1,621 million euros at December 31, 2011 (December 31, 2010: 1,427 million euros), including 746 million euros related to tax loss carryforwards (December 31, 2010: 805 million euros) and 875 million euros on temporary differences (December 31, 2010: 622 million euros).

Note 22 Inventories

(in millions of euros)	12/31/2011	12/31/2010
Inventories at cost	7,150	7,282
Impairment	(302)	(289)
INVENTORIES NET	**6,848**	**6,994**

Note 23 Commercial receivables

(in millions of euros)	12/31/2011	12/31/2010
Commercial receivables	1,446	1,263
Impairment	(240)	(259)
Commercial receivables, net	**1,207**	**1,004**
Receivables from suppliers	1,575	1,551
TOTAL	**2,782**	**2,555**

Commercial receivables correspond for the most part to amounts due by franchisees.

Receivables from suppliers correspond to rebates and supplier contributions to marketing costs.

Note 24 Other current financial assets

(in millions of euros)	12/31/2011	12/31/2010
Available-for-sale financial assets	763	1,525
Derivative instruments	47	13
Deposits with maturities of more than three months	79	260
Other	22	14
TOTAL	**911**	**1,811**

Note 25 Other assets

(in millions of euros)	12/31/2011	12/31/2010
Employee advances	22	31
Short-term loans	28	55
Proceeds receivable from disposals of non-current assets	95	124
Prepaid expenses	343	378
Other operating receivables, net	481	455
TOTAL	**969**	**1,043**

Note 26 Cash and cash equivalents

(in millions of euros)	12/31/2011	12/31/2010
Cash equivalents	1,286	936
Cash	2,563	2,335
TOTAL	**3,849**	**3,271**

Note 27 Shareholders' equity

27.1 CAPITAL MANAGEMENT

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

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

Capital employed (equity and debt capital) is managed in such a way as to:

- ensure that the Group can continue operating as a going concern;
- generate a return for shareholders and benefits for other stakeholders;
- maintain an appropriate balance between equity and debt capital so as to minimize the cost of capital and continue to benefit from a good credit rating.

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

27.2 SHARE CAPITAL

At December 31, 2011, the share capital was made up of 679,336,000 ordinary shares with a par value of 2.5 euros each, all fully paid.

(in thousands of shares)	2011	2010
Outstanding at January 1	679,336	704,903
Issued for cash	-	-
Issued upon exercise of stock options	-	-
Cancelled*	-	(25,567)
OUTSTANDING AT DECEMBER 31	**679,336**	**679,336**

* *The Board of Directors used the shareholder authorization given at the Annual Meeting of May 4, 2010 to buy back and cancel shares. The authorization was initially given for a period of 18 months as from May 4, 2010; however, the program was terminated early by decision of the Board of Directors at its meeting on March 1, 2011.*
At December 31, 2010, a total of 26,433,816 shares had been bought back under the program.
On November 30, 2010 the Board of Directors decided to use the shareholder authorization given at the Annual Meeting of May 4, 2010 (11th resolution) to reduce the capital by canceling shares acquired under shareholder-approved buyback programs, and gave full powers to the Chief Executive Officer to carry out the capital reduction.
On December 13, 2010, the Chief Executive Officer used these powers to cancel 25,566,716 shares with a par value of 2.5 euros each. This had the effect of reducing Carrefour's share capital by 63,916,790 euros to its current amount of 1,698,340,000 euros.

27.3 TREASURY STOCK

At December 31, 2011, a total of 23,308,404 shares were held in treasury (December 31, 2010: 19,277,789 shares).

	12/31/2011	12/31/2010	Change
Shares held directly	5,598,650	3,657,589	1,941,061
Shares held indirectly *via* an *equity swap*	17,709,754	15,620,200	2,089,554
Treasury stock	**23,308,404**	**19,277,789**	**4,030,615**

27.3.1 SHARES HELD DIRECTLY

Most of the Carrefour shares held directly by the Company are intended for the Group's stock option and stock grant plans. All rights attached to these shares are suspended for as long as they are held in treasury.

27.3.2 SHARES HELD INDIRECTLY VIA AN EQUITY SWAP

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

Since the end of 2009, a total of 3,124,885 shares have been bought back on the various contractual dates.

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

At December 31, 2011, Carrefour was committed to buying back 17,709,754 shares under the equity swap for a total of 446 million euros, recorded as a financial liability.

	Number of shares	Financial liability (in millions of euros)
Shares held *indirectly via an equity* swap at December 31, 2011	17,709,754	446
Forward purchases		
June 15, 2012	664,970	17
May 15, 2014	3,939,973	99
July 7, 2015	4,455,754	112
June 15, 2016	8,449,280	213
July 16, 2017	199,777	5

27.4 DIVIDENDS

The 2010 dividend of 1.08 euro per share was paid on July 5, 2011, representing a total payout of 708 million euros.

A special dividend was also paid on the same day, in the form of one Dia share for every Carrefour share held.

Note 28 Share-based payments

The total cost recorded in the income statement in 2011 in respect of share-based payments amounted to 29 million euros (2010: 54 million euros), of which 24 million euros reported under "Employee benefits expense" in recurring operating income and 5 million euros reported under "Net income from discontinued operations" (see below). In accordance with IFRS 2, the cost net of the tax effect was recognized by crediting shareholders' equity.

Details of the stock option and stock grant plans set up for senior management are presented below.

The demerger of the hard discount business on July 5, 2011, carried out by distributing Dia shares, had the following consequences:

- Dia employees were considered as having fulfilled the vesting condition related to their continued presence within the organization and recognition of the cost associated with their stock options and stock grants was accelerated to June 30, 2011. The 5 million euros impact was reported in the income statement under "Net income from discontinued operations";
- as the Carrefour share price was automatically reduced by the value of Dia, the Group lowered the exercise price and increased the number of options or shares awarded to each grantee (see Registration Document update filed with the AMF on May 18, 2011). The figures presented in this note are therefore adjusted figures unless otherwise specified.

28.1 STOCK OPTION PLANS

The following table provides details of the stock option plans that were in progress at December 31, 2011 or expired during the year.

	Grant date(1)	Number of options granted(2)	Life of the options	Number of grantees	Exercise period(3)	Number of options outstanding(4)	Exercise price (in euros)(2)
2004 Presence Plan	April 28, 2004	1,527,500	7 years	53	April 28, 2006 to April 27, 2011	0	43.67
2005 Presence Plan	April 20, 2005	4,982,917	7 years	457	April 20, 2007 to April 19, 2012	3,395,994	35.78
2006 Presence Plan	April 25, 2006	7,580,898	7 years	2,144	April 25, 2008 to April 24, 2013	6,716,832	38.5
2007 Presence Plan	May 15, 2007	4,354,667	7 years	502	May 15, 2009 to May 14, 2014	3,792,357	49.45
2008 Presence Plan I	June 6, 2008	4,545,183	7 years	505	June 6, 2010 to June 5, 2015	3,583,688	39.68
2008 Presence Plan II	July 7, 2008	17,109	7 years	1	July 7, 2010 to July 6, 2015	17,109	39.68
2009 Performance Plan	June 17, 2009	1,252,994	7 years	57	June 17, 2011 to June 16, 2016	447,415	29.55
2009 Presence Plan	June 17, 2009	6,974,861	7 years	2,571	June 17, 2011 to June 16, 2016	5,659,872	29.55
2010 Presence Plan I	May 4, 2010	60,000	7 years	1	May 4, 2012 to May 3, 2017	0	32.84
2010 Performance Plan	July 16, 2010	1,439,017	7 years	56	July 17, 2012 to July 16, 2017	589,131	29.91
2010 Presence Plan II	July 16, 2010	1,941,610	7 years	507	July 17, 2012 to July 16, 2017	1,657,149	29.91
TOTAL						**25,859,547**	

(1) Date of the meeting of the Management Board (before July 28, 2008) or Board of Directors (after that date) when the stock option grants were decided.
(2) Adjusted number of options and exercise price.
(3) The options will vest only if the grantee is still employed by the Group at the start of the exercise period. Since 2006, the options vest as follows:
- 50% after two years;
- 25% after three years;
- 25% after four years.

Concerning the exercise date, specific rules apply in the event of the grantee's death.
(4) The number of options outstanding includes both options exercisable at December 31, 2011 and options that were not yet exercisable at that date.

All of the options will be settled using existing Carrefour shares.

There are two types of plans:

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

Movements in stock options in 2011 were as follows:

Options outstanding at December 31, 2010	**26,914,825**
- of which, exercisable options	*14,975,460*
Options granted in 2011[1]	0
Options exercised in 2011[2]	0
Options cancelled or that expired in 2011	(4,529,950)
- of which, expired options[3]	*(1,307,500)*
- of which, canceled options – Presence Plans	*(1,660,200)*
- of which, canceled options – Performance Plans[4]	*(1,562,250)*
Adjustment to the number of shares following the Dia distribution	3,474,672
Options outstanding at December 31, 2011	**25,859,547**
of which, exercisable options	*19,888,130*

(1) The Remunerations Committee decided not to grant any stock options in 2011.
(2) No options were exercised in 2011 because they were out of the money.
(3) The 2004 plan expired in April 2011 and the 1,307,500 options not exercised at that date were canceled.
(4) Only one of the performance conditions for the 2009 and 2010 Performance Plans was met and therefore only 50% of the options vested. In all, 1,562,250 options granted under the 2009 and 2010 Performance Plans were canceled, corresponding to the 50% of options that did not vest because the performance condition was not met and to options canceled when the grantees left the Group.

The **main data and assumptions** used to value the options are described below.

The options' fair value is calculated using the Black & Scholes option pricing model. Until 2009, volatility, dividend growth and interest rate assumptions were determined by reference to a benchmark produced by a panel of banks. Since 2010, volatility and dividend growth assumptions are determined by reference to historical data and the interest rates applied are based on the yield curve for zero-coupon bonds published by Reuters on the option grant date. In addition, the options have a seven-year life.

Fair values were determined on the grant dates of the various plans using the model described above and assumptions considered as reasonable at those dates. The information in the following table has not been adjusted for the impact of the July 5, 2011 demerger from Dia.

Fair value of the options at the grant date	2004 Presence Plan	2005 Presence Plan	2006 Presence Plan	2007 Presence Plan	2008 Presence Plan I
Exercise price *(in euros)*	43.68	40.81	43.91	56.40	45.26
Reference share price on the grant date *(in euros)*	38.03	38.91	44.82	52.23	32.8
Volatility *(in %)*	28.88%	27.54%	24.70%	25.54%	32.25%
Dividend growth *(in %)*	12.63%	15.87%	14.87%	12.96%	2.25%
Interest rate *(in %)*	3.94%	3.25%	4.07%	4.50%	4.80%
Fair value of the options *(in euros)*	**10.59**	**9.95**	**12.77**	**10.92**	**7.31**
2011 amortization *(in %)*	0%	0%	0%	3%	10%
Cumulative amortization at December 31, 2011 *(in %)*	100%	100%	100%	100%	97%

Fair value of the options at the grant date	2008 Presence Plan II	2009 Plans (Presence and Performance)	2010 Presence Plan I	2010 Plans (Presence II and Performance)
Exercise price *(in euros)*	45.26	33.7	37.46	34.11
Reference share price on the grant date *(in euros)*	43.94	31.54	35.26	35.26
Volatility (in %)	33.15%	43.35%	22.85%	22.85%
Dividend growth *(in %)*	2.34%	(34.95)%	3.33%	3.33%
Interest rate *(in %)*	4.80%	3.30%	*	*
Fair value of the options *(in euros)*	**14.74**	**12.67**	**6.55**	**5.96**
2011 amortization *(in %)*	10%	27%	40%	40%
Cumulative amortization at December 31, 2011 *(in %)*	97%	86%	59%	59%

* *Reuters page on the pricing date.*

28.2 STOCK GRANTS

Details of the stock grant plans in progress at December 31, 2011 are presented below:

