REGISTRATION DOCUMENT

2013 ANNUAL FINANCIAL REPORT

CONTENTS

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ANNUAL FINANCIAL REPORT

Being a retailer is about working for you every day.

The Carrefour group is the leading retailer in Europe and the second-largest retailer in the world, employing nearly 365,000 people. With more than 10,100 stores in 34 countries, it generated revenues of €100.2 billion under banners in 2013. As a multi-local, multi-format, and multi-channel retailer, Carrefour is a partner for daily life. Every day, it welcomes more than 10 million customers around the world, offering them a wide range of products and services at fair prices.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This registration document has been filed with the Autorité des Marchés Financiers (AMF) on 24 March 2014, in accordance with article 212-13 of the General Regulations of the AMF. It may be used to endorse a financial operation in conjunction with a prospectus certified by the AMF. This document has been established by the Issuer, and is binding on its signatories.

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

KEY FIGURES

AS OF DECEMBER 31, 2013

10,105
stores worldwide

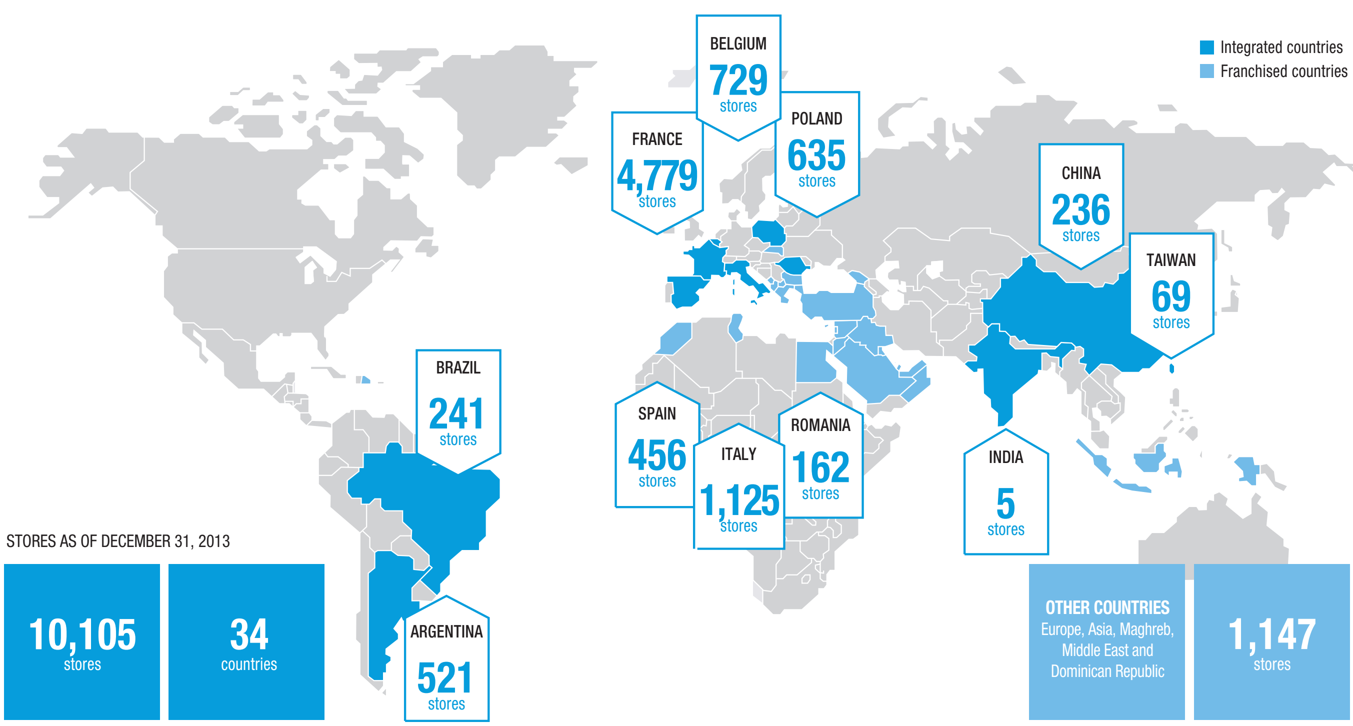
364,795
employees worldwide

€100.2 billion
in revenue under banners

34
countries

€2.2 billion
in recurring operating income

MAP OF LOCATIONS



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PRESENTATION OF THE GROUP

1.1 Consolidated key figures

Company profile

The Group operates hypermarkets, supermarkets, convenience, cash & carry and hypercash stores, as well as both food and non-food e-commerce websites.

In 2013, the Group's gross revenue under banners totalled €100.2 billion, up 1.5% at constant exchange rates (-1.1% at current rates). The Group's consolidated gross sales stood at €84.3 billion – an increase of 1.9% at constant exchange rates. Net sales totalled €74.9 billion. At the end of 2013, the Group had 10,105 stores under banners, including 1,421 hypermarkets, 2,917 supermarkets, 5,593 convenience stores and 174 cash & carry stores.

In France – where it generates 47% of its sales – Carrefour operates through all retail formats, with 234 hypermarkets, 949 supermarkets, 3,458 convenience stores, and 138 cash & carry stores, as well as an online shopping portal at *www.carrefour.fr.*

Elsewhere in Europe, Carrefour is present in 5 countries (Belgium, Spain, Italy, Poland, and Romania). These countries account for 26% of its turnover and include all retail formats: 388 hypermarkets, 1,170 supermarkets, 1,530 convenience stores and 19 cash & carry stores under Group banners, excluding international franchises.

In Latin America, Carrefour operates in Argentina and Brazil where it generates 18% of its turnover through 762 stores – 277 hypermarkets, 169 supermarkets and 316 convenience stores.

Carrefour generates 9% of its turnover in China and Taiwan. In Asia, it has 298 hypermarkets, 7 supermarkets and 5 cash & carry stores.

Carrefour also has 1,147 stores operated by franchisee partners throughout the world.

In 2013, Carrefour opened or acquired 810 stores under banners - some 579,000 sq.m of additional gross sales area.

2013 consolidated key figures

The key figures for 2013 that are given below have been audited by the Group's Statutory Auditors.

The 2011 comparative information given below ("2011 restated") has been restated in 2012 to reflect the classification of discontinued operations in accordance with IFRS 5. These restatements relate to activities in Greece, Singapore, Malaysia, Colombia and Indonesia.

The 2012 comparative information given below ("2012 restated") has been restated to reflect the classification of discontinued operations in accordance with IFRS 5 (reorganisation of the Group's activities in Turkey and India), as well as retrospective application of the revised IAS 19 standard on Employee Benefits. These restatements are described in Note 4 of the consolidated financial statements.

(in millions of euros)	**2013**	2012 restated	2012 published	2011 restated
Selected financial information from the consolidated income statement				
Net sales	74,888	75,673	76,789	76,067
Recurring operating income before depreciation and amortisation	3,669	3,642	3,688	3,748
Recurring operating income	2,238	2,124	2,140	2,197
EBIT	2,382	1,465	1,434	(140)
Net income from continuing operations	1,058	273	235	(1,713)
Net income from continuing operations – Group share	949	150	113	(1,865)
Net income	1,364	1,342	1,316	404
Net income – Group share	1,263	1,259	1,233	371
Selected financial information from the consolidated cash flow statement				
Cash flow from operations*	2,039	2,708	2,228	2,577
Net cash from operating activities	1,675	2,459	1,973	2,118
Net cash from (used in) investing activities	(855)	337	337	(398)
Net cash from (used in) financing activities*	(2,489)	60	546	(1,170)
Net change in cash and cash equivalents	(1,816)	2,724	2,724	578
Selected financial information from the consolidated statement of financial position				
Net debt	4,117	4,320	4,320	6,911
Shareholders' equity	8,597	8,047	8,361	7,627
Shareholders' equity - Group share	7,844	7,181	7,487	6,618

* *The cost of net financial debt that was previously included in the cash flow was reclassified as a financing activity in 2013, and in the comparative information for 2012 as described in note 4 of the consolidated financial statements.*

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1.2. Results and highlights of 2013

Carrefour's results in 2013

The 2013 results demonstrated growth momentum. Refocused on the markets where it holds a leading position and with a strengthened financial structure, the Group has shown accelerating growth in sales and in profits while investments have picked up.

- **Strong growth in Group earnings**

Growth in sales has accelerated, both in France and internationally. Organic sales excluding gasoline grew by 2.3%. Recurring operating income improved by 9.8% at constant exchange rates to €2.24 billion. Net income from continuing operations has significantly increased to reach €949 million.

- **France: action plans produce significant improvements in all formats**

France saw a return to growth, with organic sales excluding gasoline climbing +1.0% across all formats (+0.7% for hypermarkets, +0.6% for supermarkets, and +4.0% for other formats). Like-for-like sales also grew at all formats.

Attractiveness improved across the various formats, with steady improvement in terms of price perception, increased footfall and number of transactions, as well as an improvement in overall customer satisfaction at both hypermarkets and supermarkets.

Recurring operating income, which totalled €1.2 billion, soared by +30%, an increase of 80 basis points in operating margin to 3.4% of sales. Each of the formats contributed to this overall performance, which marks the third consecutive half of year-on-year growth.

- **International: successful multi-local model**

In **Europe**, organic growth in sales showed a clear improvement in the 2nd half, particularly in Spain, where the recovery continued in an consumption environment that remained challenging in Southern Europe.

In **Latin America**, organic sales were up sharply at +12.3%, over an already-high comparable base in 2012 (+12.5%). In 2013, operating profitability improved in the region, picking up even further in the 2nd half. Brazil's performance was excellent in all formats, and Argentina managed a complex situation remarkably well in a context of a regulatory price freeze and inflation. Carrefour is consolidating its position in the region as a grocery leader.

In **Asia**, organic sales growth gained momentum in 2013 (+2.2%, after +0.2% in 2012). China continued the build-up of its long-term position, opening 20 new hypermarkets to reach a total of 236 stores at the end of 2013.

- **A strengthened financial structure**

Net debt totalled €4.1 billion at the end of 2013, down €203 million. As a result, the net debt to EBITDA ratio improved to 1.1x.

Highlights

Creation of a company gathering 172 shopping malls adjacent to hypermarkets in France, Spain, and Italy

- Continuing its back to basics strategy, Carrefour aims, through the creation of this company, to recreate an ecosystem that integrates all the components of each commercial site for the benefit of its customers. Its success rests on the coordinated renovation, modernisation and extension of its sites.
- With over 800,000 sq. m of retail space, assets of €2.7 billion and a value-creating renovation and extension plan, this company will rank among the leading European shopping mall companies.
- The project is subject to approval by the relevant regulatory authorities. It should close in the first half of 2014.

Constitution of a joint company with CFAO to develop stores in West and Central Africa

- This joint venture is 45% controlled by Carrefour and 55% by CFAO. It enjoys exclusive retail rights to develop different store formats in eight countries in West and Central Africa: Cameroon, the Republic of the Congo, Ivory Coast, Gabon, the Republic of Ghana, Nigeria, the Democratic Republic of the Congo, and Senegal.
- Carrefour contributes its expertise as a multi-format retailer, along with the strength of its banners. The CFAO group, which has had a strong local presence in Africa for many years, brings its in-depth knowledge of these markets and a solid understanding of local consumer habits.

Reorganisation of the partnership with Sabanci Holding in Turkey

- After 17 years of partnership, the Carrefour group and Sabanci Holding decided to reorganise the governance of their joint company, CarrefourSA.
- Sabanci Holding became the majority shareholder by purchasing 12% of CarrefourSA's capital stock from the Carrefour group for a total of €60 million. Carrefour retains 46.2% of the capital stock.
- With a 50.8% stake in CarrefourSA, Sabanci Holding oversees a new phase of development, in which its knowledge of the country and market is used to support its joint subsidiary with Carrefour.

Reorganisation and strengthening of the partnership with Majid Al Futtaim Holding in the Middle East

- Carrefour sold its 25% stake in Majid Al Futtaim Hypermarkets for €530 million to its regional partner Majid Al Futtaim Holding, which became the sole shareholder.
- The exclusive franchise partnership with the Carrefour group is renewed through 2025 and expanded to include new formats and new countries.