	Grant date[1]	Transfer date	Number of shares granted	Number of grantees	Reference share price (spot) (in euros)[2]	Number of shares delivered in 2011	Number of shares attributable at December 31, 2011
2008 Presence Plan	July 16, 2008	July 16, 2011	103,988	73	33.80	84,988	0
2009 Presence Plan I	June 17, 2009	June 17, 2012	103,842	57	31.54	0	59,212
2009 Presence Plan II	June 17, 2009	June 17, 2011	35,000	1	31.54	35,000	0
2009 Presence Plan III	January 13, 2009	January 13, 2011	100,000	1	26.99	100,000	0
2009 Plan Performance	June 17, 2009	June 17, 2011	461,300	59	31.54	17,105	0
2010 Presence Plan I	July 16, 2010	July 16, 2013	517,743	513	34.59	0	438,346
2010 Presence Plan II	April 13, 2010	April 13, 2012	22,812	1	37.65	0	22,812
2010 Presence Plan III	August 30, 2010	August 30, 2012	34,218	1	37.85	0	34,218
2010 Plan Performance	July 16, 2010	July 16, 2012	448,077	56	34.59	0	0
2011 Presence Plan	May 31, 2011	May 31, 2013	15,969	1	26.89	0	15,969
TOTAL						**237,093**	**570,557**

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

Movements in stock grant rights in 2011 were as follows:

Number of stock grant rights at December 31, 2010	**1,549,530**
Stock grant rights attributed in 2011	14,000
Shares delivered to grantees	(237,093)
Stock grant rights canceled in 2011	(836,915)
- of which, canceled rights – Presence Plans	(93,500)
- of which, canceled rights – Performance Plans	(743,415)
Adjustment to the number of shares following the Dia distribution	81,035
Number of stock grant rights at December 31, 2011	**570,557**

All of the plans require the grantees to remain with the Group for a specified period, generally between two and three years.

For two plans, set up in 2009 and 2010, the grants are also subject to a performance condition based on growth in the Carrefour share price compared with that of a reference basket of stocks. Based on an assessment of Carrefour's share performance at December 31, 2010 and 2011, only 5% of the stock grant rights awarded under the 2009 plan and none of the rights awarded under the 2010 plan vested. In all, 743,415 stock grant rights awarded under the 2009 and 2010 Performance Plans were canceled, corresponding to rights that did not vest because the performance condition was not met and to rights canceled when the grantees left the Group.

Note 29 Provisions

(in millions of euros)	12/31/2010	Translation adjustment	Increases	Discounting adjustment	Reversals of surplus provisions	Utilizations	Other[3]	12/31/2011
Post-employment benefit obligations – Note 30	734	(2)	65	40	(5)	(54)	(1)	777
Claims and litigation[1]	1,799	(53)	976		(91)	(237)	(39)	2,356
Restructuring plans	57	(0)	62		(5)	(41)	0	73
After-sales service costs	15		7			(15)		7
Other[2]	583	(29)	123	3	(41)	(92)	(79)	467
TOTAL	**3,188**	**(83)**	**1,232**	**43**	**(141)**	**(440)**	**(118)**	**3,680**

(1) Provisions for claims and litigation concern tax reassessments, disputes with current and former employees and legal disputes. The 976 million euros increase in these provisions in 2011 mainly reflects the revised estimate of the costs of tax reassessments and disputes with current and former employees in Brazil (355 million euros) and the provision set aside for a tax reassessment in Spain (268 million euros).
(2) Other provisions mainly concern insurance risks, store closure costs and onerous contracts.
(3) Movements for the year reflect the deconsolidation of Dia.

Group companies are involved in a certain number of claims and legal proceedings in the normal course of business. They are also subject to tax audits that may result in reassessments. The main claims and legal proceedings are described in Note 31.

In each case, the risk is assessed by Group management and their advisors. A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

At December 31, 2011, the claims and legal proceedings in which the Group was involved were covered by provisions totaling 2,356 million euros. No details are provided because the Group considers that disclosure of the amount set aside in each case could be seriously detrimental to its interests.

Note 30 Post-employment benefit obligations

The cost of defined benefit plans is determined at each period-end by the projected unit credit method. The calculation is performed using an actuarial method that takes into account future salary levels and retirement ages.

30.1 DESCRIPTION OF THE MAIN DEFINED BENEFIT PLANS

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

FRENCH PLANS

Group employees in France are entitled to a length-of-service award when they retire, determined in accordance with the law and the applicable collective bargaining agreement.

The award is measured as a multiple of the individual's monthly salary for the last twelve months before retirement, determined by reference to his or her years of service, as follows:

	2 to 5 years' service	More than 5 years' service	Cap
Administrative staff	0.20 months/year	0.30 months/year	6 months
Supervisors and managers	0.50 months/year	0.80 months/year	18 months

Since 2009, the Group has also been committed to paying supplementary pension benefits to certain former senior executives under a defined benefit plan. The plan's main terms are as follows:

- plan participants: executives with at least three years' service at the time of retirement whose annual compensation is greater than 16 times the annual ceiling for Social Security contributions;
- benefits: 1.5% of the reference compensation per year of service. The reference compensation corresponds to the individual's salary and bonus for the fiscal year preceding his or her retirement, or 60 times the annual ceiling for Social Security contributions, whichever is lower;
- years of service: capped at 20 years, with automatic recognition of seniority for executives hired after the age of 45;
- maximum replacement rate: the benefits are capped so that total pension benefits received by the individual from all sources do not exceed 50% of the reference compensation;
- reversion: in the case of death, a reversionary pension is paid to the surviving spouse.

BELGIAN PLANS

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

The prepension system provides for the payment of unemployment benefits during the period from the retirement age proposed in the collective bargaining agreement (59, or 52 for employees concerned by the downsizing plan set up in 2010) and the legal retirement age (65). Carrefour is committed to topping up the benefits paid by the Belgian State, so that the individuals concerned receive 95% of their final net salary.

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

ITALIAN PLANS

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

30.2 NET EXPENSE FOR THE PERIOD

Expense recognized in the income statement

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Service cost	32	8	0	4	44
Interest cost	23	17	3	3	45
Expected return on plan assets	(6)	(5)	0	(0)	(11)
Amortization of actuarial gains and losses	9	0	0	(0)	9
Other items	0	9	0	4	13
EXPENSE FOR 2010	**58**	**29**	**3**	**10**	**100**
Service cost	32	8	0	4	44
Interest cost	24	16	3	3	45
Expected return on plan assets	(5)	(4)	0	(0)	(10)
Amortization of actuarial gains and losses	9	0	0	0	9
Other items	0	0	(0)	(1)	(1)
EXPENSE FOR 2011	**59**	**20**	**3**	**6**	**87**

The net expense for 2011, in the amount of 87 million euros, was recorded in employee benefits expense for 52 million euros and in financial expense for 35 million euros.

30.3 CHANGE IN THE PROVISION

Balance-sheet movements

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Provision at December 31, 2009	**210**	**266**	**167**	**46**	**689**
Movements recorded in the income statement	58	29	3	10	100
Effect of changes in scope of consolidation	2	0	0	0	2
Benefits paid directly by the employer	(2)	(21)	(27)	(1)	(50)
Other	(10)	0	0	3	(7)
Provision at December 31, 2010	**258**	**274**	**143**	**58**	**734**
Movements recorded in the income statement	59	20	3	6	87
Effect of changes in scope of consolidation	0	0	0	0	0
Benefits paid directly by the employer	(2)	(22)	(15)	(5)	(45)
Other	0	0	2	1	3
Provision at December 31, 2011	**315**	**272**	**133**	**60**	**777**

30.4 PLAN ASSETS

Change in the fair value of hedging assets

(in millions of euros)	France	Belgium	Italy	Other countries	Group total
Fair value of plan assets at December 31, 2009	**136**	**99**	**0**	**5**	**239**
Effect of changes in scope of consolidation	0	0	0	0	0
Expected return on plan assets	6	5	0	0	11
Benefits paid out of plan assets	(17)	(10)	0	(1)	(28)
Actuarial gains/(losses)	1	(3)	0	(0)	(2)
Other	2	4	0	1	7
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31, 2010	**127**	**95**	**0**	**6**	**228**
Effect of changes in scope of consolidation	0	0	0	0	0
Expected return on plan assets	5	4	0	0	10
Benefits paid out of plan assets	(14)	(11)	0	(0)	(26)
Actuarial gains/(losses)	(2)	(3)	0	(0)	(6)
Other	3	4	0	0	7
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31, 2011	**119**	**89**	**0**	**6**	**214**

Plan assets break down as follows by asset class:

	12/31/2011			12/31/2010		
	Bonds	Equities	Real estate and other	Bonds	Equities	Real estate and other
France	81%	15%	4%	77%	19%	4%
Belgium	80%	18%	2%	81%	14%	4%

Plan assets mainly concern defined benefit plans in France and Belgium.

The expected return on plan assets was determined by multiplying the total value of each class of assets by the weighted average expected return for that asset class.

The expected return at December 31, 2011 was estimated at 4.71% for Belgian plans (2010: 4.68%) and 4.8% for French plans (2010: 4.9%).

A 100-bps increase (decrease) in the expected return on plan assets would lead to a 2.0 million euros increase (decrease) in 2011 investment revenue for the French and Belgian plans.

30.5 MEASUREMENT OF THE DEFINED BENEFIT OBLIGATION

Obligation (in millions of euros)	France	Belgium	Italy	Other countries	Group total
Provision	258	274	143	58	734
Fair value of plan assets	127	95	0	6	228
Gross obligation	**385**	**369**	**143**	**64**	**962**
Unrecognized actuarial gains and losses	139	0	18	(15)	143
DEFINED BENEFIT OBLIGATION AT DECEMBER 31, 2010	**524**	**369**	**162**	**49**	**1,105**
Provision	315	272	133	60	779
Fair value of plan assets	119	89	0	6	214
Gross obligation	**434**	**360**	**133**	**66**	**993**
Unrecognized actuarial gains and losses	117	(14)	17	6	126
DEFINED BENEFIT OBLIGATION AT DECEMBER 31, 2011	**551**	**346**	**150**	**72**	**1,119**

30.6 ACTUARIAL ASSUMPTIONS AND SENSITIVITY ANALYSIS

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

	2011	2010
Retirement age	60-65	60-65
Rate of future salary increases	1.5% to 5.0%	1.5% to 3.0%
Payroll tax rate	7% to 45%	7% to 45%
Discount rate	3.8% to 4.7%	3.9% to 4.5%

The discount rate used for French and Belgian plans is based on the Iboxx index of AA-rated 10-year corporate bonds. In 2011 the rate was 4.7% (2010: 4.5%). If the end-2011 index had taken into account the removal in January 2012 of two bond issuers that had experienced a rating downgrade in late December, the discount rate would have been 4.3%.

The discount rate for Italy is based on the yield curve for investment grade corporate bonds with maturities similar to the estimated duration of the defined benefit obligation. In 2011 it was 3.8% (2010: 3.9%).

Sensitivity tests show that declines of 25 bps and 50 bps in the discount rate would have an impact of around 23 million euros and 45 million euros respectively on the defined benefit obligation under the French and Belgian plans.

Note 31 Claims and litigation

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

31.1 TAX REASSESSMENTS

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

Carrefour Brazil is subject to tax audits in all the states in which it has operations.

The audits lead to numerous reassessments, the main ones being in the states of Rio de Janeiro and São Paulo. The audits cover the tax on the distribution of goods and services (ICMS), related tax credits (determination of the amounts claimable and documentation of the claims), and contributions to the social integration program and to the financing of the social security system (Pis-Cofins). The Group has challenged most of the reassessments, particularly the constitutionality of certain legislative provisions on which they are based. In all, the proposed reassessments amount to 1.8 billion euros.

Provisions are recorded for the estimated risk in each case, based on the advice of Carrefour Brazil's legal advisors.

At December 31, 2011, proposed reassessments notified by the tax authorities to the **Carrefour parent company** represented tax principal of 128 million euros. These reassessments, which have been contested by Carrefour, concern the years 2003 to 2008.

In 2008 and 2009, certain French companies in the Group were notified of proposed reassessments of **output VAT** for the years 2003 to 2008, totaling 313 million euros. Carrefour has contested these reassessments and lodged an appeal before the administrative court.

In **Argentina,** the tax authorities have notified Carrefour of ARS 500 million (approximately 90 million euros) in reassessments for the period 1996-2004 on the grounds that the Group failed to include certain categories of supplier rebates in the calculation of sales tax. The Group has contested the tax authorities' interpretation.

In France, up until 2003 Carrefour paid a quartering levy ***(taxe d'équarrissage)*** on its meat purchases. In 2003, the Court of Justice of the European Union ruled that this levy, which was paid over by the French State to abattoirs, constituted State aid awarded in breach of EU rules. As a result of this ruling, the quartering levy paid for the years 1997 to 2003 was refunded to the Group. In 2004, however, the French tax authorities reversed their decision and instructed the Group to repay the refunded amounts for the years 2001 to 2003, totaling 145 million euros. Carrefour has contested the validity of this claim. The case is currently pending before the tax courts.

In Belgium, the Group's **Coordination Center** was closed down in 2011 after Carrefour lost its appeal before the Court of Justice of the European Union to continue to benefit from a special tax regime.

In April 2011, the Spanish tax authorities notified **Norfin Holder,** the Group's holding company in Spain, of reassessments totaling 374 million euros in respect of the years 2004 to 2007. The tax authorities consider that financing raised by Norfin Holder was not necessary from a business standpoint and have therefore disallowed the related interest expense. Carrefour has contested the total reassessment and intends to pursue the matter before the tax courts if necessary.

31.2 DISPUTES WITH CURRENT AND FORMER EMPLOYEES

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

From time to time, disputes may also arise with a large group of current or former employees. In Brazil, over 11,000 former employees have initiated legal proceedings against the Group, claiming overtime pay that they allege is due to them. In France, the Group is involved in legal proceedings concerning the interpretation of minimum wage legislation and the types of expenses payable by the employer.

31.3 LEGAL AND COMMERCIAL DISPUTES

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

Note 32 Long and short-term borrowings

31.2 NET DEBT

32.1.1 NET DEBT CALCULATION

Net debt at December 31, 2011 amounted to 6,911 million euros (December 31, 2010: 1,086 million euros). This amount breaks down as follows:

(in millions of euros)	12/31/2011	12/31/2010
Bonds and notes	8,545	9,488
Other borrowings	1,894	1,797
Commercial paper	250	500
Finance lease liabilities	492	523
TOTAL BORROWINGS BEFORE DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES	**11,180**	**12,308**
Derivative instruments recorded in liabilities	492	771
TOTAL LONG AND SHORT-TERM BORROWINGS	**11,672**	**13,079**
Of which, long-term borrowings	*9,513*	*10,365*
Of which, short-term borrowings	*2,159*	*2,715*
Other current financial assets	911	1,811
Cash and cash equivalents	3,849	3,271
TOTAL CURRENT FINANCIAL ASSETS	**4,760**	**5,082**
Net debt	**6,911**	**7,997**

32.1.2 BONDS AND NOTES

(in millions of euros)		12/31/2010	Issues	Repayments	Other movements	12/31/2011
Public placements	**Maturity**	**9,296**	**500**	**(1,400)**		**8,396**
8-year 4.375% EMTNs (in euros)	2011	1,100		(1,100)		
2.5-year 4.375% EMTNs (in euros)	2011	300		(300)		
5-year Euro Bonds in euros, at 3-month Euribor + 15 bps	2012	200				200
10-year 5.375% EMTNs (in GBP)	2012	796				796
8-year 3.625% Fixed Rate Euro Bonds (in euros)	2013	750				750
5-year 6.625% EMTNs (in euros)	2013	700				700
7-year 5.125% Fixed Rate Euro Bonds (in euros)	2014	1,250				1,250
5-year 5.125% EMTNs (in euros)	2014	250				250
7-year 5.375% Fixed Rate Euro Bonds (in euros)	2015	1,000				1,000
10-year 3.825% Fixed Rate Euro Bonds (in euros)	2015	50				50
10-year 3.85% Fixed Rate Euro Bonds (in euros)	2015	50				50
10-year 4.375% Fixed Rate Euro Bonds (in euros)	2016	600				600
8-year 4.678% EMTNs (in euros)	2017	250				250
7-year 5.25% Fixed Rate Euro Bonds (in euros)	2018		500			500
10-year 4.00% EMTNs (in euros)	2020	1,000				1,000
11-year 3.875% EMTNs (in euros)	2021	1,000				1,000
Private placements		**368**		**(42)**		**326**
Fair value adjustments to hedged borrowings		**(177)**			**(1)**	**(178)**
Total bonds and notes		**9,488**	**500**	**(1,442)**	**(1)**	**8,545**

32.1.3 OTHER BORROWINGS

(in millions of euros)	12/31/2011	12/31/2010
Equity swap liability	446	449
Brazilian borrowings	754	725
Colombian borrowings	203	68
Accrued interest	172	163
Other items	319	392
TOTAL	**1,894**	**1,797**

Part of Carrefour Brazil's debt is subject to the following two covenants:

- the liquidity ratio (ratio of liquid assets to current liabilities) may not be less than 0.85;
- the equity ratio (ratio of equity to total assets) may not be less than 0.25.

Both covenants were complied with at December 31, 2011.

32.2 ANALYSIS OF BORROWINGS (EXCLUDING DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES)

32.2.1 ANALYSIS BY INTEREST RATE

(in millions of euros)	12/31/2011	12/31/2010
Fixed rate borrowings	9,400	10,257
Variable rate borrowings	1,781	2,051
TOTAL	**11,180**	**12,308**

Borrowings originally at fixed rates of interest (before the effect of interest rate swaps) are classified in fixed rate borrowings in the above table.

Borrowings originally at variable rates of interest (before the effect of interest rate swaps) are classified in variable rate borrowings.

32.2.2 ANALYSIS BY CURRENCY

The following analysis by currency concerns borrowings before giving effect to currency swaps.

(in millions of euros)	12/31/2011	12/31/2010
Euro	9,870	11,047
Brazilian real	786	770
Chinese yuan	64	55
Turkish lira	18	50
Taiwan dollar	128	169
Malaysian ringgit	34	74
Argentine peso	5	1
Colombian peso	218	81
Polish zloty	35	40
Romanian leu	7	8
Indonesian rupiah	15	13
TOTAL	**11,180**	**12,308**

Euro-denominated borrowings represented 88% of total borrowings at December 31, 2011 (December 31, 2010: 90%).

32.2.4 ANALYSIS BY MATURITY

(in millions of euros)	12/31/2011	12/31/2010
Due within one year	2,159	2,715
Due in 1 to 2 years	1,700	1,216
Due in 3 to 5 years	4,136	4,868
Due beyond 5 years	3,184	3,509
TOTAL	**11,180**	**12,308**

Note 33 Consumer credit financing

Consumer credit granted by the financial services companies is financed by bank loans obtained by these companies and, since 2009, by the reallocation to the financial services business of the proceeds from a Group bond issue.

Note 34 Financial instruments

A. FINANCIAL INSTRUMENTS CARRIED IN THE BALANCE SHEET

Breakdown by category (12/31/2011)

(in millions of euros)	Carrying amount	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other	Financial liabilities at amortized cost[(1)]	Derivative instruments
Investments in non-consolidated companies	152		152			
Other long-term investments	1,281			1,281		
Other non-current financial assets	1,433		152	1,281		
Consumer credit granted by the financial services companies	5,619			5,619		
Commercial receivables	2,782			2,782		
Other current financial assets	911		763	101		47
Other assets[(2)]	626			626		
Cash and cash equivalents	3,849	3,849				
ASSETS	**15,221**	**3,849**	**915**	**10,409**		**47**
Total long and short-term borrowings	11,671				11,180	492
Total consumer credit financing	4,901				4,901	
Suppliers and other creditors	15,362			15,362		
Other payables[(3)]	2,713			2,713		
LIABILITIES	**34,647**			**18,075**	**16,081**	**492**

(1) Including financial liabilities hedged by fair value hedges.
(2) Excluding prepaid expenses.
(3) Excluding deferred revenue.

Breakdown by category (12/31/2010)

(in millions of euros)	Carrying amount	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other	Financial liabilities at amortized cost[1]	Derivative instruments
Investments in non-consolidated companies	181		181			
Other long-term investments	1,361			1,361		
Other non-current financial assets	1,542		181	1,361		
Consumer credit granted by the 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 long and short-term borrowings	13,079				12,308	771
Total consumer credit financing	5,020				5,020	
Suppliers and other creditors	16,796			16,796		
Other payables[3]	2,765			2,765		
LIABILITIES	**37,660**			**19,561**	**17,328**	**771**

(1) Including financial liabilities hedged by fair value hedges.
(2) Excluding prepaid expenses.
(3) Excluding deferred revenue.

As part of its business financing strategy, on July 22, 2010 the Group set up with a partner bank a financing structure involving a non-consolidated financing entity. Carrefour EMTNs totaling 1 billion euros due 2021 were purchased by the entity. Carrefour granted a 255 million euros loan to this entity, with the balance of financing provided by the partner bank. The financing structure does not expose Carrefour to any liquidity risk. In view of the characteristics of the loan granted to the financing entity, on the transaction date the Group recorded a day-1 profit of 38 million euros.

As from the fourth year, the financing entity will be exposed to interest rate risk on its bank financing, arising from changes in an index based on the future yield curve. Carrefour will benefit from the index's performance and is committed to paying a share of losses incurred by the financing entity resulting from index under-performance. Under the terms of this commitment, continuous worst-case under-performance of the index over the life of the financing structure would expose Carrefour to a loss of 343 million euros before discounting and tax.

B. FAIR VALUE

Fair values/Carrying amounts	12/31/2011		12/31/2010	
(in millions of euros)	Carrying amount	Fair value	Carrying amount	Fair value
Investments in non-consolidated companies	152	152	181	181
Other long-term investments	1,281	1,281	1,361	1,361
Other non-current financial assets	**1,433**	**1,433**	**1,542**	**1,542**
Consumer credit granted by the financial services companies	5,619	5,619	5,556	5,556
Commercial receivables	2,782	2,782	2,555	2,555
Other current financial assets	911	911	1,811	1,811
Other assets	626	626	664	664
Cash and cash equivalents	3,849	3,849	3,271	3,271
TOTAL ASSETS	**15,221**	**15,221**	**15,400**	**15,400**
Borrowings hedged by fair value hedges	1,047	1,047	2,047	2,047
Borrowings hedged by cash flow hedges	947	947	695	695
Fixed rate borrowings	8,495	8,509	8,323	8,672
Unhedged borrowings	200	200	720	720
Finance lease liabilities	492	492	523	523
Derivative instruments	492	492	771	771
TOTAL LONG AND SHORT-TERM BORROWINGS	**11,672**	**11,686**	**13,079**	**13,428**
Suppliers and other creditors	15,362	15,362	16,796	16,796
Consumer credit financing	4,901	4,901	5,020	5,020
Other payables	2,713	2,713	2,765	2,765
TOTAL LIABILITIES	**34,647**	**34,661**	**37,660**	**38,009**
Net liability	**19,427**	**19,441**	**22,261**	**22,609**
Unrealized loss		**(14)**		**(349)**

The fair value of financial instruments is measured whenever it can be reliably estimated on the basis of market data for assets that are not held for sale.

ANALYSIS OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (EXCLUDING CASH AND CASH EQUIVALENTS)

The fair value hierarchy in IFRS comprises three levels of inputs:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs not based on observable market data for the asset or liability.