1.3 Activities and strategy

1.3.1 A MULTI-FORMAT AND MULTI-CHANNEL RETAILER

Carrefour has all the resources to cater to the different needs of its customers – whether they live in an urban or rural environment, whether they be private or professional clients, in France or abroad. Always focused on meeting their expectations, 2013 saw Carrefour continuing with its drive to expand and renovate its stores.

Worldwide, the Group's stores come in a variety of formats and channels: hypermarkets - with a general product offer at the best possible prices; supermarkets - the leading grocery format; convenience stores - for service and practical solutions; cash & carry stores for professionals; hypercash stores, drive and e-commerce - all designed to meet evolving customer needs.

Hypermarkets

With sales areas of between 2,400 and 23,000 sq.m., Carrefour's hypermarkets are perfect for all major shopping trips. Customers can find an assortment of 20,000 to 80,000 products, both food (fresh produce, consumer goods, local products, etc.) and non-food (clothing, electronic goods, decorative products, leisure, etc). Around the world, Carrefour's hypermarkets strive to provide high quality and protect their customers' purchasing power by offering low prices year-round. Hypermarkets in France and Argentina, for example, maintained in 2013 their "lowest price guarantee" on the most commonly purchased everyday products. Customers also benefit from innovative new services, like single check-out lines in Belgium, Poland, and France. Customer satisfaction is also bolstered by frequent promotions and events introducing new products, slashed prices, or the diverse range of services offered.

At the end of 2013, Carrefour had 1,421 hypermarkets under banners, with 234 in France, 475 in the rest of Europe, 277 in Latin America, 371 in Asia, and 64 in other countries.

Supermarkets

The Group's supermarkets offer a wide and varied selection, displays bursting with fresh produce and local products, an appropriate assortment of non-food products, attractive prices in every aisle, and regular promotions. These selling points have made them a standard for grocery shopping in cities and more rural areas alike. In stores ranging from 1,000 to 3,500 sq.m., customers can enjoy welcoming, market-inspired store concepts for their everyday shopping under the Market and Bairro banners. In addition to sales offers focusing on fresh produce and low prices, a series of events and innovations also contributed to greater customer loyalty and satisfaction in 2013: an easier-to-understand offering and customer pathway, faster check-out and innovative payment systems, tastings of local products, and digital information screens.

At the end of 2013, Carrefour had 2,917 supermarkets under banners throughout the world, with 949 in France, 1,656 in the rest of Europe, 169 in Latin America, 17 in Asia, and 126 in other countries.

Convenience stores

Convenience stores offer a selection of essential products that reflect their customers' habits and needs, at fair prices, and extensive store hours. Customers can do their daily shopping at these convenient, nearby stores while enjoying a pleasant, modern ambiance. They also find products and solutions that meet their needs, from budget meals to everyday essentials, express check-out lines to get out the door faster, and home delivery services. The Group's various banners (Express, City, Contact, Montagne, 8 à Huit, etc.) range in size from 200 to 900 sq.m. as befits their purpose, driving the ambition of becoming the standard for local convenience stores.

In total, at the end of 2013, Carrefour had 5,593 convenience stores, with 3,458 in France, 1,795 in the rest of Europe, 316 in Latin America, and 24 in other countries.

Cash & carry and hypercash stores

Cash & carry stores offer restaurant and store owners a broad selection of food and non-food products at wholesale prices, along with a package of customized services: opening hours tailored to the food industry, delivery options, loyalty programmes, etc. In France, for example, Promocash is the leading franchised cash & carry network with 138 sales outlets.

In total, at the end of 2013, Carrefour had 174 cash & carry stores, with 138 in France, 19 in the rest of Europe, 5 in Asia, and 12 in other countries.

In some markets, the Group is also developing hypercash stores open both to professionals and individual customers. Products are presented on pallets in large quantities and sold at wholesale prices. The Atacadão banner, for example, is continuing to expand in Brazil, with 98 stores at the end of 2013, as are Carrefour Maxi in Argentina and GrossIper in Italy.

Multi-channel retail

In 2013, Carrefour continued to expand its food and non-food e-commerce business, adopting a multi-channel approach with its websites working together with its stores to meet the needs of customers on the lookout for bargains and practical solutions.

In some Group countries, e-commerce sites offer food and/or non-food products. These easily accessible “cyber-markets” also have the benefit of quick delivery times and very competitive prices, promotions, and useful tips. In 2013, Carrefour launched an online store in Romania offering 13,000 everyday food products at comparable prices to those found in hypermarkets. Every day in France, the *carrefour.fr* and *ooshop.fr* websites win over more customers seeking bargains and convenience. In addition, consumers can now enjoy easy shopping right from their mobile phone using the applications Carrefour is developing.

Carrefour is accelerating the expansion of its *drive* solution, which allows customers to shop online and then go pick up their purchases at the nearest store. In France, the Group opened 143 new pick-up locations in 2013, bringing the total to 348, most of them integrated into stores. Customers can also pick up their shopping in under 5 minutes at 4 Belgian hypermarkets and the first Market supermarket to be open 24 hours a day, located in Milan, Italy.

1.3.2 A MULTI-LOCAL RETAILER

With 10,105 stores in 34 countries, the Carrefour group is a major player in global retail with strong roots in its local communities. It currently operates in mainland France and its overseas territories (47% of its network), as well as elsewhere in Europe (39%), Latin America (8%), Asia (4%), and in other countries like North Africa and the Middle East (2%) through a network of consolidated and franchised stores, and stores that it runs with local partners.

For Carrefour, being multi-local also means developing a selection of products and services specific to the region in which each store operates, tailored to fit the needs and profile of its customers. The teams form partnerships with local producers, hold sales events, recruit staff, and contribute to economic, environmental and social projects at the local level. In the eyes of Carrefour, this is the entire purpose and benefit of a multi-local approach: stores that are close to their customers, engaged with local stakeholders, with the support, logistics and power of an international retail Group.

STORE NETWORK

(Including franchisees and partners)

	Number of stores as of December 31		Sales area (in thousands of sq.m)	
	2012	**2013**	2012	**2013**
France	**4,741**	**4,779**	**5,075**	**5,071**
France	**4,635**	**4,670**		
Hypermarkets	220	221		
Supermarkets	934	920		
Convenience stores	3,342	3,392		
Cash & carry stores	139	137		
French partnerships (overseas territories)	**106**	**109**		
Hypermarkets	12	13		
Supermarkets	30	29		
Convenience stores	63	66		
Cash & carry stores	1	1		
Other European countries	**4,018**	**3,945**	**5,630**	**5,539**
Spain	**392**	**456**	**1,713**	**1,733**
Hypermarkets	173	172		
Supermarkets	114	118		
Convenience stores	105	166		
Italy	**1,218**	**1,125**	**1,072**	**1,018**
Hypermarkets	45	58		
Supermarkets	439	394		
Convenience stores	720	654		
Cash & carry stores	14	19		

	Number of stores as of December 31		Sales area (in thousands of sq.m)	
	2012	2013	2012	2013
Belgium	**714**	**729**	**915**	**925**
Hypermarkets	46	45		
Supermarkets	436	438		
Convenience stores	232	246		
Poland	**542**	**635**	**643**	**619**
Hypermarkets	84	88		
Supermarkets	161	139		
Convenience stores	297	408		
Romania	**108**	**162**	**227**	**246**
Hypermarkets	24	25		
Supermarkets	68	81		
Convenience stores	16	56		
Partnerships in other European countries	**1,044**	**838**	**1,059**	**998**
Hypermarkets	85	87		
Supermarkets	510	486		
Convenience stores	449	265		
Latin America	**675**	**762**	**2,045**	**2,088**
Brazil	**237**	**241**	**1,407**	**1,434**
Hypermarkets and hypercash stores	196	200		
Supermarkets	41	41		
Argentina	**438**	**521**	**638**	**655**
Hypermarkets and hypercash stores	76	77		
Supermarkets	127	128		
Convenience stores	235	316		
Asia	**370**	**393**	**2,592**	**2,765**
China	**218**	**236**	**1 698**	**1 848**
Hypermarkets	218	236		
Taiwan	**64**	**69**	**425**	**431**
Hypermarkets	61	62		
Supermarkets	3	7		
India	**4**	**5**	**20**	**26**
Cash & carry stores	4	5		
Partnerships in other Asian countries	**83**	**83**	**449**	**459**
Hypermarkets	71	73		
Supermarkets	13	10		
Partnerships in other regions	**191**	**226**	**608**	**712**
Hypermarkets and hypercash stores	55	64		
Supermarkets	110	126		
Convenience stores	20	24		
Cash & carry stores	6	12		
TOTAL	**9,995**	**10,105**	**15,949**	**16,176**
Total hypermarkets and hypercash stores	1,366	1,421	10,225	10,519
Total supermarkets	2,986	2,917	4,145	3,918
Total convenience stores	5,479	5,593	1,205	1,306
Total cash & carry stores	164	174	374	432

The number of stores as of December 31, 2012 includes a reclassification of 469 franchised stores from the supermarket to the convenience format.

1.3.3 A BROAD SELECTION OF QUALITY PRODUCTS AT THE BEST POSSIBLE PRICES

Products are at the heart of what we do. Our product offer is based on three unchanging principles: a wide selection, the lowest prices and the highest possible quality. To cater to the needs of our customers throughout the world, we refine our offer so that we can provide a variety of fresh produce, products from local suppliers, major-brand products, essential non-food items, the best innovations and daily retail services.

Fresh produce

A major source of appeal for our stores, fresh produce involve all the efforts and expertise of our employees. Carrefour offers a wide range of high-quality fresh produce in a carefully designed environment to support local economic development and give customers a more enjoyable shopping experience: generous "market" stalls, products within easy reach, and regional products.

Local products

Carrefour has always given priority to products sourced locally, i.e. products from the region in which they are sold. As a result, nearly 75% of all Carrefour food products come from local suppliers. Carrefour is strengthening this approach and giving its store directors – particularly in hypermarkets – more room for manoeuvre so that they can select and offer their customers a very local selection of products sourced from producers located close to stores.

Everyday products

In its grocery, liquids and hygiene/beauty departments, Carrefour offers both major-brand products that are highly valued by consumers plus a selection of Carrefour's own-brand products. In all of the countries in which the Group operates, it aims to offer the lowest possible prices every day, together with special offers on popular products.

Non-food products

Non-food items are organised into categories meeting customers' basic needs: household goods and general merchandise, apparel and home appliances (photo equipment, DVDs, sound and multimedia equipment). Together, Carrefour own-brand and other major-brand products make up a selection of products that are suited to everyone's tastes and all budgets. Consumer habits are changing, so Carrefour is tailoring its product offer by maximising value for money for non-food products, expanding the general product offer of its hypermarkets, providing its supermarket customers with the convenience service that they expect and developing a range of innovative and competitive Internet-based services.

Commercial services

From financing solutions and entertainment to pharmacy products and petrol, Carrefour services are available in shopping centres and parking lots and meet customer needs with the same commitment: quality products at the best price.

Reserving theatre tickets, buying flowers, printing photos or renting a truck for a move: Carrefour services, different depending on the country and consumer habits, make it easy for customers to optimise their shopping time and budget and win their loyalty to Carrefour.

Carrefour can also offer its customers finance, savings and insurance services in 930 of its branches and finance service stands throughout the world. Located right next to hypermarkets, the Group's agencies and finance stands support Carrefour's core business. One of the ways in which it does this is by distributing PASS cards (payment cards that can be used both in France and abroad), as well as by offering finance solutions and extended warranties for goods purchased.

1.3.4 CARREFOUR'S GROWTH IN FRANCE AND THROUGHOUT THE WORLD

For more than 50 years, Carrefour has been opening stores in France and abroad. It currently operates in mainland France and its overseas territories, as well as in Europe, Asia, Latin America, North Africa and the Middle East through a network of consolidated and franchised stores, and stores that it runs with partner companies.

In 2013, Carrefour opened or acquired 810 stores under banners - some 579,000 sq.m of gross additional sales area. As of the end of 2013, the Carrefour group had 10,105 stores under banners in more than 30 countries.

In 2013, Carrefour posted net sales of €74.9 billion – up 2.0% on the previous year at constant exchange rates. This growth was supported by emerging markets (Latin America and Asia) – which accounted for 27.0% of the Group's sales (26.8% in 2012). This rise can be attributed to:

- organic growth in sales (excluding gasoline), which totalled 2.3%, an increase over 2012;
- a negative effect of 0.4% from gasoline;
- a negligible impact from acquisitions/disposals during the year.