December 31, 2011

(in millions of euros)	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			152	152
Available-for-sale financial assets	700	62		763
Derivative instruments recorded in current financial assets		47		47
Derivative instruments recorded in liabilities		(277)	(214)	(492)

December 31, 2010

(in millions of euros)	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			181	181
Available-for-sale financial assets	1,463	61		1,525
Derivative instruments recorded in current financial assets		12		12
Derivative instruments recorded in liabilities		(244)	(527)	(771)

No assets or liabilities were reclassified between the various levels between December 31, 2010 and 2011.

C. CASH FLOW HEDGES

The following table shows the periods in which the Group expects the cash flows from cash flow hedges to affect profit or loss:

	2011					2010				
(in millions of euros)	Carrying amount	Expected cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years	Carrying amount	Expected cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Interest rate hedges*	(98)	(108)	(32)	(76)	0	(64)	(75)	(11)	(64)	0
Currency hedges*	(598)	(560)	(560)	0	0	(617)	(635)	(635)	0	0
TOTAL	**(696)**	**(669)**	**(593)**	**(76)**	**0**	**(681)**	**(710)**	**(645)**	**(64)**	**0**

* *Interest rate hedges consist mainly of swaps while currency hedges correspond for the most part to forward contracts.*

Note 35 Other payables

(in millions of euros)	12/31/2011	12/31/2010
Accrued employee benefits expense	1,615	1,702
Due to suppliers of non-current assets	763	669
Deferred revenue	72	59
Other payables	336	394
TOTAL	**2,785**	**2,824**

Note 36 Risk management

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

MARKET RISK

Market risk is the risk of a change in market prices, such as exchange rates, interest rates and the price of equity instruments, that has an impact on Group earnings. The Group's market risk management policy consists of containing its exposure to these risks within acceptable limits while striking the best possible balance between risk and return.

Market risks are managed through the purchase and sale of financial instruments such as currency and interest rate swaps and options. All of these contracts are entered into with leading counterparties, in compliance with the guidelines drawn up by the Risks Committee, which meets at monthly intervals. As a general principle and whenever possible, earnings volatility is managed using instruments that qualify for hedge accounting.

CURRENCY RISK

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

Local financing needs are generally met through local currency borrowings. Intercompany loans to foreign subsidiaries are usually hedged by means of currency swaps.

Due to its geographically diversified business base, the Group is also exposed to a translation risk on its assets. Changes in exchange rates affect the contribution in euros to the consolidated statement of financial position and income statement of foreign subsidiaries operating outside the euro zone.

The prices of planned purchases and sales of assets in countries outside the euro zone may be hedged using currency options.

INTEREST RATE RISK

Interest rate risk is managed at headquarters level by the Corporate Treasury and Financing department (DTFG). The DTFG's activities are tracked via a formal reporting system and monthly performance indicators covering:

- the results of its interest rate risk management activities;
- the alignment of these activities with the Group's risk management policy.

The Group's net exposure to changes in interest rates is reduced by the use of interest rate swaps and options:

1) for example, these instruments are used to protect the Group against the risk of an increase in interest rates on its commercial paper and other short and medium-term borrowings;
2) long-term borrowings are generally at fixed rates of interest and do not therefore give rise to any exposure to rising interest rates.

Nevertheless, financial instruments are used in order to benefit to some extent from any declines in interest rates;

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

This strategy significantly reduces the possible impact of rising interest rates while allowing the Group to benefit from any decline in rates.

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

Effect on borrowing costs of a 50 bps change in interest rates

*(in millions of euros)**	50 bps decline	50 bps increase
Change in finance costs before hedging	(13)	13
Hedging effect	1	3
Change in finance costs after hedging	(11)	16

* *(Gain), loss.*

Using period-end market data and considering the very low benchmark interest rates, the impact of interest rate derivatives and financial liabilities at fair value through profit or loss was estimated based on an instantaneous 50 bps increase or decrease in the yield curve for euro-denominated debt at December 31, 2011.

EQUITY RISK

1) CARREFOUR SHARES

Carrefour closely tracks changes in its share price. The Group endeavors to maintain a sufficiently high market capitalization to:

- retain the confidence of investors, lenders and the market;
- support future business growth.

From time to time, the Group buys back its shares on the market or purchases call options on its shares. The frequency and size of these purchases depend on the share price. The shares and options are used mainly for the Group's stock grant and stock option plans.

2) OTHER EQUITIES

Group policy is to avoid taking equity positions, except in particular circumstances.

Its marketable securities portfolios and other financial investments consist for the most part of money market instruments for which the Group's risk exposure is limited.

CREDIT RISK

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

Exposure to credit risk

(in millions of euros)	12/31/2011	12/31/2010
Investments in non-consolidated companies	152	181
Other long-term investments	1,281	1,361
Total other non-current financial assets	**1,433**	**1,542**
Consumer credit granted by the financial services companies	5,619	5,556
Commercial receivables	2,782	2,555
Other current financial assets	911	1,811
Other assets	626	664
Cash and cash equivalents	3,849	3,271
MAXIMUM EXPOSURE TO CREDIT RISK	**15,221**	**15,400**

1) COMMERCIAL RECEIVABLES

Commercial receivables correspond mainly to amounts receivable from suppliers and franchisees and rent receivable from tenants of shopping mall units. Impairment losses are recognized where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable.

The following table shows changes in impairment losses on commercial receivables

At December 31, 2009	**(206)**
Increases	(117)
Reversals	68
Other movements	(4)
At December 31, 2010	**(259)**
Increases	(135)
Reversals	139
Other movements	15
At December 31, 2011	**(240)**

At December 31, 2011, commercial receivables net of impairment amounted to 2,782 million euros (see Note 23). At that date, past due receivables amounted to 581 million euros, with receivables over 90 days past due representing 4% of total commercial receivables net of impairment. No additional impairment losses have been recognized for these receivables as the Group considers that the risk of non-recovery is very limited.

2) CONSUMER CREDIT GRANTED BY THE FINANCIAL SERVICES COMPANIES

The carrying amount of consumer credit in the statement of financial position includes the outstanding principal, together with accrued interest, indemnities and insurance premiums due and not yet due at the period-end.

The loans are classified as non-performing when the Group believes that there is a risk that all or part of the amount due will not be recovered. Impairment is calculated based on estimated repayments determined by reference to historical collections experience by type of product (loans for specific purposes, revolving lines of credit, personal loans, etc.), the age of the past due installments and any aggravating factors.

Breakdown of current and past-due receivables

			Amounts due and past-due at the period-end			
(in millions of euros)	12/31/2011	Amounts not yet due at the period-end	0 to 3 months	3 to 6 months	6 months to 1 year	More than 1 year
Consumer credit granted by the financial services companies	5,618	5,129	332	52	35	70

			Amounts due and past-due at the period-end			
(in millions of euros)	12/31/2010	Amounts not yet due at the period-end	0 to 3 months	3 to 6 months	6 months to 1 year	More than 1 year
Consumer credit granted by the financial services companies	5,556	5,118	307	47	30	54

Analysis of consumer credit by maturity December 31, 2011

(in millions of euros)	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	3,043	1,463	1,449	131
Belgium	190	168	22	0
Spain	1,232	845	220	167
Italy	147	80	43	25
Greece	13	11	1	0
Argentina	148	139	9	0
Brazil	846	677	169	0
TOTAL	**5,619**	**3,384**	**1,912**	**323**

December 31, 2010 (in millions of euros)	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 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**	**271**

3) INVESTMENTS

The Group limits its exposure to credit risk by diversifying its investments in liquid securities and dealing only with issuers rated at least A by Standard & Poor's and A1 by Moody's.

LIQUIDITY RISK

The term "liquidity risk" covers two concepts:

- the risk that an asset or liability may not be readily convertible into cash or may be subject to a steep fall in value due to market conditions (extremely limited trading volumes preventing a price being quoted for the instrument on a continuous basis). If the Group is no longer able to convert its debt instruments into cash, it may be exposed to a cash shortfall leading to:
- solvency risk.

Liquidity risk therefore corresponds, in order, to:

- the risk of a cash shortfall; and
- the risk of inadequate financing commitments being received from banks and/or of the Group being unable to raise new financing on the markets; and
- the risk of the Group being unable to convert non-current assets into cash.

The combination of these factors leads to a solvency risk.

The Group manages its liquidity risk by ensuring, to the extent possible, that it has sufficient liquid assets at all times to settle its liabilities at maturity, in normal or strained market conditions, without incurring unacceptable losses or reputational damage.

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

- limiting annual debt repayments to between 1 billion euros and 1.5 billion euros;
- maintaining syndicated borrowing facilities of 3.25 billion euros;
- using the 5 billion euros commercial paper program (with outstanding commercial paper issues averaging 0.8 billion euros).

The Group considered that its liquidity position was strong at December 31, 2011. At that date, it had 3.25 billion euros in committed syndicated lines of credit with no drawing restrictions, expiring in 2015 and 2016, and 8.6 billion euros in bond debt, with refinancing already in place for part of the debt maturing in 2012.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 4.4 years.

The loan agreements for the syndicated lines of credit include the usual commitments and default clauses, including *pari passu,* negative pledge, change of control and cross-default clauses and a clause restricting sales of substantial assets. They do not, however, include any material adverse change clause or any acceleration clause based on financial covenants.

Since 2007, issues under the EMTN program are subject to a soft change of control clause that would be triggered in the event that a change of control led to Carrefour losing its investment grade rating. In this case, the debt would not become immediately repayable but the interest rate would increase.

At December 31, 2011, commercial paper totaling 250 million euros was due within two months.

If Carrefour were to be unable to issue new commercial paper due to a complete lack of investor demand, it could draw down the amount required from its 3.25 billion euros syndicated line of credit.

In November 2009, Carrefour Banque (formerly named S2P) securitized 857 million euros worth of loans through an umbrella fund named Copernic PP 2009-01. The purpose of the securitization transaction was to have a stock of securities eligible to take part in the ECB's open market operations. The fund was entirely self-funded, *i.e.* the bonds issued in payment for the securitized loans were purchased in full by Carrefour Banque. As Copernic PP 2009-01 is wholly-owned and consolidated by the Group, the securitization represented an intra-group transaction that had no impact on the Consolidated Financial Statements. At December 31, 2011, a total of 202 million euros worth of loans had been securitized (December 31, 2010: 414 million euros).

December 31, 2011

(in millions of euros)	Carrying amount	Contractual cash flows	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Borrowings hedged by fair value hedges	1,047	1,131	823	47	262
Borrowings hedged by cash flow hedges	947	1,009	284	720	5
Fixed rate borrowings	8,495	9,761	1,063	5,792	2,906
Unhedged borrowings	200	202	202	0	0
Finance lease liabilities	492	0	0	0	0
Derivative instruments	492	339	45	119	176
Total long and short-term borrowings	**11,672**	**12,442**	**2,416**	**6,677**	**3,349**
Suppliers and other creditors	15,362	15,362	15,362	0	0
Consumer credit financing	4,901	4,901	4,482	419	0
Other payables	2,713	2,713	2,713	0	0
TOTAL	**34,647**	**35,417**	**24,972**	**7,096**	**3,349**

December 31, 2010

(in millions of euros)	Carrying amount	Contractual cash flows	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Borrowings hedged by fair value hedges	2,047	2,375	83	819	1,473
Borrowings hedged by cash flow hedges	695	764	17	526	221
Fixed rate borrowings	8,323	9,209	2,432	4,918	1,859
Unhedged borrowings	720	724	523	201	0
Finance lease liabilities	523	0	0	0	0
Derivative instruments	771	764	25	198	542
Total long and short-term 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 financing	5,020	5,020	4,527	493	0
Other payables	2,765	2,765	2,765	0	0
TOTAL	**37,660**	**38,418**	**27,168**	**7,155**	**4,094**

Note 37 Contingent liabilities

Group companies are subject to regular tax, customs and administrative audits in the normal course of business. They are also involved in various claims and legal proceedings. A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation (see Notes 29 and 31). No provisions are recorded for future operating losses.

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

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

As explained in Note 34, the Group is committed to paying part of any losses incurred by the financing vehicle set up in 2010.

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

Note 38 Off-balance sheet commitments

Commitments given and received by the Group that are not recognized in the statement of financial position correspond to contractual obligations whose performance depends on the occurrence of conditions or transactions after the period-end. There are three types of off-balance sheet commitments, related to (i) cash management, (ii) retailing operations and (iii) acquisitions of securities. The Group is also party to leases that give rise to future commitments such as for the payment of rent on retail units leased by the Group from owners (commitments given), and the payment of rent on retail units in shopping malls owned by the Group and leased to other parties (commitments received).

Commitments given

(in millions of euros)	12/31/2011	By maturity			12/31/2010
		- Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**9,488**	**5,310**	**3,360**	**817**	**9,466**
Financial services companies	*7,814*	*4,878*	*2,926*	*10*	*8,207*
Other companies	*1,674*	*432*	*434*	*807*	*1,259*
Related to operations/real estate/ expansion, etc.	**3,469**	**1,123**	**1,998**	**348**	**2,573**
Related to sales of securities	**591**	**238**	**280**	**73**	**645**
Related to leases	**4,558**	**957**	**1,888**	**1,714**	**5,162**
TOTAL	**18,106**	**7,628**	**7,527**	**2,952**	**17,847**

Commitments received

(in millions of euros)	12/31/2011	By maturity - Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	12/31/2010
Related to cash management transactions	**5,650**	**1,995**	**3,605**	**50**	**6,871**
Financial services companies	*865*	*525*	*340*	*0*	*1,672*
Other companies	*4,785*	*1,471*	*3,265*	*50*	*5,199*
Related to operations/real estate/ expansion, etc.	**808**	**208**	**413**	**187**	**748**
Related to purchases of securities	**603**	**363**	**207**	**33**	**422**
Related to leases	**1,056**	**368**	**558**	**131**	**978**
TOTAL	**8,117**	**2,934**	**4,783**	**401**	**9,019**

Off-balance sheet commitments related to cash management transactions include:

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

Off-balance sheet commitments related to operations include:

- commitments to purchase land given in connection with the Group's expansion programs;
- miscellaneous commitments arising from commercial contracts;
- performance bonds issued in connection with the Group's expansion programs;
- rent guarantees and guarantees from shopping mall operators;
- guarantees for the payment of receivables;
- unamortized past service costs related to defined benefit pension plans;
- other commitments given or received.

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

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

Off-balance sheet commitments related to leases:

At December 31, 2011, 780 hypermarket properties and 672 supermarket properties were owned outright out of a total consolidated store base of 1,348 hypermarkets and 1,779 supermarkets.

Rent on store properties not owned by the Group totaled 981 million euros in 2011 (see Note 9).

Of total future minimum rentals, 21% are due within one year, 41% in one to five years and 38% beyond five years.

Future minimum rentals under operating leases – determined based on the Group's maximum commitment in terms of both duration and amount for each of the property leases in progress at the period-end – amounted to 4,558 million euros, or 3,150 million euros after discounting.

The Group also owns various shopping malls, mainly built on the same sites as its hypermarkets and supermarkets. Rental of the retail units in these malls generated revenues of 299 million euros in 2011. Future minimum rentals receivable from these retail units – determined based on the tenants' maximum commitment in terms of both duration and amount for each of the leases in progress at the period-end – amounted to 1,056 million euros, or 830 million euros after discounting.

Note 39 Employee information

	12/31/2011	12/31/2010 *
Average number of Group employees	407,861	419,063
Number of Group employees at the period-end	412,443	419,417

* *To permit meaningful comparisons, employee numbers for 2010 have been restated to take into account the Dia share distribution in 2011.*

Note 40 Related parties

40.1 RELATED PARTY TRANSACTIONS

The following table presents the main related party transactions carried out in 2011 with companies over which the Group exercises significant influence or joint control.

(in millions of euros)	Majid Al Futaim	Provencia	Altis	Mestdagh
Net sales (sales of goods)	12	476	259	112
Franchise fees	12	16	15	7
Receivables at December 31	4	38	25	0

40.2 OTHER RELATED PARTY TRANSACTIONS

Put options written over non-controlling interests in subsidiaries ("NCI puts")

The Group has written put options over non-controlling interests in its Turkish and Greek subsidiaries. In accordance with the accounting policy described in Note 2.7.2.4, these options are recognized in borrowings.

Massy building leased off-plan from the Colony Group

The 12-year lease will come into effect on delivery of the building, scheduled for December 20, 2013. The annual rent for the entire building is set at 21 million euros. The rent paid by Carrefour will depend on the actual surface area leased and will be subject to an escalation clause based on France's INSEE construction cost index. Carrefour has negotiated an initial rent-free period of 12 months.

Note 41 Management compensation

The following table shows the compensation paid by the Group to the serving members of Group executive management and the Board of Directors during 2011 and 2010:

(in millions of euros)	2011	2010
Compensation for the period	5.4	5.8
Prior year bonus	3.7	3.8
Benefits in kind (accommodation and company car)	0.1	0.2
Total compensation paid during the period	**9.2**	**9.7**
Employer payroll taxes	3.8	4.2
Termination benefits	1.4	2.8

Other management benefit plans are as follows:

- defined benefit pension plan described in Note 30. No benefits were paid under this plan in 2011 or 2010;
- stock option and stock grant plans. At December 31, 2011, serving members of Group management held 801,271 stock options and 45,967 stock grant rights (December 31, 2010: 1,053,000 stock options and 457,500 stock grant rights).

Directors' attendance fees paid to members of the Board of Directors amounted to 0.7 million euros in 2011 (2010: 0.8 million euros).

Note 42 Subsequent events

GUYENNE & GASCOGNE

On December 12, 2011, the Group announced that it planned to file a cash offer with a stock alternative for Guyenne & Gascogne, its historical partner in south-western France.

The offer terms are as follows:

- cash offer: one Guyenne & Gascogne share (cum dividend) for 74.25 euros in cash (as adjusted for any dividend payment in addition to the interim dividend described below);
- alternative stock offer: one Guyenne & Gascogne share for 3.90 Carrefour shares (cum dividend). The stock alternative will be available for a maximum of 4,986,786 Guyenne & Gascogne shares.

Guyenne & Gascogne has stated that it will pay an interim dividend of 7 euros before the close of the offer period. This interim dividend has been taken into account in determining the offer price.

Guyenne & Gascogne operates six Carrefour hypermarkets and 28 Carrefour Market supermarkets under franchise agreements. In 2011, these stores generated sales of 623 million euros including VAT. Guyenne & Gascogne is also a 50/50 shareholder of Sogara alongside Carrefour, which exercises management control. Sogara owns and operates 13 hypermarkets, which generated sales of 1.6 billion euros including VAT in 2011 and also holds an 8.2% stake in Centros Comerciales Carrefour, the holding company for Carrefour's operating activities in Spain.

Carrefour's draft information memorandum was filed with France's securities regulator, *Autorité des Marchés Financiers* (AMF), on February 14, 2012. It was approved by the AMF on February 28 under *visa* no. 12-095.

NEW FINANCIAL SERVICES PARTNERSHIP IN BRAZIL

On April 14, 2011, the Group announced that it had signed an agreement for the sale to Itaù Unibanco of 49% of BSF Holding, the company that controls Carrefour's financial services and insurance operations in Brazil. The partnership with Itaù Unibanco will enable Carrefour to bolster its financial services and insurance businesses by leveraging the major potential synergies between the two groups and expanding its financial product and service offering.

On June 30, 2011, Carrefour notified Cetelem, its current partner in BSF Holding, that it intended to exercise its call option on Cetelem's 40% interest at a total price of 132.5 million euros.

The buyout of its current partner and the sale of shares to Itaù Unibanco are subject to the usual regulatory provisions, including the requirement to obtain an authorization from the Brazilian central bank.

On completion of the transactions, Carrefour will hold a 51% majority stake in BSF Holding along with the 315 million euros proceeds from the sale of the 49% interest.

The deal is expected to close during the first half of 2012.

Note 43 Fees paid to the auditors

	2011				2010		
(in millions of euros)	Deloitte & Associés	KPMG	Mazars	Total	Deloitte & Associés	KPMG	Total
Audit services	2.5	10.1	2.4	14.9	5.0	12.1	17.1
Other services	0.2	0.1	0.0	0.4	0.5	0.1	0.6
TOTAL	**2.7**	**10.2**	**2.4**	**15.3**	**5.5**	**12.2**	**17.7**

Note 44 Scope of consolidation

44.1 FULLY CONSOLIDATED COMPANIES AT DECEMBER 31, 2011

FRANCE	Percent interest used in consolidation
ACTIS	100.0
AJACCIO DISTRIBUTION	100.0
ALFROY	100.0
ALLU	100.0
ALODIS	100.0
AVENUE	52.0
BAILLIX	100.0
BARDIS	100.0
BELLEVUE DISTRIBUTION	100.0
BERGEDIS	100.0
BERMITTO	100.0
BLO DISTRIBUTION	100.0
BOEDIM	100.0
BPJ	100.0
BRUMAT	100.0
CADS	97.0
CAMARSYL	100.0
CAOR	100.0
CARAUTOROUTES	100.0
CARCOOP	50.0
CARCOOP FRANCE	50.0
CARCOOP STATIONS SERVICE	50.0
CARDADEL	100.0
CARFUEL	100.0
CARIMA	100.0
CARLIER	100.0
CARMA	30.4
CARMA COURTAGE	30.4
CARMA VIE	30.4
CARREFOUR ADMINISTRATIF FRANCE	100.0
CARREFOUR ASSISTANCE À DOMICILE	100.0
CARREFOUR BANQUE (ex-S2P – SOCIÉTÉ DES PAIEMENTS PASS)	60.8
CARREFOUR DÉPLOIEMENT	100.0
CARREFOUR DRIVE	100.0
CARREFOUR FORMATION HYPERMARCHÉS FRANCE (CFHF)	100.0

FRANCE	Percent interest used in consolidation
CARREFOUR FRANCE	100.0
CARREFOUR FRANCE PARTICIPATION	100.0
CARREFOUR HYPERMARCHÉS	100.0
CARREFOUR IMPORT SAS (ex-CRFP2)	100.0
CARREFOUR INTERACTIVE	100.0
CARREFOUR MANAGEMENT	100.0
CARREFOUR MARCHANDISES INTERNATIONALES	100.0
CARREFOUR MONACO	100.0
CARREFOUR PARTENARIAT INTERNATIONAL	100.0
CARREFOUR PROPERTY	100.0
CARREFOUR PROPERTY DEVELOPPEMENT	100.0
CARREFOUR PROPERTY GESTION	100.0
CARREFOUR PROPERTY INTERNATIONAL	100.0
CARREFOUR PROXIMITÉ FRANCE	100.0
CARREFOUR SA	100.0
CARREFOUR SERVICES CLIENTS	100.0
CARREFOUR STATION SERVICE (ex-PARIDIS 75)	100.0
CARREFOUR SYSTÈMES D'INFORMATIONS FRANCE	100.0
CARREFOUR VOYAGES	100.0
CARVILLENEUVE	100.0
CASCH	100.0
CENTRE COMMERCIAL DE LESCAR	99.5
CHALLENGER	100.0
CHAMNORD	59.6
CHAMPION SUPERMARCH ÉS FRANCE (CSF)	100.0
CHARSAC	100.0
CHRISTHALIE	100.0
CHRISTHIA	100.0
CLAIREFONTAINE	100.0
CLAUROLIE	100.0
COLIBRI	100.0