Changes in exchange rates (mainly the depreciation of the Brazilian real and the Argentinian peso) had a 3.0% unfavourable effect, reflected in a 1.0% decrease in sales in 2013 at current exchange rates.

Recurring operating income rose by 9.8% at constant exchange rates (+5.3% at current exchange rates) to €2.24 billion. This increase is due to a sharp rise in recurring operating income in France (+30%) and in emerging countries (+8.5% at constant exchange rates, with growth of 18.6% in Latin America). In Europe, recurring operating income fell over the year, but with a notable recovery in the second half. In total, recurring operating income accounted for 3.0% of sales, an increase of 20 basis points over 2012.

In 2013, operational investments significantly picked up. As anticipated, they stood at €2.2 billion, up 44% compared to 2012.

Carrefour in France

In France, Carrefour is the leading food retailer across all formats. In 2013, the Group had 4,779 stores under banners in 4 different formats: 234 Carrefour hypermarkets, 949 supermarkets, 3,458 convenience stores operating under the City, Contact, Montagne, Express, 8 à Huit, Shopi, Marché Plus and Proxi banners and 138 cash & carry stores operating under the Promocash banner. The Group had a total of 736 consolidated stores - 213 hypermarkets, 519 supermarkets, 1 convenience store and 3 cash & carry stores.

In 2013, Carrefour in France either opened or acquired 204 stores under banners - including 2 hypermarkets, 3 supermarkets, 199 convenience and 2 cash & carry stores, representing a total of some 51,000 sq.m. gross sales area.

In 2013, France saw a return to growth, with organic sales excluding gasoline climbing (+1.0%) across all formats. Hypermarkets saw a +0.7% increase in organic sales excluding gasoline (+0.2% like-for-like), supermarkets grew by +0.6% (+0.9% like-for-like), and the other formats, mainly convenience stores, by +4.0% (+3.7% like-for-like). Attractiveness improved across the various formats, with steady improvement in terms of price perception, increased footfall and number of transactions, as well as an improvement in overall customer satisfaction at both hypermarkets and supermarkets.

The multi-year store renovation programme was launched with 49 hypermarkets and 83 supermarkets renovated in 2013. France also launched the overhaul of its supply chain and IT rationalization is underway. In addition, it is continuing to implement the action plans initiated in 2012.

Recurring operating income, which totalled €1.2 billion, soared by +30%, an increase of 80 basis points in operating margin to 3.4% of sales. Each of the formats contributed to this overall performance, which marks the third consecutive half of year-on-year growth. The increase was due to:

- growth in gross margin as a result of an improved balance between everyday low prices, promotions and loyalty programs, and lower shrinkage;
- good control of operating costs.

In France, operational investments totalled €1.03 billion (including €35 million related to global functions). This figure was up 62% over 2012, largely because of a pick-up in remodeling and maintenance. Investments represented 2.9% of sales, versus 1.7% in 2012.

Carrefour in other European countries

Carrefour operated 3,945 stores under banners as of the end of 2013. Its stores under banners included 475 hypermarkets, 1,656 supermarkets, 1,795 convenience stores and 19 cash & carry stores. Carrefour operated stores in 5 countries for which the store network totalled 1,164 units (380 hypermarkets, 579 supermarkets, 186 convenience stores, and 19 cash & carry stores).

In 2013, Carrefour opened 444 stores under banners in Europe – an additional 169,000 sq.m of gross sales area with 5 new hypermarkets, 93 supermarkets, 340 convenience stores, and 6 cash & carry stores.

Net sales in Europe totalled €19.2 billion in 2013, down 2.9% at constant and current exchange rates. Organic growth in sales showed a clear improvement in the 2nd half, particularly in Spain. Spain thus continued its recovery and posted quarterly like-for-like growth for the first time since 2008, while in Italy the environment remained difficult.

Over the year, gross margin improved with constant attention to price positioning. Growth in operating costs was contained. Recurring operating income totalled €388 million.

Profitability improved during the second half, with operating margin up by 10 basis points to 3.5% of sales, demonstrating the effectiveness of the operating model.

- Carrefour has been present in Spain since 1973 and is the country's second-largest multi-format grocery operator, and the leading operator of hypermarkets. As of the end of 2013, its stores under banners included 172 hypermarkets, 118 supermarkets and 166 convenience stores. Net sales totalled €7.8 billion – a 2.2% fall in total.
- Carrefour has been present in Italy since 1993 and ranks 6th in a fragmented grocery market; it holds strong regional positions, such as in Val d'Aosta, Piedmont, Lazio, and Lombardy. The Group manages 58 hypermarkets, 394 supermarkets, 654 convenience stores and 19 cash & carry stores in Italy. Net sales totalled €4.8 billion, declining by 6.5% in total.
- In Belgium, Carrefour is one of the 3 largest grocery retailers thanks to its multi-format presence: 45 hypermarkets, 438 supermarkets, and 246 convenience stores. Net sales stood at €4.0 billion, increasing 1.4%.
- Carrefour directly operates in 2 other countries: Poland and Romania, with combined net sales of €2.7 billion, down 4.0%. Carrefour has been operating in Poland since 1997, with a network of stores under Group banners which includes 88 hypermarkets, 139 supermarkets and 408 convenience stores. Carrefour has been operating in Romania since 2001, managing 25 hypermarkets, 81 supermarkets, and 56 convenience stores.

- The Group is also present in other European countries through various partnerships, including Greece, Cyprus, and the Balkans since 2012 and Turkey since 2013. In these countries, the Group has 87 hypermarkets, 486 supermarkets, and 265 convenience stores under banners.

Operational investments in Europe totalled €409 million – up 33% compared with 2012 – representing 2.1% of sales.

Carrefour in Latin America

Carrefour has been operating in Latin America since it opened its first store in Brazil in 1975 and has become one of the region's major players in retail. Carrefour is expanding its banners on two growth markets: Argentina and Brazil. The Group has 762 stores in total, including 277 hypermarkets, 169 supermarkets and 316 convenience stores. The network grew to include 5 new Atacadão stores in Brazil, along with 2 hypermarkets, 1 supermarket, and 85 convenience stores in Argentina. These new stores have added 51,000 sq.m of sales area.

In Latin America, organic sales were up sharply at +12.3%, on an already high comparable base of 12.5% in 2012. An unfavourable currency effect over the year resulted in a sales decrease of 2.7% at current exchange rates. With recurring operating income of €627 million in 2013, profitability improved in the region, picking up even further in the 2nd half.

Argentina showed solid performance in a context of price regulation.

- Carrefour has been present in Brazil since 1975 and is the co-leader in food retail. The Group operated 102 hypermarkets, 98 hypercash stores and 41 supermarkets there as of the end of 2013. Net sales in Brazil totalled €10.9 billion, an increase of 9.6% at constant exchange rates. Performance was excellent across all formats: hypermarkets continued to improve their results, and the Atacadão banner consolidated its leadership as it continued to expand.
- Carrefour has been present in Argentina since 1982 and is the leader in food retail thanks to its multi-format presence. The Group manages 74 hypermarkets, 3 hypercash stores, 128 supermarkets, and 316 convenience stores. Net sales totalled €2.9 billion, up 26.1% at constant exchange rates and up 1.0% at current exchange rates on the previous year.

Operational investments in Latin America totalled €457 million, representing 3.3% of sales, versus 2.2% in 2012.

Carrefour in Asia

Carrefour has been established in Asia since 1989. It opened its first store in Taiwan and now has a presence in China, as well as in Indonesia (through franchises). As of the end of 2013, the Group was also operating 5 cash & carry stores in India.

The Group has a total of 393 stores under banners, including 371 hypermarkets, 17 supermarkets and 5 cash & carry stores. Over the year, the Group added 29 stores to its network – 24 hypermarkets, 4 supermarkets, and 1 cash & carry store. These new stores have added an additional 194,000 sq.m of sales area.

Net sales in Asia grew by 2.6% at constant exchange rates (+1.1% at current exchange rates), to stand at €6.4 billion. Gross margin held up well over the year amid a slowdown in consumption in the 4th quarter. Recurring operating income totalled €131 million for a margin of 2.0%, a decrease of 80 basis points compared with 2012.

- Carrefour has been present in China since 1995 and is one of the leading players in food retail. The Group is continuing to build a long-term position, opening 20 new hypermarkets to reach a total of 236 stores at the end of 2013. Another highlight this year was the signature of a commercial contract with China CITIC Bank to develop credit cards. Net sales in China totalled €5.0 billion – up 4.0% at constant exchange rates and up 3.2% at current exchange rates.
- Carrefour has been present in Taiwan since 1989 and is currently the leading hypermarket operator in the country. The network includes 62≈hypermarkets and 7 supermarkets. Sales have dipped slightly in the country at constant exchange rates.
- Carrefour has been present in India since 2010, when it opened its first cash & carry store under the Carrefour Wholesale Cash&Carry banner in New Delhi. As of the end of 2013, the Group was operating 5 cash & carry stores in India.
- The Carrefour banner is also present in Indonesia as franchises, with our partner operating 73 hypermarkets and 10 supermarkets.

Operational investments in Asia totalled €261 million, representing 4% of sales, broadly in line with 2012.

Other regions

Carrefour also has 226 stores that it operates with local franchisee partners throughout the world (in North Africa, the Middle East, and the Dominican Republic) in different formats: 64 hypermarkets, 126 supermarkets, 24 convenience stores, and 12 cash & carry stores.

1.4 Tangible assets

For Carrefour, tangible fixed assets mainly include sales areas operated by the Group. At the end of December 2013, the Group was operating 16.2 million sq.m of sales area through its stores under banners.

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

Details of its asset ownership are given in Notes 18 and 19 of the Consolidated Financial Statement for December 31, 2013, on pages 170-173 of this document.

On December 16, 2013, Carrefour announced plans to create a company for shopping centres adjoining some of its hypermarkets in Europe. The project will result in the creation of a company that will include 172 shopping malls originating from:

- first, the acquisition from Klepierre for €2.0 billion of 127 sites in France, Spain and Italy, with gross annual rental income of around €135 million;
- second, the contribution by Carrefour of 45 shopping malls in France with a value of €0.7 billion and gross annual rental income of around €45 million.

With more than 800,000 sq.m of sales area, property worth €2.7 billion, and a value-creating renovation and extension plan, this company will rank among the leading European shopping mall companies. The transaction, which remains subject to the approval of the relevant regulatory authorities, is slated to close in the first half of 2014.