FRANCE	Percent interest used in consolidation
COMPAGNIE D'ACTIVITÉ ET DE COMMERCE INTERNATIONAL -CACI-	100.0
CONTINENT 2001	100.0
COSG	100.0
COVIAM 8	100.0
COVICAR 2	100.0
CP TRANSACTIONS	100.0
CPF ASSET MANAGEMENT	100.0
CRF RÉGIE PUBLICITAIRE	100.0
CRFP10	100.0
CRFP11	100.0
CRFP13	100.0
CRFP14	100.0
CRFP15	100.0
CRFP16	100.0
CRFP4	100.0
CRFP8	100.0
CSD	74.0
CSD TRANSPORTS	74.0
CSF France	100.0
DAUPHINOISE DE PARTICIPATIONS	100.0
DE JENTILLAT	100.0
DE LA BUHUETTERIE	100.0
DE LA CHEVALERIE	100.0
DE LA COQUERIE	51.0
DE LA FONTAINE	51.0
DE LA VALLÉE	100.0
DE MONTSEC	100.0
DE SIAM	51.0
DEFENSE ORLÉANAISE	30.4
DELDIS	100.0
DES FRONDAISONS	100.0
DES TOURNELLES	100.0
DES TROIS G	97.0
DIEPAL	100.0
DISTRIVAL	100.0
DU BOCAGE	100.0
DU LAVEDAN	100.0
ECALHAN	51.0
EPG	66.0
ETADIS	100.0

FRANCE	Percent interest used in consolidation
ETS CATTEAU	100.0
EUROMARCHÉ	100.0
FALDIS	100.0
FINIFAC	100.0
FLODIA	100.0
FLORADIS	100.0
FLORITINE	100.0
FORUM DÉVELOPPEMENT	100.0
FRANCOIS DISTRIBUTION	100.0
GAMACASH	100.0
GEDEL	100.0
GENEDIS	100.0
GERNIMES	100.0
GIE CARREFOUR PERSONAL FINANCE SERVICES	52.2
GILVER	100.0
GIMONDIS	100.0
GML DIGOIN	50.0
GML – GRANDS MAGASINS LABRUYERE	50.0
GML FRANCE	50.0
GML STATIONS SERVICE	50.0
GUILVIDIS	100.0
GVTIMM	51.0
HAUTS DE ROYA	100.0
HYPARLO SAS	100.0
IMMAUFFAY	51.0
IMMO ARTEMARE	51.0
IMMO BACQUEVILLE	51.0
IMMO REBAIS	51.0
IMMO VOUNEUIL	51.0
IMMOBILIÈRE CARREFOUR	100.0
IMMOCYPRIEN	51.0
IMMODIS	100.0
IMMODIS (ex-HYPARMO)	100.0
IMMODIVINE	51.0
IMMOLAILLE	100.0
IMMOLOUBES	51.0
IMMOPOLO	100.0
IMMOTOURNAY	51.0
IMOREAL	100.0

FRANCE	Percent interest used in consolidation
INTERDIS	100.0
KERRIS	100.0
LA BAUDRIÈRE	51.0
LA BLANCHISSERIE	100.0
LA CHARTREUSE	100.0
LA CIOTAT DISTRIBUTION SNC	100.0
LA CROIX VIGNON	51.0
LA FONTAINE	100.0
LA GERSOISE	51.0
LA MESTRASAISE	51.0
LA SABLONNIÈRE	100.0
LALAUDIS	99.0
LANN KERGUEN	51.3
LAPALUS & FILS (ETABS)	100.0
LE BOURG	100.0
LE GRAND JARDIN	100.0
LEFAUBAS	100.0
LES ACACIAS	51.0
LES CHARTRETTES	100.0
LES GÉNEVRIERS	100.0
LES ROIS MAGES	100.0
LES TASSEAUX	51.0
LES VALLES	51.0
LIMADIS	100.0
LIMADOR	100.0
LODIAF	100.0
LOGIDIS	100.0
LOGIDIS COMPTOIRS MODERNES	100.0
LOVAUTO	100.0
LUDIS	100.0
LVDIS	100.0
MAISON JOHANES BOUBEE	100.0
MATOLIDIS	100.0
MAXIMOISE DE CRÉATION	51.0
MISSERON	100.0
MONTECO	100.0
MONTEL DISTRIBUTION	100.0
MONTELIMAR DISTRIBUTION	100.0
MORTEAU DISTRIBUTION	100.0
NOVIGRAY	100.0

FRANCE	Percent interest used in consolidation
OCDIS	75.0
ONLINE CARREFOUR	100.0
OOSHOP	100.0
PRM	100.0
PADISMA	100.0
PASLUD	100.0
PENFOUL BIHAN	100.0
PERPDIS	100.0
PERPIGNAN DISTRIBUTION SNC	100.0
PHILCAT	51.0
PHILIBERT	100.0
PHIVETOL	100.0
PLAN DE GRASSE	100.0
POTIMMO	100.0
PROFIDIS	100.0
PROFIDIS & CIE	100.0
PROLACOUR	100.0
PRUNEL	100.0
QUERCY	100.0
RESSONS	51.0
RIOM DISTRIBUTION	100.0
RIOMOISE DE DISTRIBUTION SA	100.0
ROTONDE	100.0
SAGC	100.0
SAM PROSPECTIVE	90.0
SAMAD	100.0
SARL DE SAINT HERMENTAIRE	100.0
SAVIMMO	100.0
SCI LA SEE	100.0
SCI POUR LE COMMERCE	100.0
SELIMA	100.0
SELOJA	51.0
SERFI	100.0
SICODI	100.0
SIGOULIM	51.0
SOBADIS	100.0
SOBRECO	100.0
SOCIETE DES HYPERMARCHÉS DE LA VEZERE	50.0
SOCIÉTÉ D'EXPLOITATION AMIDIS & Cie	100.0

FRANCE	Percent interest used in consolidation
SOCIÉTÉ FECAMPOISE DE SUPERMARCHÉS	100.0
SOCIÉTÉ NOUVELLE SOGARA	50.0
SODILOC	100.0
SODIMOB	100.0
SODINI	100.0
SODISAL	100.0
SODISCAF	100.0
SODISOR	100.0
SOFALINE	100.0
SOFIDIM	99.0
SOFODIS	100.0
SOGARA	50.0
SOGARA FRANCE	50.0
SOGARA STATION SERVICE	50.0
SOLEDIS	100.0
SOPROMAL	100.0
SOVAL	100.0
SOVIDIS	100.0
SOVIDIS PROPRIANO	100.0
STELAUR	100.0
STROFI	100.0
SUD	100.0
SUPERDIS	96.5
TERTRA	51.0
TOURANGELLE DE PARTICIPATIONS	100.0
TROIDIS	100.0
UNICAGES	100.0
UNIVU	100.0
VASSYMMO	51.0
VAUVERT CAMARGUE	100.0
VEZERE DISTRIBUTION	50.0
VIADIX	100.0
VICUS	100.0
VIERDIS	100.0
VISAGE	100.0
VITARIM	100.0
VIZEGU	90.0
VTT	100.0

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

ARGENTINA	Percent interest used in consolidation
ATACADAO SA	100.0
BANCO DE SERVICIOS FINANCIEROS SA	60.0
INC SA	100.0

BELGIUM	Percent interest used in consolidation
ALL IN FOOD	100.0
BIGG'S SA	100.0
BRUGGE RETAIL ASSOCIATE	100.0
CARREFOUR BELGIUM	100.0
CARREFOUR FINANCE	100.0
CARUM	100.0
CENTRE DE COORDINATION CARREFOUR	100.0
DE NETELAAR	100.0
DEURNE RETAIL ASSOCIATE	100.0
DIKON	100.0
ÉCLAIR	100.0
EXTENSION BEL-TEX	100.0
FILMAR	100.0
FILUNIC	100.0
FIMASER	60.0
FOMAR	100.0
FOURCAR BELGIUM SA	100.0
FRESHFOOD	100.0
GB RETAIL ASSOCIATES SA	100.0
GENT DAMPOORT RETAIL ASSOCIATE	100.0
GMR	100.0
GROSFRUIT	100.0
HALLE RETAIL ASSOCIATE	100.0
HEPPEN RETAIL ASSOCIATE	100.0
LA LOUVIERE RETAIL ASSOCIATE	100.0
MABE	100.0
NORTHSHORE PARTICIPATION	100.0
OUDENARDE RETAIL	100.0

BELGIUM	Percent interest used in consolidation
QUIEVRAIN RETAIL ASSOCIATE	100.0
R&D FOOD	100.0
ROB	100.0
RULUK	100.0
SAMDIS	100.0
SCHILCO	100.0
SERCAR	100.0
SOCIÉTÉ RELAIS	100.0
SOUTH MED INVESTMENTS	100.0
STIGAM	100.0
VANDEN MEERSSCHE NV	100.0
VERSMARKT	100.0
WAPRO	100.0

BRAZIL	Percent interest used in consolidation
ATACADAO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA	100.0
BANCO CSF SA	60.0
BREPA COMERCIO PARTICIPACAO LTDA	100.0
BSF HOLDING SA	60.0
CARREFOUR COMMERCIO E INDUSTRIA LTDA	100.0
CARREFOUR PROMOTORA DE VENDAS E PARTICIPACOES	60.0
CARREFOUR VIAGENS E TURISMO LTDA	100.0
COMERCIAL DE ALIMENTOS CARREFOUR SA	100.0
FOCCAR INTERMEDIACAO DE NEGOCIOS LTDA	100.0
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA LTDA	100.0
LOJIPART PARTICIPACOES SA	100.0
NOVA GAULE COMERCIO E PARTICIPACOES SA	100.0
POSTO ARRUDA PEREIRA	100.0
TROPICARGAS TRANSPORTES LTDA	100.0

CHINA	Percent interest used in consolidation
BEIJING CARREFOUR COMMERCIAL CO., LTD	55.0
BEIJING CHAMPION SHOULIAN COMMUNITY CHAIN STORES CO LTD	100.0

CHINA	Percent interest used in consolidation
BEIJING CHUANGYIJIA CARREFOUR COMMERCIAL	100.0
BEIJING REPRESENTATIVE OFFICE OF CARREFOUR SA	100.0
CARREFOUR (CHINA) MANAGEMENT & CONSULTING SERVICES CO.	100.0
CHANGCHUN CARREFOUR COMMERCIAL CO., LTD	75.0
CHANGSHA CARREFOUR HYPERMARKET	100.0
CHANGZHOU YUEDA CARREFOUR COMMERCIAL CO., LTD	60.0
CHENGDU CARREFOUR HYPERMARKET CO LTD	80.0
CHENGDU YUSHENG INDUSTRIAL DEVELOPMENT CO LTD	100.0
CHONGQING CARREFOUR COMMERCIAL CO LTD	65.0
DALIAN CARREFOUR COMMERCIAL CO., LTD	65.0
DONGGUAN CARREFOUR COMMERCIAL CO., LTD	100.0
DONGGUAN DONESHENG SUPERMARKET CO	100.0
FOSHAN CARREFOUR COMMERCIAL CO.,LTD	100.0
FUZHOU CARREFOUR COMMERCIAL CO LTD	100.0
GUANGZHOU JIAGUANG SUPERMARKET CO	100.0
GUIZHOU CARREFOUR COMMERCIAL CO.,LTD	100.0
HAIKOU CARREFOUR COMMERCIAL	100.0
HANGZHOU CARREFOUR HYPERMARKET CO., LTD	80.0
HARBIN CARREFOUR HYPERMARKET CO., LTD	65.0
HEBEI BAOLONGCANG CARREFOUR COMMERCIAL CO., LTD	51.0
HEFEI YUEJIA COMMERCIAL CO., LTD	60.0
HUHHOT CARREFOUR COMMERCIAL COMPANY CO.,LTD	100.0
JINAN CARREFOUR COMMERCIAL CO., LTD	100.0
KUNMING CARREFOUR HYPERMARKET CO., LTD	100.0
NANCHANG YUEJIA COMMERCIAL CO.,LTD	60.0