1.5. Intellectual property

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

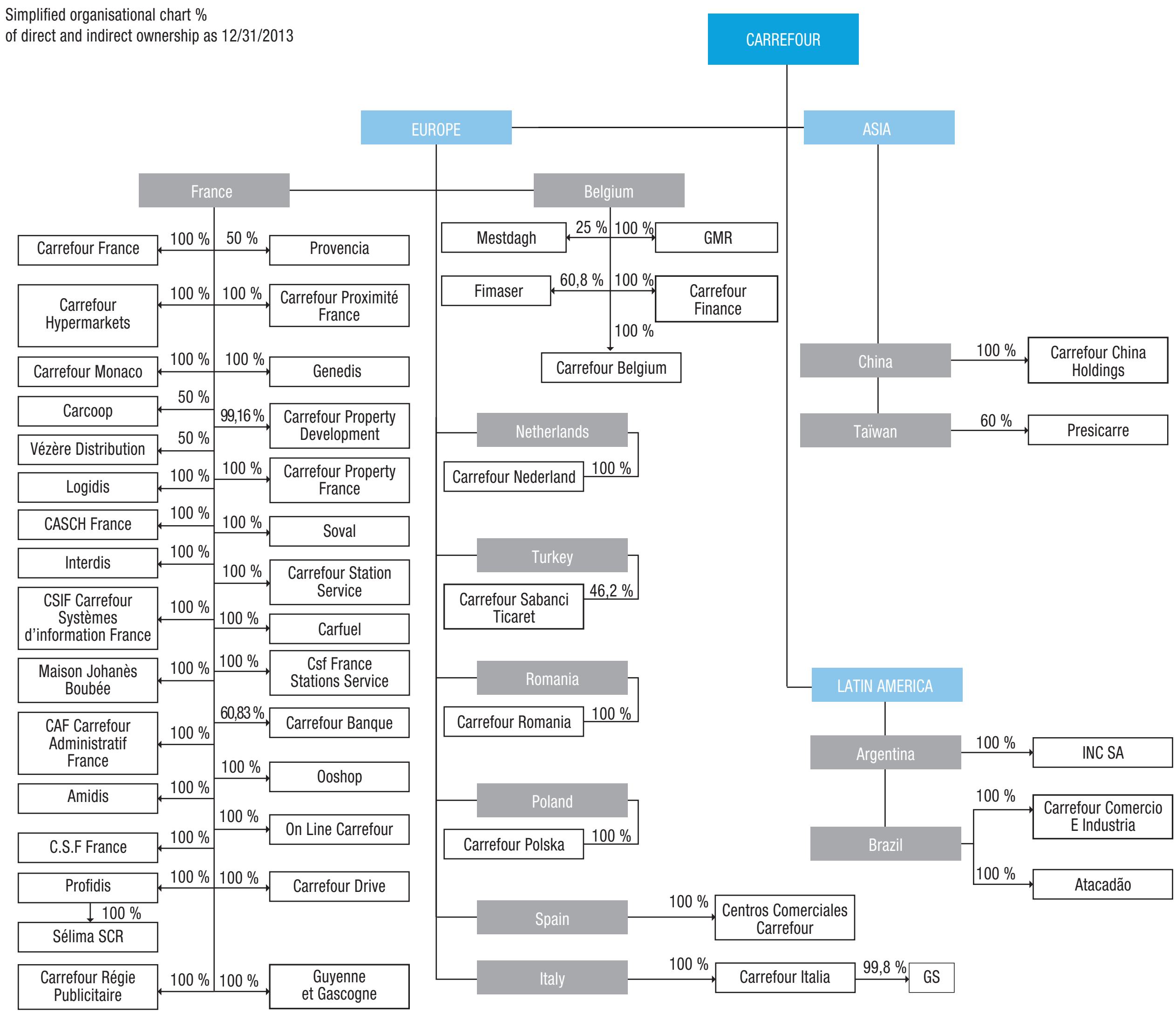
Carrefour Legal department has an intellectual property specialist who - with the help of outside consultancy firms - registers and renews brands, monitors them and defends Carrefour's rights against any third parties.

1.6. History

1959	The Carrefour supermarket company is set up by the Fournier, Badin and Defforey families who run a discount supermarket in Annecy.
1963	The first French hypermarket is opened in Sainte-Geneviève-des-Bois (Essonne).
1970	Carrefour is listed on the French Stock Exchange.
1973	The Group begins operating in Spain.
1975	The Group begins operating in Brazil.
1982	The Group begins operating in Argentina.
1989	Carrefour establishes a foothold in the United States and in Taiwan.
1993	The Group begins operating in Italy and Turkey.
1994	Carrefour acquires a majority stake in Picard Surgelés. A joint company is set up with a Chinese partner in order to develop supermarket/hypermarket business activities in Shanghai and Beijing.
1996	Carrefour acquires a 42% stake in GMB, which controls the Cora group.
1997	Guyenne & Gascogne, Coop Atlantique and the Chareton group enter into an agreement with Carrefour: their 16 hypermarkets are converted to the Carrefour banner in 1998, and these groups retain management of their own stores. The Group begins operating in Poland.
1998	Carrefour issues a non-hostile takeover bid/tender offer for Comptoirs Modernes in October.
1999	Carrefour launches a non-hostile public exchange offer for Promodès.
2000	The European Commission approves the merger of Carrefour and Promodès, creating the world's 2nd largest retailer. Following the merger between Carrefour and Promodès, 7 hypermarkets and 14 supermarkets are disposed of in France at the end of 2000. The 1st Carrefour hypermarket opens in Japan.
2001	Carrefour disposes of its 73.89% stake in Picard Surgelés. Carrefour takes over management of its Norte subsidiary (139 supermarkets) in Argentina. Carrefour disposes of its 42% stake in Cora. The Group begins operating in Romania.
2002	The Group speeds up roll-out of the Carrefour banner at international level.
2003	Paul-Louis Halley, one of the founders of Promodès, is killed in a plane crash.
2004	Strong organic growth: 914 new stores created, including 793 abroad.
2005	Disposal of hypermarkets in Mexico and Japan. Carrefour increases its stake in Hyparlo. Carrefour acquires Penny Market from German group Rewe and sells Prodirest to it, its collective catering subsidiary.
2006	It disposes of its assets in Korea, the Czech Republic and Slovakia. Incorporation of Hyparlo in France. Acquisition of Ahold Polska in Poland.

2007	Acquisition of Atacadão in Brazil. Sale of operations in Slovakia. Acquisition of Plus stores in Spain. Sale of Portuguese hypermarkets. Sale of operations in Switzerland. Acquisition of Artima in Roumania.
2008	Acquisition of Alfa Retail Indo in Indonesia. Roll-out of the Carrefour *market* banner in France. Acquisition of Cross System Company (renamed Carrefour Property Development), the Group's real estate holding company. Renewal of the partnership with Guyenne & Gascogne.
2010	The first cash & carry store opens in India. Withdrawal from Thailand (with effect from 2011). Acquisition of a 51% stake in Baolongcang, China. Acquisition of the Ipek supermarket chain in Turkey. Creation of a partnership with CT Corp in Indonesia.
2011	*Spin-off of* Dia SA.
2012	Full consolidation of Guyenne & Gascogne from June onwards after the successful non-hostile takeover bid/tender offer. Acquisition of Eki stores in Argentina. Finalisation of the partnership with Itaú Unibanco in Brazil. Restructuring of the partnership in Greece with Marinopoulos, which becomes Carrefour's exclusive franchisee for Greece, Cyprus and the Balkans. Closure of 2 stores in Singapore. Withdrawal from Colombia. Withdrawal from Malaysia. Sale of the stake in the Indonesian subsidiary to the partner CT Corp, which becomes Carrefour's exclusive franchisee in the country.
2013	Reorganisation of the partnership with Sabanci Holding in Turkey. Reorganisation and strengthening of the partnership with Majid Al Futtaim Holding in the Middle East. Formation of a joint company with CFAO to develop stores in West and Central Africa. Announcement of the creation of a company that will include 172 shopping arcades adjoining hypermarkets in France, Spain, and Italy. Carrefour celebrated the 50^{th} anniversary of its first hypermarket in France with its customers.

1.7 Organisational chart



2

SOCIAL RESPONSIBILITY

2.1 Governance of CSR

"Being a responsible retailer is about working to ensure that every shopping transaction benefits as many people as possible."

Mr Georges Plassat, Chairman and CEO

Social Responsibility is an integral part of Carrefour's strategy because the Group believes that its performance is also assessed by its contribution to society. This performance, measured using both financial and non-financial indicators, is the result of a continuous improvement **approach** involving the Group's business functions in all countries.

Carrefour undertakes practical actions in the countries in which it operates. The actions fall within the framework of the Group's CSR approach, which ensures they contribute to a **common long-term objective**.

The aim of Carrefour's actions in relation to CSR can be summed up as "doing a good job" which declines in three main areas:

- **The Antigaspi waste reduction Plan**: limiting the use of resources;
- **Biodiversity**: purchasing in ways that respect the planet;
- **Contribution to society**: supporting the business' partners.

The following chapters detail the method used to establish the priorities (**Methodology**), incorporating CSR into the business functions (**Governance**) and the main results of the CSR approach (**Scorecard**).

2.1.1 METHODOLOGY FOR PRIORITISATION OF ISSUES

In 2012, Carrefour embarked on a **methodical approach based on the ISO 26000 standard** to identify the social responsibility issues it faces and continued in 2013 with an initial prioritisation of the issues identified. In practice, this consists of defining the Group's priorities based on its capacity to act on a particular issue and on its benefits for society and the business.

The Group uses two complementary methods:

- an **analytical method** based on prioritising issues in accordance with performance and importance criteria;
- a **stakeholder method**, which is used to identify priorities through organising stakeholder consultations.

2.1.1.1 Analytical method

In 2012, Carrefour carried out an assessment of social responsibility issues by analysing the seven central questions in the ISO 26000 standard and their 36 associated action areas. The assessment highlighted the issues the Group needs to address in its business functions. It compared these issues with its capacity for intervention in its area of responsibility, resulting in a list of almost 300 issues in 2012 and over 450 in 2013.

The methodology used consisted of assessing the importance and the performance of the central ISO 26000 questions to reflect associated subjects specific to Carrefour.

The issues identified as a result were then placed in a matrix according to the type of action Carrefour should take: react, act, consolidate or monitor. Two priorities emerged for 2013 from this analysis:

- **The Antigaspi waste reduction Plan**: limiting the use of food and fossil resources;
- **Contribution to society**: the working conditions under which products are manufactured.

In 2014, Carrefour will take its analysis a step further by updating its materiality approach.

2.1.1.2 Stakeholder method

Consultation with stakeholders is a method recommended in the ISO 26000 standard to identify priority issues in CSR. Consultation has been a part of Carrefour's CSR approach from the outset and takes different forms depending on the stakeholders concerned, including interviews or working groups, partnerships, participation and support for research by the scientific community. In 2013, Carrefour organised its dialogue with stakeholders by testing a model for consultation meetings based on a particular issue. The same approach is being used in 2014.

Responding to requests from the non-financial community

Working with the Group's Financial Communications department, Carrefour responds to requests for interviews as well as occasional requests for information concerning policies and initiatives launched by the Group's various businesses. The teams responsible for CSR also respond to the questionnaires from the main non-financial rating agencies and to investors, who examine environmental, social and governance information in addition to purely financial information in their investment decisions.

Dialogue of this kind has contributed to an improvement in the evaluations conducted by the rating agencies, such as the assessment made by the CDP (Carbon Disclosure Project).

KEY FIGURES

15 investor meetings took place in 2013.

14 questionnaires from non-financial rating agencies or investors were completed.

Discussing and debating with partner organisations

Carrefour has built partnerships with organisations that enable it to combine its own specialists' skills with those of outside experts. This type of cooperation is essentially operational in nature: experts from NGOs **debate** with Carrefour's business experts to find a **common long-term vision.**

The partnership between Carrefour and **WWF France** established in 1998 addresses two issues: developing responsible supply chains for products such as wood, paper, soya, palm oil, seafood and promoting responsible consumption amongst consumers (see page 46).

The partnership of almost 20 years between Carrefour and the international trade union federation **Union Network International (UNI)** resulted in the May 2001 signing of an international agreement on respect for fundamental rights and the recommendations laid down in the guidelines produced by the International Labour Organisation (ILO). The agreement was renewed in 2011 and is applied in all countries in which the Group operates. In 2013, this partnership contributed, amongst other things, to the signature of the Fire and Building Safety agreement in Bangladesh (see page 30).

Since 1997, Carrefour has also worked in partnership with the **International Federation of Human Rights (FIDH).** The cooperation has been formalised through the creation of a joint association: **INFANS**. The association runs practical projects in partnership with local NGOs to prevent Human Rights abuses (for more information on INFANS see page 29). In 2013, the partnership with the FIDH contributed significantly to the understanding of international issues raised by accidents in factories and also resulted in the production of **social compliance rules for purchasing** (see page 29).

Dialoguing with staff representatives

The agreement between Carrefour and the UNI forms the basis of social dialogue within the Group. In particular, it commits the Carrefour Group to promoting union rights and the right to collective bargaining in each of the countries in which it operates. This has resulted in the creation of a European body dedicated to social dialogue, the Carrefour European Information and Consultation Committee (EICC), and in a regular social dialogue at both a Group and local level. As a forum for discussion and consultation, the ECIC provides an opportunity for Carrefour's social partners to talk transparently to General Management and Human Resources on an extremely wide range of topics, including CSR. The annual EICC Plenary meeting is dedicated to subjects affecting the Group's activities, including HR and CSR.

Three meetings of the CSR Committee were held in 2013 (in March, June and December), bringing together the volunteer members of the EICC's Executive Committee. The following topics were addressed at these meetings: progress of the "Antigaspi Waste Reduction Plan", issues and programmes related to biodiversity, social diversity and Carrefour's actions to support improvements in working conditions in manufacturing.

At the annual meeting of the EICC in September 2013, whose main theme was new technologies, the UNI outlined the Fire and Building Safety agreement for Bangladesh, and Carrefour presented its conclusions on the 2012 and 2013 industrial accidents in the textiles sector.

Exchanging views with local partners

Three regional "Carrefour Local" events were organised in France in 2013 (in Aquitaine, Provence-Alpes-Côte d'Azur and Languedoc-Roussillon). The events provide an opportunity for meetings between the Company's managers and Carrefour's numerous local partners: local SMEs, suppliers, elected representatives, customers, institutions and federations. The goal is to exchange views with institutional and economic players in the region and discuss their day-to-day relationship with the banner and the prospects for cooperation, with the aim of taking better account of the needs of local partners.

Consulting our stakeholders on specific issues

Following the 2012 update to its stakeholder mapping, based on a method inspired by the ISO 26000 standard, Carrefour reinstated a forum for discussing CSR in 2013. As a result, the Group runs a consultation body bringing together representatives of its stakeholders including NGOs, customers, representatives of the French Ministry for the Environment and Ministry for Agriculture, agricultural suppliers (Carrefour Quality Line producers), food industry suppliers and rating agencies. The aim of these meetings is to listen more effectively and improve the quality of information exchange, and to identify pragmatic, effective actions.

RESULTS OF CONSULTATION MEETINGS WITH STAKEHOLDERS IN 2013

The consultation on the theme of biodiversity on January 25, 2013 led the Group, in particular, to identify the following areas of work: defining a Group strategy for biodiversity (see page 47), developing a core market offering with a focus on biodiversity and consumer information, and maintaining biodiversity around Group stores and sites.

At the second meeting, held in July 2013 on the theme of nutrition, the areas of work identified, in addition to increasing awareness and providing consumer information on products, were: using stores as sources of information and advice on nutrition (observing purchasing behaviours to measure the long-term impact of the messages conveyed, creating areas for physical activity, etc.).

Financial assessment of social contribution

The data below provide a financial summary of the benefits of Carrefour's financial results for stakeholders in 2013.

INCOME

Customers	Partners	Financial income
Carrefour's sales excluding VAT reached **€74,888 million** (excluding customer loyalty programmes – **€588 million).**	**€2,375 million** Other miscellaneous income for Carrefour: franchising fees, income from financial companies and leasing.	Carrefour earned **€72 million** from its financial and strategic investments in the form of interest and dividends.

EXPENSES

Suppliers	Employees	Government and local communities	Financial institutions	Shareholders
Carrefour spent **€64,782 million** on goods and services from suppliers.	The Carrefour Group paid almost **€7,679 million** to its 364,795 employees in 11 countries. This amount includes gross salaries, social security charges and benefits.	Carrefour paid a total of **€1,584 million** in taxes, including **€1,039 million** in corporate income tax.	Charges – mainly linked to financial transactions – were **€794 million**.	The Carrefour Group paid: ▪ **€108 million** in dividends to parent company shareholders; ▪ **€101 million** to minority shareholders in other Group companies.

2.1.2 ORGANISATION OF CSR

2.1.2.1 Incorporating CSR into the business functions

Carrefour's CSR approach is led by the Group's General Secretary, who in turn relies on the Sustainable Development department. The department's role is to:

- define the framework within which all business functions must operate responsibly;
- instigate and maintain dialogue with the Group's stakeholders on subjects relating to CSR;
- drive projects that enable continuous improvement of Carrefour's performance;
- consolidate and use results to improve performance.

Carrefour's CSR approach is implemented across all business functions, countries and banners based on a principle of subsidiarity: responsibilities and projects are devolved to local teams.

As a result, the Group's Sustainable Development department works in close collaboration with the Group's country-level operational and cross-functional departments: European Public Affairs, Quality, Merchandise, Purchasing, Human Resources, Communications, Assets and Logistics, and so on. The department also calls on the support of scientists and outside experts to carry out its mission and ensures dissemination of best practices both internally and externally. Finally, the Sustainable Development department works with in-country representatives to ensure operational deployment of the approach based on the local situation on the ground.

With the aim of "doing a good job", the Group uses a range of information, awareness and training tools on CSR issues, including business-specific training modules, eco-friendly initiatives in head offices in particular, the Sustainable Development Awards, and so on. CSR is also a way of securing employees' loyalty and encouraging their commitment to their business function on a day-to-day basis. A good example is the *Sumando Voluntades* programme in Argentina, which has been rallying Carrefour employees around three priority areas of activity since 2009: environmental protection, nutrition and social integration. As a result, 250 employees act as ambassadors for the CSR approach with both their colleagues and customers.

2.1.2.2 The Quality and Sustainable Development Committee

The Quality and Sustainable Development Committee was created in 2012 at the instigation of the Chairman and Chief Executive Officer. Its purpose is to develop and communicate beliefs about Carrefour's role in society and to ensure that everyone respects its fundamental principles.

The Quality and Sustainable Development Committee is chaired by Carrefour's Chairman and Chief Executive Officer and comprises the General Secretary, Group Communications director, Group Human Resources director, Group Merchandise director, Group Quality and Sustainable Development director, and country and zone Executive directors. The Committee met three times in 2013 to address the following issues: working conditions in manufacturing, product quality, GMOs and controversial substances.

2.1.3 BUSINESS ETHICS AND WORK AGAINST CORRUPTION

The Carrefour Group is committed to conducting its activities ethically and has therefore developed a control framework and structures adapted to its business and corporate culture.

In 2013, Carrefour disseminated the Group's updated internal rules to country directors. The rules serve as the basis for the internal inspection carried out by Carrefour's auditors as part of their control function.

The priority in this area is on business ethics and compliance with the law. This means working with both Carrefour's teams and suppliers. It is why the Carrefour Group's actions are implemented within a formal framework of fundamental universal principles and tools specific to Carrefour.

2.1.3.1 Practices guided by major fundamental principles

The Carrefour Group operates within a framework that respects Human Rights and adopts and promotes fundamental international principles, including particularly:

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

2.1.3.2 The Code of Professional Conduct: a frame of reference for employees

The Carrefour Code of Professional Conduct is a common frame of reference setting out the Group's values and commitments in ten principles, applicable to all employees.

A 20-minute e-learning course has been developed and is available in nine languages (French, English, Brazilian Portuguese, Traditional Chinese, Spanish, Flemish, Italian, Polish and Romanian) to help employees understand and assimilate the ten principles.

Ten countries embarked on the roll-out of the e-learning course in 2013, starting with their directors. As a result, 100% of directors have completed the training in Poland, Spain, China and Taiwan. Some countries have already implemented the training more widely, including Spain (100% of management), Romania (100% of employees) and Brazil, where almost 30,000 employees have been trained.

2.1.3.3 The Ethics Committees: oversight and assessment bodies

Since 2010, Carrefour has had a Group Ethics Committee and Country Ethics Committees in each country where it operates, whose role is to oversee and assess the application of the principles set out in the Carrefour Code of Professional Conduct.

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

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

2.1.3.4 The Social and Ethical Charter: a frame of reference for Carrefour's suppliers

The Group's Social and Ethical Charter is an integral part of Carrefour's business contracts with suppliers of its own-brand products to ensure that ethics are taken into account in day-to-day business practice. The Group has developed a strict policy of social audits to ensure it is applied in practice (pages 30 and 31).

2.1.3.5 Working against corruption

The rejection of corruption in any form is one of the ten principles set out in Carrefour's Code of Professional Conduct.

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

As part of its efforts to strengthen its commitments in this area and to share best practices, the Carrefour Group is also involved in the work of the Business in Society Commission in the French section of the International Chamber of Commerce (ICC France). Carrefour has also belonged to Transparency International (France) since 2009.

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

In a further step, in 2012 the Group Ethics Committee launched the introduction of statements of independence for those involved in the purchasing process. By the end of 2013, statements of independence had been very widely deployed in the majority of Group countries, in particular for buyers of food products and the non-retail Purchasing department.

2.2 Review of CSR approach in 2013

2.2.1 2013 CSR SCORECARD

Carrefour's approach to CSR is a core part of the Group's strategy and is reflected in commitments, programmes and action plans, as well as key indicators. The Group continued to implement it in 2013 based on three areas: "the Antigaspi" Waste Reduction Plan, Biodiversity and Supporting the business' partners.

The progress of Carrefour's CSR approach is shown in the scorecard opposite:

Priority areas	Commitments	Indicators	2012	2013	Progress
Combating waste					
With our suppliers	Support suppliers' CSR approaches	Number of suppliers taking part in self-assessment within the Group*	6,940	5,289	
Promoting waste-reduction steps in offices and stores	Increase the proportion of recycled waste and recovery in stores by developing waste recovery options (methanisation, etc.)	% of waste recovered at Group level**	59.9%	60.9%	+1.6%
Combating waste by reducing breakages and unsold stock	Set up waste-reduction committees and adapt store stock accordingly	% reduction in food markdowns (compared with 2012)	N/A	NC	
		Quantity of waste generated in kg/sq.m. of sales area**	82.7	79.7	
Optimise transport and logistics	Reduce transport costs	% reduction in logistics costs	N/A	NC	
	Reduce CO_2 emissions per shipping unit	CO_2 emissions per shipping unit (kg CO_2/pallet) **	6.9	6.9	
Consume energy efficiently	Reduce energy consumption (electricity, gas, fuel) by 30% per sq. m of store sales area by 2020 compared with 2004	Energy consumption in kWh/sq.m of sales area **	582.4	571.9	
		Reduction in energy consumption per sq.m of sales area compared with 2004	24.6%	28.6%	
Protect biodiversity through the product range					
Develop responsible Carrefour sectors and products	Use 100% certified sustainable palm oil in Carrefour brand products by 2015	Number of products contributing to more sustainable palm oil production (in Europe)		600	
		including products containing palm oil with RSPO certification		100	
	Promotion of Carrefour Quality Lines	Number of Carrefour Quality Line producers worldwide**	24,978	22,452	
	Promotion of organic agriculture	Number of Carrefour BIO food products**	1,998	2,153	+7.8%
	Contribute to responsible fishing	Number of MSC-labelled Carrefour products in France	23	22	
	Offer an alternative range of non-GMO products	Number of products labelled "Reared without GMO" in France	300	300	

Priority areas	Commitments	Indicators	2012	2013	Progress
Support the business' partners					
Act as a responsible employer	Employee development	Average number of training hours per employee within the Group**	17.2	16.5	(-3.9)%
Ensure our suppliers comply with human rights	Encourage diversity and equality of opportunity	% of women in management**	36.1	36.8	+2.1%
	Ensure the social compliance of 100% of controlled products	Number of audits carried out in the Group in 2013	1,044	1,333	
		Number of supplier audits with an alert in the Group	N/A	428	
Meet the expectations of all customers and consumers	Listening to customers	Number of customer complaints and requests processed in a timely manner in France	69,700	67,805	
Be a dynamic player in employment and the local economic fabric	Promotion of local suppliers	% of sales of controlled products from national suppliers**	74.7%	73.1%	(-2.1)%
Serving communities (Carrefour Foundation)	Combating food-related exclusion	Number of projects supported	36	48	
		Number of meal equivalents donated to food aid associations	N/A	+ €77 million	

Objective achieved

Objective in progress

Objective behind schedule

* *Six countries sold compared with 2012.*
** *The scope of indicators is detailed in the dedicated chapter for each topic.*

2.2.2 2013 KEY PROJECTS

In addition to the major CSR commitments undertaken in 2013 (see pages 31 to 63), this year Carrefour has particularly focused on two projects, considered as major issues: the launch of its "Antigaspi Waste Reduction Plan and respect for Human Rights. (see pages 24 to 31).

2.2.2.1 Carrefour's Waste Reduction Plan and outlook for 2014

For Carrefour, "doing a good job" is primarily about reducing resource consumption and seeking efficiency in all its actions to ensure the continuity of the business. Furthermore, Carrefour is convinced that measures must be taken now to break the trend of wastefulness in production and consumption models to ensure food safety and protect the planet. Carrefour's efforts to combat waste are focused primarily on its stores but also upstream, at the agricultural and industrial production stage and downstream, with customers and consumers.

The 7 projects of the "Antigaspi Waste Reduction Plan"

Carrefour developed in 2012 an extensive plan called "the Antigaspi Waste Reduction Plan" and began to implement it in 2013. The aim of this wide-ranging plan is to encourage all departments and entities to be more efficient and create more value. It incorporates not only economic profitability but also environmental issues by seeking to increase efficiency in the use of raw materials and energy.