CHINA	Percent interest used in consolidation
NANJING YUEJIA SUPERMARKET CO LTD	65.0
NINGBO CARREFOUR COMMERCIAL	80.0
NINGBO LEFU INDUSTRIAL DEVELOPMENT CO. LTD	100.0
QINGDAO CARREFOUR COMMERCIAL	95.0
QUJING CARREFOUR HYPERMARKET CO.,LTD	100.0
SHANDONG CARREFOUR COMMERCIAL CO., LTD	100.0
SHANGAI CARHUA SUPERMARKET LTD	55.0
SHANGHAI GLOBAL SOURCING CONSULTING CO LTD	100.0
SHANXI YUEJIA COMMERCIAL CO.,LTD	55.0
SHENYANG CARREFOUR COMMERCIAL CO LTD	65.0
SHENZHEN CARREFOUR COMMERCIAL	100.0
SHENZHEN LERONG SUPERMARKET CO LTD	100.0
SHIJIAZHUANG CARREFOUR COMMERCIAL CO., LTD	51.0
SICHUAN CARREFOUR COMMERCIAL CO., LTD	100.0
SUZHOU YUEJIA SUPERMARKET CO., LTD	55.0
THE CARREFOUR(CHINA) FOUNDATION FOR FOOD SAFETY LTD	100.0
TIANJIN JIAFU COMMERCIAL CO., LTD	100.0
TIANJIN QUANYE CARREFOUR HYPERMARKET CO., LTD	65.0
VICOUR LIMITED	100.0
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

CHINA	Percent interest used in consolidation
ZHENGZHOU YUEJIA COMMERCIAL CO., LTD	60.0
ZHUHAI CARREFOUR COMMERCIAL CO.,LTD	100.0
ZHUHAI LETIN SUPERMARKET CO., LTD	100.0
ZHUZHOU CARREFOUR COMMERCIAL CO., LTD	100.0

COLOMBIA	Percent interest used in consolidation
ATACADAO DE COLOMBIA SA	100.0
GSC SA – GRANDES SUPERFICIES DE COLOMBIA	100.0

SPAIN	Percent interest used in consolidation
CARREFOUR CANARIAS, SA	95.9
CARREFOUR ESPANA PROPERTIES, SL	95.9
CARREFOUR NAVARRA, SL	95.9
CARREFOUR NORTE, SL	95.9
CARREFOUR PROPERTY SANTIAGO, SL.	95.9
CARREFOURONLINE SL (SUBMARINO HISPANIA)	95.9
CENTROS COMERCIALES CARREFOUR, SA	95.9
CORREDURIA DE SEGUROS CARREFOUR	71.9
GROUP SUPECO MAXOR	95.9
INVERSIONES PRYCA, SA	100.0
NORFIN HOLDER SL	100.0
SERVICIOS FINANCIEROS CARREFOUR EF.C. (FINANCIERA PRYCA)	57.8
SIDAMSA CONTINENTE HIPERMERCADOS, SA	100.0
SOCIEDAD DE COMPRAS MODERNAS, SA (SOCOMO)	95.9
SUPERMERCADOS CHAMPION, SA	95.9
VIAJES CARREFOUR, SLUNIPERSONAL	95.9

GREECE	Percent interest used in consolidation
CARREFOUR CREDIT	50.0
CARREFOUR MARINOPOULOS	50.0
GUEDO HOLDING LTD	47.5
PIRAIKO SA	50.0
XYNOS SA	50.0

HONG KONG	Percent interest used in consolidation
CARREFOUR ASIA LTD	100.0
CARREFOUR GLOBAL SOURCING ASIA	100.0
CARREFOUR TRADING ASIA LTD (CTA)	100.0

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

INDONESIA	Percent interest used in consolidation
PT ALFA RETAILINDO TBK	60.0
PT CARREFOUR INDONESIA (ex-CONTIMAS)	60.0

IRELAND	Percent interest used in consolidation
CARREFOUR INSURANCE	100.0

ITALY	Percent interest used in consolidation
CARREFOUR ITALIA	100.0
CARREFOUR ITALIA FINANCE SRL	100.0
CARREFOUR PROPERTY ITALIA S.r.l (ex-DEMETER ITALIA SPA (ex-HYPERMARKET HOLDING))	99.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BUROLO	89.0
CONSORZIO PROPRIETARI CENTRO COMMERCIALE GIUSSANO	76.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE MASSA	54.1
CONSORZIO PROPRIETARI CENTRO COMMERCIALE TORINO MONTECUCCO	87.2

ITALY	Percent interest used in consolidation
CONSORZIO PROPRIETARI CENTRO COMMERCIALE BRIANZA	52.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE THIENE	57.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE VERCELLI	84.2
DI PER DI SRL	99.8
GS SpA (ex-ATENA)	99.8
IL BOSCO SRL	94.8
S.C.A.R.L. SHOPVILLE GRAN RENO	57.7
SOCIETA SVILUPPO COMMERCIALE	99.8

LUXEMBOURG	Percent interest used in consolidation
VELASQUES SA	100.0

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

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

POLAND	Percent interest used in consolidation
CARREFOUR POLSKA	100.0
CARREFOUR POLSKA PROPER	100.0
CARREFOUR POLSKA WAW	100.0
WIGRY	100.0

CZECH REPUBLIC	Percent interest used in consolidation
ALFA SHOPPING CENTER	100.0
SHOPPING CENTRE KRALOVO POLE	100.0
USTI NAD LABEM SHOPPING CENTER	100.0

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

RUSSIA	Percent interest used in consolidation
CARREFOUR RUS	100.0

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

SLOVAKIA	Percent interest used in consolidation
ATERAITA	100.0

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

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

TURKEY	Percent interest used in consolidation
CARREFOUR SABANCI TICARET MERKEZI AS CARREFOURSA	58.2

44.2 COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD AT DECEMBER 31, 2011

FRANCE	Percent interest used in consolidation
CARTAILLAN	50.0
CHERBOURG INVEST	48.0
COLODOR	50.0
MASSEINE	50.0
PROVENCIA SA	50.0
SCI LATOUR	60.0
SOCADIS CAVALAIRE	50.0
SODITA	50.0

BELGIUM	Percent interest used in consolidation
MESTDAGH	25.0

UNITED ARAB EMIRATES	Percent interest used in consolidation
MAJID AL FUTAIM	25.0

SPAIN	Percent interest used in consolidation
2011 CAYETANO PANELLES, SL	24.9
2012 NAYARA S.MARTIN	24.9
ANTONIO PEREZ, SL	24.9
AS CANCELAS S XXI, SL.	47.9
COSTASOL DE HIPERMERCADOS, SL	32.6
DIAGONAL PARKING, S.C.	55.1
GLORIAS PARKING SA	47.9
HEGERVIS MATARO, SL	24.9
ILITURGITANA DE HIPERMERCADOS, SL	32.6
JM.MARMOL SUPERMERCADOS. SL	24.9
J.CARLOS VAZQUEZ, SL	24.9
LUHERVASAN, SL	24.9
SAGRADA FAMILIA, SL	24.9
SUPERMERCADOS CENTENO SL	24.9
VALATROZ	24.9

GREECE	Percent interest used in consolidation
CM Balkans BV	20.0
OK Market	16.5

ITALY	Percent interest used in consolidation
CARREFOUR ITALIA MOBILE SRL	50.0
CONSORZIO CIEFFEA	49.9
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	49.9
CONSORZIO PROPRIETARI CENTRO COMMERCIALE SIRACUSA	33.3
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ROMANINA	46.3
FUTURE SRL (ex-TREDI' ESPANSIONE SRL)	25.0
IPER ORIO SPA	49.9
IPER PESCARA SPA	49.9
S.C.A.R.L. SHOPVILLE LE GRU	39.3
SOLEDORO	25.0

POLAND	Percent interest used in consolidation
C SERVICES	30.0

Statutory Auditors' report on the Consolidated Financial Statements

Year-ended December 31, 2011

This is a free translation into English of the Statutory Auditors' report on the Consolidated Financial Statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the Consolidated Financial Statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Consolidated Financial Statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the Consolidated Financial Statements.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your shareholders' meetings, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the Consolidated Financial Statements of Carrefour, as attached to the present report, "the Group";
- the justification of our assessments;
- the specific verification required by French law.

The Consolidated Financial Statements have been approved by the Board of Directors. Our role is to express an opinion on these Consolidated Financial Statements based on our audit.

1. Opinion on the Consolidated Financial Statements

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the Consolidated Financial Statements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position and the assets and liabilities of the Group as of December 31, 2011, and of the results of its operations in accordance with IFRS as adopted in the European Union.

2. Justification of assessments

The accounting estimates used to prepare the Consolidated Financial Statements were made in an uncertain environment due to the public finances crisis in certain countries in the euro zone, in particular Greece and Italy. This crisis was accompanied by an economic and liquidity crisis, which makes it difficult to anticipate the economic outlook. Such is the context in which we made our own assessments and we bring to your attention the following matters in accordance with the requirements of Article L. 823-9 of the French Commercial Code:

Note 1.3 to the Consolidated Financial Statements states that the Group's Management must take into account the estimates and assumptions that could affect the book value of certain asset and liability items. We remind however that, since these estimates are based on forecasts which by nature are uncertain, the actual results will differ, sometimes significantly, from said forecasts.

As part of our audit of the Consolidated Financial Statements of December 31, 2011, we have examined the following points in particular:

- at year-end, your Group performed an impairment test on goodwill and also assessed whether there was any indication of impairment of other tangible and intangible assets, according to the methods described in Notes 2.6.4.1 and 2.6.4.2 of the notes to the Consolidated Financial Statements. We have examined the methods used to conduct the impairment testing and identification of indications of impairment, the cash flow forecasts, and assumptions used. We have reviewed the calculations performed by your Company; we have compared the accounting estimates for the previous periods with the corresponding results and examined the procedure for approving these estimates by Management. We have assessed the reasonableness of the assumptions used and resulting assessments. We have checked the appropriateness of the information provided in Note 17 of the notes to the Consolidated Financial Statements;

- with respect to provisions, we have assessed the basis on which these provisions were raised, examined the procedures in force in your Company for their identification, assessment, and accounting and reviewed the information relating to the risks contained in Notes 29, 31, and 37 of the notes to the Consolidated Financial Statements.

These assessments were thus 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 French law, and in accordance with the professional standards applicable in France, we have also verified the information provided in the report on the Group's management.

We have no matters to report as to its fair presentation and consistency with the Consolidated Financial Statements.