All the Group's countries and business functions were involved in the design and were asked to identify possible areas of action for reducing waste. The action plans were grouped into seven projects, which together make up the Carrefour Waste Reduction Plan:

- project 1: Combating waste with our suppliers;
- project 2: Promoting waste-reduction steps in offices and stores;
- project 3: Combating waste by reducing breakages and unsold stock;
- project 4: Offering solutions to consumers;
- project 5: Reducing packaging waste;
- project 6: Optimising transport and logistics;
- project 7: Consuming energy efficiently.

This strategic plan, deployed throughout the Group, is supported by the Chairman and Chief Executive Officer and implemented directly by the Country Executive directors. Each country has been tasked with setting up the necessary governance structure for local deployment of the Plan by identifying synergies and mobilising the departments concerned.

A working group at Group level, instigated by the General Secretary, ensures the involvement of the departments concerned: Strategy, Human Ressources, Finance, Communication, Transport & Logistics, Sustainable Development and Risks & Compliance. A scorecard produced by the Financial Consolidation department consolidates the results from all countries on a monthly basis. The scorecard is monitored by the working group and shared with both Country directors and Finance directors.

The "Antigaspi Waste Reduction Plan" is also an opportunity to create value with various stakeholders. Internally, it shows Carrefour employees on a daily basis how dedicated the Group is to its social commitments. It is a unifying project, which also helps them to serve customers better by offering solutions to help reduce waste and by creating opportunities for dialogue or setting up awareness and solidarity projects together. This "Plan is also an opportunity to cooperate with suppliers, as explained below.

Deployment of the "Antigaspi Waste Reduction Plan" in 2013

The deployment of the waste reduction Plan began in most Group countries in 2013. Some projects began in 2013 (projects 1 and 5), others are well underway and currently being deployed (projects 2 and 4) and others are already achieving qualitative or quantitative results (projects 3, 6 and 7).

RALLYING TO COMBAT FOOD WASTE

According to estimates, a third of the food produced worldwide for human consumption is wasted. Everyone must take responsibility for reducing this ecological and economic debt by combating excess resource consumption. In concrete terms, awareness has resulted in the introduction of national, European or global programmes. Carrefour is contributing to these programmes by playing an active role in them and sharing its expertise in combating waste. As a result, in 2013 the Group signed the *Pacte National de lutte contre le gaspillage alimentaire* (National Pact to Combat Food Waste) with the French government, the target of which is to halve food waste by 2025. Carrefour has also signed the European Retail Agreement on Waste and is taking part in the Think. Eat. Save initiative set up by the UN Environment Programme.

In 2013, the Group has expressed its commitments by launching numerous initiatives with consumers, employees and suppliers, in stores and in conjunction with its partners. Examples include raising awareness in catalogues, on the Internet and on social networks, working with suppliers to eliminate BBD (Best-Before Dates), entering into contracts with associations that receive food donations, adapting promotional schemes, and changing packaging to extend the life span of freshly cut products and so on.

Project 1: Combating waste with our suppliers

In 2013, Carrefour began work on identifying waste-reduction opportunities with its suppliers. In France, for example, it has worked with suppliers to extend use-by dates and best-before dates: some best-before dates have been eliminated on certain products where they were irrelevant.

Furthermore, the 2013 Sustainable Development Awards for Carrefour suppliers included a newly-created category dedicated to waste reduction. The new category rewards the steps taken by suppliers to reduce waste at every stage of the production process.

Project 2: Promoting waste-reduction steps in offices and stores

An internal awareness and commitment campaign has been launched across the Group. The campaign's symbol is a bee, which embodies the responsibility of an entire community and a balanced ecosystem. The aim of the campaign is to encourage all employees to take steps to combat waste in their day-to-day work. It is an opportunity to rally and unite all employees, embody Carrefour's CSR approach and identify opportunities (such as a "hive of ideas"). It was implemented locally in different ways in Group countries in 2013. In Brazil, the campaign *Gente Intelligente – Desperdicio Zero* rallied employees in four areas: saving energy, saving water, organising and planning business travel and using the phone appropriately. In India, an awareness campaign was launched on June 5 to coincide with Environment Day; reducing waste from plastic cups, saving paper and energy and promoting car-sharing. Romania organised a waste-reduction week with a competition for the best waste-reduction ideas, including a car-free day and a "Much More Green" challenge day, during which all employees came to work dressed in green. In France, an event called *Pain Perdu* helped to raise awareness amongst General Management during waste reduction week. In Poland, 75% of head office staff followed the *Jestem Eko* training and information programme on saving energy and food both at home and at work. In the stores, employees at all levels were made aware of how to prevent and reduce waste to protect the environment and learned about the waste-sorting regulations in place. The in-store programme "Responsibly Every Day!" is aimed directly at customers.

In addition to raising awareness on how to reduce waste, the main aim of which is to avoid producing waste, Carrefour has implemented waste recovery wherever it operates. Cardboard, the primary source of waste in stores, is sorted and recycled in all countries. Other types of waste (plastic, scrap metal, glass, organic waste etc.) are sorted according to the available local waste-recovery systems, which are becoming more common year-by-year. In all countries, Group stores have been increasing their efforts to find networks able to recycle their waste.

Carrefour in France has set itself an ambitious target: 0% unrecycled waste in stores within three years. Launched in 2013, the strategy has been shared with waste recycling service providers.

As with packaging waste, stores are constantly seeking solutions to recover organic waste. Recovery through methanisation has been underway for many years, particularly in Belgium, France and Spain. It was stepped up in France in 2013 in hypermarkets and around 100 supermarkets, primarily as a result of distributing an awareness pack to optimise the collection of biowaste. Greater vigilance when sorting waste not only allows more material to be recovered but also leads to better-quality donations. In most of its countries, Carrefour stores work in partnership with charities, to which they donate food products and textiles (see page 61).

In 2013, Carrefour Brazil implemented a waste-management plan in 12 stores. The plan includes a comprehensive assessment of waste produced by each store, specifies the destination of the waste produced and sets out a road map for achieving its objectives. A pilot waste-sorting scheme was also set up at the Osasco hypermarket in the city of São Paulo. This initiative has made it possible to reduce the quantity of waste sent to landfill by 40%: waste paper, plastics, metal and glass are now sent for recycling. Some organic waste is also recovered through the animal feed sector. The plan is to roll out the scheme to all stores in Brazil during 2014 and 2015. Similar programmes have been implemented in the Group's various countries: in Argentina, *Basura cero* (zero waste) was deployed in seven stores in 2013 and will be extended to a further two in 2014; in Spain, the Ecoinnovation project aims to increase the recovery rate of plastic waste.

	2013	2012	2011	% vs. 11
Proportion of waste recycled – including donations *(% of waste)*	60.9	59.9	60.7	+0.4%

Like-for-like BUs (scope: 92% of 2013 consolidated sales, excl. VAT) - excluding: HM: AR/SM: IT, AR.

RECYCLED WASTE BY TYPE, INCLUDING DONATIONS TO CHARITIES

	2013	2012	2011	% vs. 11
Recycled waste *(in thousands of tonnes)*	**378**	**390**	**424**	**(10.8)%**
Cardboard/paper waste	74%	73%	77%	
Donations	9%	10%	8%	
Organic waste	9%	8%	6%	
Other waste (including plastic)	8%	9%	9%	

Like-for-like BUs (scope: 92% of 2013 consolidated sales, excl. VAT) - excluding: HM: AR/SM: IT, AR.

Project 3: Combating waste by reducing breakages and unsold stock

Organic waste from non-edible food products represents a significant proportion of waste from stores.

To improve store efficiency and avoid unsold stock, some Group countries (Argentina, Belgium, Brazil, Spain, France, Italy, Poland, Romania and Taiwan) have set up cross-functional waste-reduction committees involving all the key players concerned. These monitor and analyse the causes of waste, product by product and store by store. Following the assessment, internal processes are improved to ensure that orders, stocks and ranges match the needs of stores and customers more closely. For example, waste-reduction coaches have supported French stores and promotions on products with short use-by dates have been tested. The Spanish teams have also been heavily involved in combating markdowns and reducing stocks older than 18 months. Specific promotions have been run with *Para consumir hoy* (Consume today) to avoid wasting products whose expiration date is approaching. Spanish stores have also undertaken destocking operations through outlet stores.

Project 4: Offering solutions to consumers

Carrefour is also working to offer solutions to consumers for reducing waste in stores and at home. For example, the Group is adapting its offering with certain products sold loose. It is also creating promotional schemes suited to all customer profiles and informing consumers on how to cook with leftovers, manage the contents of their refrigerators or shop in keeping with their actual consumption.

A *Tous conso malins* (clever consumers) website in France (http://www.anti-gaspillage.carrefour.fr/) is dedicated to best practices in waste reduction on a day-to-day basis and numerous commercial and awareness schemes were run in 2013: *Dépenser moins, protéger plus* (Spend Less, Protect More) and *Économisons l'énergie* (Let's Save Energy). In June 2013, Carrefour Argentina disseminated awareness messages in stores, on the radio and on social networks about saving energy and water, reducing consumption of paper, recycling and reducing the use of plastic bags. Carrefour in Taiwan has developed a website and pages on social networks dedicated to waste reduction whilst promotional offers have highlighted energy-saving products. The "Responsibly Every Day!" programme regularly informs customers about reducing food and non-food waste.

Throughout the Group, stores offer bins to collect waste brought in by customers. Depending on local regulations, waste flows are different and becoming more numerous each year, including batteries, electric and electronic waste, printer cartridges, light bulbs and other lighting consumables. Carrefour has also launched many awareness campaigns targeting customers to encourage them to sort their waste.

Project 5: Reducing packaging waste

Store activities generate packaging waste of various kinds: mainly secondary packaging (such as packing boxes for shipment) but also paper, check-out bags and, to a lesser extent, plastic and scrap metal. The Group has long been implementing a policy of reducing waste at source.

To reduce its waste in France and Spain, for example, the Group is replacing the boxes and crates used for goods transport with reusable plastic trays and is rolling out shelf-ready packaging, which consists of designing secondary packaging so that it can be used to display products. Shelf-ready packaging is lighter and lower in volume.

Taiwan has been using biodegradable plastic for some packaging since 2007. As a result, in 2013, packaging was made from 81.5% biodegradable plastic.

Warehouses also participate actively in reducing packaging-related waste at source (page 57).

Project 6: Optimise transport and logistics

Carrefour is optimising its logistics to reduce its environmental impact and carbon footprint (see page 56).

The Group is also continuing with its historic programmes to optimise the number of kilometres travelled. Wherever improvement in efficiency is possible, Carrefour redesigns or adapts its logistics network. The Group has rolled out consolidation centres for its European suppliers. By pooling inventories, these centres make it possible to save an average of 15-20% in distance travelled.

In 2013, Carrefour conducted assessments of the fill-rate of its vehicles by measuring pallet heights in order to implement plans for increasing this fill-rate. Cooperation between the logistics and store teams has helped to adapt order and delivery processes, for example by pooling deliveries to different store formats, training teams on optimising pallets and improving the fill rate, as well as by changing the frequency of lorry journeys to ensure fewer but more efficiently-filled lorries are on the road. The results for the countries that have implemented these projects (Argentina, Belgium, Brazil, Spain, Italy, France, Poland and Taiwan) are encouraging. In France, for example, the *Opti'Transport* project developed by hypermarkets helped to remove 25,000 lorries from the roads in 2013, which equates to 10,300 tCO_2 avoided (October 2012 to end of September 2013; scope: total supply chain). The fill-rate in Spain has increased from 60% to 75%.

A further example comes from Argentina: having introduced a system to eliminate empty returns and optimise routes, the logistics team improved palletisation in 2013 and adapted movements within the platform for better filling of lorries.

	2013	2012	2011	2010	% vs. 10
CO_2 emissions per shipping unit *(kg CO_2/pallet)*	6.9	6.9	7.0	6.9	(0.0)%

Like-for-like BUs (scope: 83% of 2013 consolidated sales, excl. VAT) - excluding: HM/SM: BR

Project 7: Consume energy efficiently

Since store energy expenditure represents over half a billion euros per year, reducing energy consumption is also an important factor in the Group's economic efficiency. In 2013, Carrefour increased its efforts to identify and implement investments that will allow it to reduce its energy consumption, for example: closed refrigeration units, systematic use of low-energy lighting, the use of natural fluids in refrigeration systems, heat recovery for hot water in kitchens and bathrooms, insulating walls and roofs, installing variable speed drives on compressors, centralised building management, etc.