Courbevoie, Paris-La Défense, and Neuilly-sur-Seine, March 15, 2012

The Statutory Auditors

French original signed by

MAZARS		KPMG audit	Deloitte & Associés	
		Department of KPMG SA		
Patrick de Cambourg	Pierre Sardet	Éric Ropert	Alain Pons	Arnaud de Planta

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Additional information

Store network

Store network (consolidated) as of December 31, 2011

FRANCE	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Hypermarkets	175	178	178	179	179	192	194	203	203	204	205
Supermarkets	534	547	566	588	595	615	604	590	582	575	558
Hard-discount stores	459	487	578	630	782	811	840	842	835	760	
Other formats	127	126	126	129	108	101	61	9	5	12	
Total	**1,295**	**1,338**	**1,448**	**1,526**	**1,664**	**1,719**	**1,699**	**1,644**	**1,625**	**1,551**	**763**
EUROPE (excluding France)	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Hypermarkets	253	268	281	288	321	365	399	437	447	440	447
Supermarkets	548	650	651	690	765	746	957	974	996	1,031	1,054
Hard-discount stores	2,210	2,325	2,464	2,606	2,789	2,969	3,136	3,038	2,988	2,677	
Other formats	173	130	210	240	223	241	229	236	223	442	355
Total	**3,184**	**3,373**	**3,606**	**3,824**	**4,098**	**4,321**	**4,721**	**4,685**	**4,654**	**4,590**	**1,856**
BELGIUM											
Hypermarkets	57	57	56	56	56	56	56	57	56	47	46
Supermarkets	72	73	73	77	79	79	79	63	62	40	41
Other formats	1	1	1	1					0	0	
Total	**130**	**131**	**130**	**134**	**135**	**135**	**135**	**120**	**118**	**87**	**87**
SPAIN											
Hypermarkets	108	115	119	121	136	148	155	162	164	165	166
Supermarkets	167	174	200	190	143	82	86	96	98	104	110
Hard-discount stores	1,649	1,700	1,778	1,836	1,891	1,961	2,072	1,972	1,929	1,761	
Other formats	28	31	32	32			3	11	10	8	7
Total	**1,952**	**2,020**	**2,129**	**2,179**	**2,170**	**2,191**	**2,316**	**2,241**	**2,201**	**2,038**	**283**
GREECE											
Hypermarkets	11	13	13	16	19	25	28	31	35	38	41
Supermarkets	82	142	101	120	148	164	197	209	219	227	252
Hard-discount stores	199	212	221	251	267	295	300	271	255		
Other formats	46		47	60	52	51	32	33	24	256	170
Total	**338**	**367**	**382**	**447**	**486**	**535**	**557**	**544**	**533**	**521**	**463**
ITALY											
Hypermarkets	34	34	39	38	50	55	58	66	61	58	58
Supermarkets	173	203	205	226	238	247	249	236	227	213	214
Other formats	98	98	130	147	171	190	194	192	189	178	178
Total	**305**	**335**	**374**	**411**	**459**	**492**	**501**	**494**	**477**	**449**	**450**

POLAND	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Hypermarkets	9	13	15	17	32	42	72	78	82	82	84
Supermarkets	51	55	67	70	71	83	247	225	200	194	176
Total	**60**	**68**	**82**	**87**	**103**	**125**	**319**	**303**	**282**	**276**	**260**
PORTUGAL											
Hypermarkets	5	6	7	7	7	10					
Hard-discount stores	276	281	283	286	292	320	348	364	367	353	
Total	**281**	**287**	**290**	**293**	**299**	**330**	**348**	**364**	**367**	**353**	
CZECH REPUBLIC											
Hypermarkets	7	8	9	10							
Total	**7**	**8**	**9**	**10**							
ROMANIA											
Hypermarkets						7	11	21	22	23	25
Supermarkets								20	25	32	45
Total						**7**	**11**	**41**	**47**	**55**	**70**
SLOVAKIA											
Hypermarkets	4	4	4	4							
Total	**4**	**4**	**4**	**4**							
SWITZERLAND											
Hypermarkets	8	8	8	8	9	9					
Total	**8**	**8**	**8**	**8**	**9**	**9**					
TURKEY											
Hypermarkets	10	10	11	11	12	13	19	22	26	27	27
Supermarkets	3	3	5	7	86	91	99	125	165	221	216
Hard-discount stores	86	132	182	233	339	393	416	431	437	563	
Total	**99**	**145**	**198**	**251**	**437**	**497**	**534**	**578**	**628**	**811**	**243**
BULGARIA											
Hypermarkets									1		
Total									**1**		
LATIN AMERICA											
Hypermarkets	124	135	147	157	148	204	255	288	309	328	335
Supermarkets	263	249	254	211	149	118	141	151	166	156	150
Hard-discount stores	263	313	413	488	520	539	572	606	635	622	
Other formats							5	8	8	45	98
Total	**650**	**697**	**814**	**856**	**817**	**861**	**973**	**1,053**	**1,118**	**1,151**	**583**

ARGENTINA	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Hypermarkets	22	23	24	28	28	30	59	67	68	71	74
Supermarkets	132	141	141	114	114	118	103	112	117	107	109
Hard-discount stores	246	246	285	310	319	325	329	339	353	363	
Other formats										32	70
Total	**400**	**410**	**450**	**452**	**461**	**473**	**491**	**518**	**538**	**573**	**253**
BRAZIL											
Hypermarkets	74	79	85	85	99	143	150	162	172	184	186
Supermarkets	131	108	113	97	35		38	39	49	49	41
Hard-discount stores	17	67	128	178	201	214	243	267	282	259	
Other formats							5	8	8	13	8
Total	**222**	**254**	**326**	**360**	**335**	**357**	**436**	**476**	**511**	**505**	**235**
CHILE											
Hypermarkets	4	4									
Total	**4**	**4**									
COLOMBIA											
Hypermarkets	5	8	11	15	21	31	46	59	69	73	75
Other formats											20
Total	**5**	**8**	**11**	**15**	**21**	**31**	**46**	**59**	**69**	**73**	**95**
MEXICO											
Hypermarkets	19	21	27	29							
Total	**19**	**21**	**27**	**29**							
ASIA											
Hypermarkets	**105**	**123**	**144**	**170**	**191**	**202**	**238**	**285**	**339**	**336**	**361**
Supermarkets				**6**	**8**			**30**	**18**	**19**	**17**
Hard-discount stores			**55**	**164**	**225**	**255**	**275**	**309**	**268**	**244**	
Other formats									**1**	**1**	**2**
Total	**105**	**123**	**199**	**340**	**424**	**457**	**513**	**624**	**626**	**600**	**380**
CHINA											
Hypermarkets	24	32	40	56	70	90	112	134	156	182	203
Supermarkets				6	8		0	0	0	0	
Hard-discount stores			55	164	225	255	275	309	268	244	
Total	**24**	**32**	**95**	**226**	**303**	**345**	**387**	**443**	**424**	**426**	**203**
SOUTH KOREA											
Hypermarkets	22	25	27	27	31						
Total	**22**	**25**	**27**	**27**	**31**						

INDONESIA	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Hypermarkets	8	10	11	15	20	29	37	43	61	67	70
Supermarkets								30	15	16	14
Total	**8**	**10**	**11**	**15**	**20**	**29**	**37**	**73**	**76**	**83**	**84**
JAPAN											
Hypermarkets	3	4	7	8							
Total	**3**	**4**	**7**	**8**							
MALAYSIA											
Hypermarkets	6	6	7	8	8	10	12	16	19	25	26
Total	**6**	**6**	**7**	**8**	**8**	**10**	**12**	**16**	**19**	**25**	**26**
SINGAPORE											
Hypermarkets	1	1	2	2	2	2	2	2	2	2	2
Total	**1**	**1**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
TAIWAN											
Hypermarkets	26	28	31	34	37	47	48	59	62	60	60
Supermarkets									3	3	3
Total	**26**	**28**	**31**	**34**	**37**	**47**	**48**	**59**	**65**	**63**	**63**
THAILAND											
Hypermarkets	15	17	19	20	23	24	27	31	39		
Other formats									1		
Total	**15**	**17**	**19**	**20**	**23**	**24**	**27**	**31**	**40**		
INDIA											
Other formats										1	2
Total										**1**	**2**
GROUP	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Hypermarkets	657	704	750	794	839	963	1,086	1,213	1,298	1,308	1,348
Supermarkets	1,345	1,446	1,471	1,495	1,517	1,479	1,702	1,745	1,762	1,781	1,779
Hard-discount stores	2,932	3,125	3,510	3,888	4,316	4,574	4,823	4,795	4,726	4,303	
Other formats	300	256	336	369	331	342	295	253	237	500	455
TOTAL	**5,234**	**5,531**	**6,067**	**6,546**	**7,003**	**7,358**	**7,906**	**8,006**	**8,023**	**7,892**	**3,582**

Sales area by country (consolidated stores) as of December 31, 2011

(in thousands of sq.m)	Hypermarkets	Supermarkets	Other formats	Total
France	**1,975**	**1,119**	**0**	**3,093**
Europe (excluding France)	**3,202**	**1,128**	**139**	**4,469**
Spain	1,471	160	3	1,634
Italy	386	256	89	730
Belgium	311	80	0	391
Greece	209	252	47	508
Poland	449	161		611
Turkey	189	184		373
Portugal				0
Romania	187	35		222
Latin America	**2,118**	**207**	**16**	**2,340**
Argentina	438	143	12	593
Brazil	1,279	64	1	1,343
Colombia	401		3	404
Asia	**2,601**	**24**	**11**	**2,636**
China	1,574			1,574
Indonesia	420	22		441
Malaysia	173			173
Singapore	16			16
Taiwan	419	2		421
India			11	11
GROUP	**9,896**	**2,477**	**166**	**12,538**

Commercial statistics

Sales area per format (consolidated stores) as of December 31, 2011

(in thousands of sq.m)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Hypermarkets	5,674	6,180	6,510	6,885	7,087	7,620	8,539	9,264	9,685	9,646	9,896
Supermarkets	2,117	2,132	2,277	2,321	2,319	2,283	2,446	2,507	2,509	2,493	2,477
Hard-discount stores	997	1,093	1,255	1,466	1,674	1,850	2,065	2,101	2,134	1,983	0

Consolidated hypermarket data as of December 31, 2011

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sales per sq.m (Annual net sales in euros)	7,214	6,594	6,319	6,109	6,201	6,023	5,959	5,852	5,508	5,844	5,752
Sales per store (Annual net sales in millions of euros)	65	58	55	53	52	48	47	44	41	43	42
Annual number of cash transactions	1,206	1,264	1,355	1,466	1,487	1,563	1,680	1,773	1,840	1,827	1,789

Gross sales by region and format as of December 31, 2011

(in millions of euros)	Hypermarkets	Supermarkets	Other formats	Total
France	22,214	13,163	4,112	39,490
Europe	17,191	7,612	1,959	26,761
Latin America	14,488	1,453	1,146	17,086
Asia	8,090	52	28	8,169
TOTAL	**61,983**	**22,280**	**7,244**	**91,506**

Number of customers passing through check-outs in consolidated hypermarkets by region as of December 31, 2011

(in millions)	2011	2010
France	334	344
Europe	497	516
Latin America	323	332
Asia	635	634
TOTAL	**1,789**	**1,827**

Information on store network under banners as of December 31, 2011*

All formats	France	Europe	Latin America	Asia	Group
Total commercial sales incl. tax *(in millions of euros)*	44,100	33,879	16,542	8,172	102,694
2011/2010 change *(as a %)*	1.3%	(1.7)%	7.7%	5.7%	1.%
% of total commercial sales incl. tax	42.9%	33.0%	16.1%	8.0%	100.0%
Number of stores	4,631	4,177	583	380	9,771
Sales area (in sq.m)	5,078,370	6,241,425	2,340,331	2,636,152	16,296,278
Hypermarkets					
Total commercial sales incl. tax *(in millions of euros)*	22,981	21,521	14,488	8,090	67,079
2011/2010 change *(as a %)*	(0.9)%	(2.3)%	7.2%	5.6%	1.0%
% of total commercial sales incl. tax	22.4%	21.0%	14.1%	7.9%	65.3%
Number of stores	232	524	335	361	1,452
Sales area (in sq.m)	2,138,496	3,783,630	2,117,994	2,601,454	10,641,575
Sales incl. tax/sq.m (in euros)	10,746	5,688	6,840	3,110	6,303
Supermarkets					
Total commercial sales incl. tax *(in millions of euros)*	15,280	9,822	1,453	52	26,607
2011/2010 change *(as a %)*	2.9%	(0.9)%	8.1%	(6.3)%	1.7%
% of total commercial sales incl. tax	14.9%	9.6%	1.4%	0.1%	25.9%
Number of stores	977	1,851	150	17	2,995
Sales area (in sq.m)	1,862,520	1,960,543	206,544	23,894	4,053,500
Sales incl. tax/sq.m (in euros)	8,204	5,010	7,035	2,160	6,564
Other					
Total commercial sales incl. tax *(in millions of euros)*	5,840	2,537	602	31	9,008
2011/2010 change *(as a %)*	6.1%	(0.5)%	19.5%	93.7%	5.1%
% of total commercial sales incl. tax	5.7%	2.5%	0.6%	0.0%	8.8%
Number of stores	3,422	1,802	98	2	5,324

* *Following restatement of hard-discount stores following the Dia distribution in July 2011.*

Others publications

Annual Activity and Sustainability Report

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