In France, for example, the numerous actions taken have made it possible to save 16 million kWh in hypermarkets and 16.5 million kWh in supermarkets. Other Group countries have also achieved strong performance, saving almost 2% on energy consumption in Taiwan, 4% in Brazil and 5% in Argentina.

A catalogue of techniques and technologies for cooling, cooking and lighting has been produced by the Group. It is used in Argentina, Belgium, Brazil, China, France, Italy, Poland and Romania. Monitoring of the implementation of best practices, changes in energy consumption and the corresponding costs is carried out at Group level. The best practices implemented have helped to keep energy costs stable in spite of inflation.

CARREFOUR, THE FIRST FRENCH RETAILER TO OBTAIN ISO 50001 CERTIFICATION

In early 2014, Carrefour became the first French retailer to obtain ISO 50001 certification for its energy efficiency policy across all its consolidated sites: stores, warehouses and head offices. By obtaining ISO certification Carrefour has gone a step further than the regulations in effect which, in accordance with Article 8 of European Directive 2012/27/EU, require an energy audit to be carried out in each store by the end of 2015. The certification attests to Carrefour's strong performance in respect of energy, which has been achieved as a result of concrete projects and measures implemented by the banner in its 776 stores and in its warehouses in France.

KEY FIGURES

In 2013, the energy consumption (electricity, fuel and gas) of the Group's stores dropped by 28.6% (compared with 2004 levels, per sq.m of sales area).

Objective: 30% reduction by 2020 compared with 2004 per sq.m of sales area.

BREAKDOWN OF AVERAGE STORE ENERGY CONSUMPTION

Electricity	85%
Gas	12%
Fuel	3%

STORE ENERGY CONSUMPTION

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

CHANGE IN STORE ENERGY CONSUMPTION

	2013	2012	2011	2010	% vs. 10
Energy consumption – electricity, gas and fuel *(kWh/sq.m of sales area)*	569	579	601	626	(9.0)%

Like-for-like BUs (scope: 83% of 2013 consolidated sales, excl. VAT) - excluding: HM: BR/SM: BR.
☑ *2013 figures verified with a result of reasonable assurance.*

Outlook for 2014

The second phase of the "Antigaspi Waste Reduction Plan" in 2014 will focus on strengthening the projects underway and stepping up other projects, notably: reducing packaging on Carrefour products and offering solutions to help customers reduce waste at home.

2.2.2.2 Ensuring and supporting respect for Human Rights in the supply chain

2013 was marked by a number of industrial accidents, particularly in Bangladesh. These disasters had a profound impact on the approach to social responsibility in the supply chain, prompting all stakeholders – NGOs, trade unions, suppliers, government, administrative bodies and buyers – to work together to improve safety in factories.

The on-going effort to reduce occupational risks at suppliers led Carrefour to focus, in 2013, on tightening the process of improving working conditions in the supply chain.

Preventing Human Rights abuses in partnership with the FIDH

Human rights abuses vary by country. International organisations, such as the UN and the World Bank, publish indicators that are used to quantify problems in particular countries or regions of the world. Carrefour has worked with the FIDH to produce a **country map** based on their capacity to implement effective governance and combat the Human Rights abuses observed. The tool helps the Group to target preventive actions to improve the working conditions of its suppliers' employees and to adapt the overall approach to suppliers by country.

Carrefour's teams use international information platforms (MAPLECROFT, UBI, etc.) to keep indicators up to date and **monitor the situation of the countries** in which its suppliers are based.

Within **INFANS**, the association created to run Carrefour's partnership with the FIDH, NGOs are identified to implement **local projects** directly with local people in contact with suppliers or their employees.

In 2013, for example, the INFANS association worked in conjunction with the local NGO "SAVE" to instigate an awareness programme for people living near factories in the Tirupur region of southern India to inform them about workers' rights.

Inspecting working conditions

The inspection of working conditions at manufacturing sites was established in 2000. The process begins before an order is placed and is a stipulation. The process was made more rigorous in 2013 and a written reminder of Carrefour's purchasing rules was sent to all Group countries by the Chairman in September 2013. Training was provided to all purchasing teams.

Carrefour's requirements in terms of working conditions in manufacturing are defined in its supplier charter, which is an integral part of the purchase contract signed by every supplier prior to listing. As part of the ongoing monitoring efforts, all potential suppliers identified are subject to a social audit, the result of which is included in the selection process on the same footing as quality or commercial terms.

The process implemented by Carrefour consists of several levels of inspection:

- **inspection by Carrefour teams**: the teams responsible for identifying future suppliers carry out preliminary visual inspections of working conditions. 171 employees from the teams in Asia were trained in fire safety in industrial environments in 2013 in order to identify high-risk situations more effectively. A safety guide has also been published in English and Chinese as a reminder of legislation and best practices;
- **audit based on the ICS methodology prior to listing**: before an order can be placed, an outside company specialising in social audits carries out a full verification of the factory's compliance with the ICS (*Initiative clause sociale*) framework (see below). The framework is common to several French retailers and incorporates the requirements of the Carrefour supplier charter. The section on safety was strengthened in 2013, with numerous control points added. Only suppliers who have achieved an adequate level of compliance following the audit are listed and authorised to produce Carrefour products;
- **ICS audit during manufacturing**: unannounced audits are carried out throughout the commercial relationship to check that working conditions remain in line with the requirements of the supplier charter. In the event of non-compliance, a corrective action plan is established in conjunction with the supplier and a new audit is carried out to check that it has been implemented; and

- **specific and second-opinion audits**: in addition to the audits and inspections described above, Carrefour appoints specialist external companies to carry out checks on specific points. In 2013, Carrefour carried out 146 fire-safety audits in Asia to check for alarms, equipment, etc. and 10 controls on the quality of social audits. These second-opinion audits have resulted in discussions with the audit providers to improve processes.

Mobilising all players

During his speech to the OECD, Carrefour's General Secretary reaffirmed the fact that "the respect of working conditions in manufacturing should not be a matter of competition". This position guides our action on respect for human rights and has prompted Carrefour to promote multiparty agreements on these subjects.

Agreement on fire and building safety in Bangladesh

In May 2013, Carrefour was one of the first retailers in France to sign the "Fire and Building Safety Bangladesh" agreement. The agreement now has more than 130 signatories and provides for inspections of the structure of buildings, fire safety and dissemination of the list of over 1,700 factories concerned. Progress towards implementation of the agreement can be followed on the website www.accordbangladesh.com.

GSCP and ICS

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

In 2006, the Group worked alongside three other international banners to launch the Global Social Compliance Programme (GSCP). Bringing together 34 major players in the retail and industrial sectors, the programme promotes the continuous improvement of workers' conditions based on the worldwide harmonisation of standards and tools. The GSCP has developed a standard Code based on best practices, and also an audit methodology, criteria for selecting auditors, an environmental benchmark and an equivalence process, which help to avoid duplication of social audits at production sites.

In September 2013, Carrefour finalised the equivalence process for its own tools (supplier charter and audit methodology) against GSCP standards and shared the results with some of its competitors. This involved the Group in carrying out a self-assessment of the methodology it uses to audit working conditions in factories compared with the best practices developed by the GSCP and then submitting it to a panel of experts for validation. The process provides a means of carrying out an analysis of the strengths and weaknesses of the existing control system with a view to continuing improvement.

The strengths of the social compliance monitoring system for Carrefour suppliers are as follows:

- the system covers all the sections identified by the GSCP;
- audits are conducted in accordance with the GSCP's general methodology (76% of total compliance).

One area for improvement has been identified, namely the need to strengthen the documentation of procedures for checking compliance with the supplier charter, in particular in terms of combating certain forms of discrimination or applying minimum salary levels.

Monitoring compliance by our suppliers

Supplier monitoring relies mainly on the social audits carried out by specialist audit companies. Audits take place prior to a supplier being listed (initial audit) and during Carrefour's relationship with them (follow-up audits). Suppliers must achieve a minimum level of compliance with the supplier charter at the initial audit as a condition of being listed. The follow-up audit ensures that the working conditions initially checked are being maintained and that the supplier has implemented the improvements based on the action plan recommended during the previous audit.

KEY FIGURES

In 2013, 44% of the 1,333 social audits carried out were follow-up audits.

146 safety audits in Asia.

All Carrefour product suppliers located in sensitive (source: Mapplecroft) countries are audited prior to listing.

Number of social audits (including initial audits*)	2013	2012
Bangladesh	59 (33)	58 (43)
China	944 (489)	785 (384)
India	100 (50)	55 (45)
Other countries	231 (173)	146 (104)
TOTAL	**1,333 (745)**	**1,044 (576)**

* *Initial audits: audits to check compliance with the social charter prior to listing.*

Number of audits with alerts*	Initial	Follow-up
Bangladesh	28	22
China	156	105
India	25	19
Other countries	49	24
TOTAL	**258**	**170**

* *An alert is a critical point of non-compliance identified during the audit and requiring immediate action by the supplier.*

2.2.3 SOCIAL RESPONSIBILITY

Carrefour's human resources policies are intended to ensure good working conditions for all its employees: the possibility of career progression, a motivating package of remuneration and welfare benefits, communication and social dialogue, and protection of their health, safety and well-being at work.

2.2.3.1 Carrefour's human resources policies

For over 50 years, the Carrefour Group has been regularly improving its human resources policies in accordance with local regulations and its international commitments. Its main objectives are to:

- attract and retain the loyalty of talented employees to ensure it has the resources to cover its present and future needs;
- monitor employees' career development;
- define equitable and motivating remuneration and employee benefits policies;
- contribute to creating a culture of collective development and performance;
- promote principles of diversity and non-discrimination;
- ensure the quality of social dialogue.

Carrefour has developed a set of documents and tools to deploy its policies, designed to support high-quality management of human resources at all levels and across the Group's various entities.

One illustration from 2013 is the Group Human Resources (HR) department's production of a document setting out the Group's operating rules: "Group Rationale, Missions, Policies and Rules". This ensures that the Human Resources community shares the same rules on organisation, career management, training, industrial relations, remuneration and employee benefits, and management of senior managers. The document has been sent out to all of Carrefour's Executive directors and Human Resources directors in all countries. Eleven of these rules form part of the Group's internal control framework; audits will be carried out to ensure they are being implemented in the countries.

As a second illustration, the "Eight Human Resources Fundamentals" were introduced in 2012 and implemented in all Group stores in 2013 (excluding China), giving store directors and their managers tools to make even greater progress in recruitment, induction, objective-setting, remuneration and employee benefits, employee recognition, communications, training and career management. These contribute to improving performance by strengthening employees' commitment.

An intranet site, available in all Group languages, makes it easier for managers to access tools and encourages them to share best practices.

Two initiatives were instigated by the Group HR department in 2013 to speed up the inclusion of the HR Fundamentals in managerial practices:

- sharing best practices between stores, regions and countries in relation to setting individual objectives, recognition, communications, training and career management;
- the HR Fundamentals catalyst, which consists of speeding up their implementation in a number of pilot stores in Argentina and Poland, with the aim of demonstrating improvements in economic and social performance.

2.2.3.2 Carrefour's men and women – Workforce presentation

At year-end 2013, Carrefour had 364,795 employees in 11 countries. This section sets out details of the Carrefour Group's workforce at year-end 2013 and like-for-like changes.

Breakdown of workforce by geographic region

Workforce by geographic region	2013	2012	% vs. 12
Europe region	199,325	199,591	(0.1)%
Latin America region	88,814	86,672	+2.5%
Asia region	76,656	71,717	+6.9%
TOTAL GROUP	**364,795**	**357,980**	**+1.9%**

Breakdown of employee numbers by format

Employees by format	2013	2012
Hypermarkets	72.7%	72.0%
Supermarkets	16.3%	17.7%
Others	11.0%	10.3%
TOTAL	**100%**	**100%**

Workforce by age group

Workforce by age group	2013
> Age 65	0.1%
Age 65 ≥ age > 60	0.6%
Age 60 ≥ age > 55	3.4%
Age 55 ≥ age > 50	6.4%
Age 50 ≥ age > 45	9.7%
Age 45 ≥ age > 40	13.3%
Age 40 ≥ age > 35	14.2%
Age 35 ≥ age > 30	15.7%
Age 30 ≥ age > 25	15.6%
Age 25 ≥ age ≥18	19.6%
< Age 18	1.4%

Breakdown by gender (proportion male-female)

The Carrefour Group had 57.7% women in the workforce at the end of 2013. The Group's active policy of promoting equality between men and women is described on page 34.

Proportion of women by category	2013	2012
Senior Managers	11.4%	11.3%
Directors	21.7%	21.1%
Managers	37.9%	37.1%
Employees	60.3%	60.1%
TOTAL GROUP	**57.7%**	**57.5%**

Breakdown of workforce by category and type of contract

Workforce by category	2013	2012
Senior Managers	0.1%	0.1%
Directors	0.5%	0.5%
Managers	10.6%	10.5%
Employees	88.8%	88.9%

Workforce by type of contract	2013	2012
Permanent contract	93.4%	93.5%
Fixed-term contract	6.6%	6.5%

New hires and departures

Number of new hires	2013	2012
Permanent contract	98,858	95,027
Fixed-term contract	77,232	69,347

Departures by reason	2013	2012
Dismissal	19,021	22,022
Resignation	53,668	53,577
End of probation period	25,271	23,640

2.2.3.3 A proactive policy of supporting diversity

As a multi-local, neighbourhood Group, Carrefour has always been committed to reflecting and incorporating diversity and the social mix of the areas where it operates. With some 100 nationalities represented, diversity has long been a reality within the Group: its teams are made up of men and women of all ages, all backgrounds and varied career paths. Carrefour is proud of its diversity, which it views as a valuable asset.

Very early on, Carrefour made a commitment to promote diversity and use its benefits. Every year, it enters into new commitments to confirm its global and local approach. In 2013, for example, the Group focused on:

1. the deployment of the Women Leaders programme to support equality between men and women;
2. raising awareness amongst managers of combating discrimination and managing diversity; and
3. actions in support of employment for disadvantaged groups.

The deployment of the Women Leaders programme to support equality between men and women

Women represent over 57% of Carrefour's total workforce, but are not as well represented at the highest management levels. In 2013, for example, 36.8% of the Group's managers were women.

	2013	2012	2011	2010	% vs. 10
Percentage of women in management	36.8%	36.1%	35.2%	34.5%	+6.7%

Like-for-like BUs (scope: 100% of 2013 consolidated sales, excl. VAT).

The Women Leaders programme, launched in 2011, affirms the Carrefour Group's ambition in respect of gender equality. The programme is based on four areas of work:

- each country's definition of its own objectives;
- making women more visible by promoting their achievements;
- making gender equality a core element in career development decisions; and
- promoting work/life balance.

In 2013, the Group HR department decided to speed up the process of supporting gender equality and promoting women at all levels of management and responsibility. This has resulted in a number of initiatives, described below, following which concrete actions will be implemented in all countries.

A day dedicated to gender equality with the Group's senior managers

On November 28, 90 of the Group's senior managers met at a Women Leaders convention and worked on identifying concrete steps to improve gender equality at a country level. The aim of the convention was to strengthen the action plans already implemented by the Women Leaders programme and define concrete steps designed to remove any obstacles identified.

A survey sent to all Carrefour's female directors and Senior directors

The survey was conducted with 427 women in director and Senior director posts in order to identify the obstacles to women's career development at Carrefour by country and gather their suggestions on what actions should be taken.

Signature of the UN Women's Empowerment Principles

The UN Women's Empowerment Principles are seven principles supported by UN Women and the Global Compact. Carrefour's signature of the principles makes it the first business in the retail and mass merchandising sector to join the 600 businesses that have already signed around the world. The seven principles are based on a commitment to and progress towards equality between men and women. Based on the agreement, the Group will report annually on the practical actions taken at a country level.

Since the launch of the Women Leaders programme, multiple initiatives have also been decided on in various countries. Argentina, for example, has implemented an exclusive recruitment programme for young women with high potential. The female employees recruited through the scheme take part in a month-long induction course followed by eight months of support from a mentor and trainer. They have direct access to the Executive directors at monthly breakfast meetings. In France, a mentoring programme to support the development of 30 high-potential women has been implemented to work on their leadership skills with the help of volunteer mentors drawn from Carrefour France managers. The programme aims to encourage them to take up positions of responsibility.

In addition to its various career-development initiatives for women, the Group has developed ways of organising work that enable employees to reconcile their working and family lives (including work-schedule pooling, job versatility, the Meeting Charter in Spain and remote working in Belgium, see page 40).

Raising managers' awareness of combating discrimination and managing diversity

Diversity lies at the heart of the Group's social model. Carrefour combats discrimination primarily by running dedicated training courses and raising awareness amongst managers. Every year, Carrefour's various entities develop initiatives that reflect their local context.

Carrefour Brazil, for example, has created a Diversity Committee, whose role is to ensure the implementation of the Diversity Programme, the Code of Professional Conduct and compliance with regulations. It puts forward and supports action plans, tracks indicators of the Group's employees in Brazil and monitors competition. In 2013, following the decisions of the Diversity Committee, the Diversity policy was disseminated to all managers in Brazil. They received an awareness manual about the policy to help its immediate implementation. All Store Managers and directors (349 people) have taken part in awareness sessions along with 80 employees of service providers in charge of store security.

In France, the theme of diversity has been added to the HR Fundamentals for supermarkets and will be communicated in an awareness campaign for store directors in 2014. Hypermarkets have continued to run training courses in non-discrimination during recruitment; these are aimed at store directors, section managers and managers. 973 employees were trained in 2013.

Actions in support of employment for disadvantaged groups

Promoting youth employment

See section: Stores driving growth

Concrete actions to integrate disabled workers and keep them in employment

At the end of 2011, Carrefour was the first large business entering into a partnership agreement with the Disability Network of the International Labour Organisation (ILO) in order to work on promoting, alongside community organisations and other institutions, the employment of the disabled around the world. Through this partnership, Carrefour undertakes to promote actions in support of employment for people with disabilities. Various countries have continued numerous programmes to help recruit, integrate and support disabled employees.

Carrefour Poland has long been committed to employing disabled people and was rewarded in 2013 by the regional "Ice Breaker" prize, a competition organised at a national and regional level under the patronage of the wife of the Polish President. Carrefour was awarded first prize in the "Open Labour Market" category. In 2006, Carrefour Poland was the first business to employ people with a hearing impairment and employed over 202 disabled people by year-end 2013.

In France, the logistics division has renewed an agreement to develop employment for people with disabilities for the period 2013-2016. The division intends to use the agreement to pursue its commitment by capitalising on the experience it has gained to continue progress in recruiting disabled people, keeping them in employment and supporting their training, integration and career development.

	2013	2012	2011	2010	% vs. 10
Percentage of employees recognised as having a disability	2.8%	2.8%	2.6%	2.4%	+ 15.9%

Like-for-like BUs (scope: 100% of 2013 consolidated sales, excl. VAT).

	2013	2012	2011	2010	% vs. 10
Number of employees with a disability	9,709	9,887	9,248	8,813	+ 10.2%

Like-for-like BUs (scope: 100% of 2013 consolidated sales, excl. VAT).

Older workers' employment and working conditions

Carrefour pays particular attention to employing older employees and ensuring they enjoy good working conditions in the later stages of their careers.

In 2013, the French entities signed inter-generational agreements designed to define concrete actions to support young people's integration into the workplace through access to a permanent employment contract. The agreements also aim to support the recruitment of older people and help keep them in employment, as well as ensuring knowledge and skills are passed onto younger generations.

Carrefour Belgium developed an action plan following a detailed analysis of the employment of staff over the age of 45. It includes the establishment of two working groups, whose aim is to do more to keep employees over the age of 45 in work. Numerous proposals made by the Works Council are being considered, ranging from well-being to career development, support for internal transfers, skills and training for this category of employees.

2.2.3.4 Dialogue as a tool for social progress

The Carrefour Group has long been committed to consultation and high-quality internal and external social dialogue in support of individual and collective development.

The culture of social dialogue at Group level

The agreement signed in 2001 by Carrefour with the UNI (Union Network International) was a reflection of the historic practice of social dialogue carried out by the Group and its various activities. It ensures permanent, constructive dialogue with Carrefour, the UNI and its affiliates. The agreement guarantees respect for fundamental rights at work. Carrefour has thus affirmed its respect for union rights and the right to collective bargaining for the benefit of its employees all over the world.

In Europe, Carrefour has been participating for over 10 years in sector-specific European social dialogue, by playing an active role at meetings of the Social Dialogue Commission within the *Fédération Européenne du Commerce* (Eurocommerce).

Carrefour created one of the first European Works Councils, the European Information and Consultation Committee (EICC), whose constitutional agreement was initially signed in 1996 with the former FIET (now part of the UNI). A supplementary agreement signed in 2011 has helped to strengthen social dialogue as well as the operation of the Committee. Since 2012, an additional training/information meeting has been organised on a theme defined in advance, for example, equality between men and women. In 2013, the meeting focused primarily on new communications techniques and employing young people. In addition, a meeting of the EICC's' Executive Committee was this year again devoted to new technologies, in accordance with the supplement to the European Committee's constitution signed in 2011. Finally, a newsletter and website launched in 2012 provide continuous and detailed information on various subjects related to the operation of the Committee, including meeting minutes, disseminating best practices and official Group communications. These tools ensure that Committee members are kept informed throughout the year.

ECIC meetings are a true forum for information and idea sharing. Numerous speakers are invited to talk on a wide range of subjects related not only to Carrefour's activities but also its economic and competitive environment. The CSR approach and best practices are also communicated and promoted. Organisational changes are outlined by the Human Resources directors of the countries concerned. The Group's General Management and Executive Management in France or Europe intervene regularly in discussions that are always highly appreciated.

Advancing social dialogue in the countries

The quality of social dialogue at Carrefour goes beyond simple regulatory requirements and is implemented in Group countries. Discussions and consultation with staff or trade union representatives can take place at a national or transnational level, depending on the needs identified locally. Organised by Carrefour and the UNI, they support the gradual improvement of social dialogue in certain regions in which the Group operates. A meeting to exchange and share views with representatives of Brazilian and Argentinean trade unions was organised in October 2013 as part of this culture of promoting social dialogue.

Since 2010, Carrefour Romania has been engaging in constructive, effective social dialogue with its staff representatives. Following support from the UNI for the creation of a trade union in the hypermarkets, the same development has been implemented in the supermarkets this year.

Social dialogue in Poland was particularly active in 2013: three meetings with the Staff Council, working groups with the trade union (Solidarnosc) to identify practical solutions, and over 50 open days organised in stores to give trade union representatives the opportunity to meet with employees.

Respect for union rights and strong, constructive social dialogue have ensured the presence of staff representatives in all Group activities.

Support for business reorganisations

The agreements signed by Carrefour in France on *Gestion Prévisionnelle des Emplois et des Carrières* - GPEC (job and career planning) not only satisfy legal obligations but also create a context and a useful discussion forum for topics related to organisational changes in the business. They are a means of supporting the implementation of new technologies by identifying their consequences and prioritising anticipation and ensuring the quality of support provided to the employees concerned.

This was the case in 2013, for example, during the implementation of the voluntary redundancy plan supported by provisions of the GPEC and Method agreement signed at the end of 2011. The voluntary redundancy plan aimed to eliminate 533 posts in central departments. The objective was to make these leaner and improve efficiency whilst freeing up resources for making stores more welcoming and more competitive. All employees affected by the plan have been supported in their job search by specialist firms and no employee has left without their plan being validated by the firm concerned. By the end of 2013, 93% of employees had found alternative employment, set up their own business or embarked on long-term training.

Similarly, the French General Management team is planning for the consequences of its new site in Massy and its creation through a joint committee of management and staff representatives set up for this purpose (the Massy 2014 project).

Overview of collective bargaining agreements

The following table shows the main agreements signed in 2013. This list is not exhaustive. Clauses added to previously-signed agreements in 2013 are not listed.

Country/format	New for 2013
Romania	Collective bargaining agreement 2013-2014
Italy	Collective bargaining agreement 2013-2016
France/Hypermarkets	Inter-company agreement on the exercise of trade union rights and the operation of staff representation bodies at a national level Implementation of a Social Pact as part of the Mandatory Annual Negotiations Agreement on the inter-generational contract
France/Supermarkets	Agreement on training and career development Agreement on the inter-generational contract
France/CAF	Agreement on gender equality in the workplace
France/SDNH	Company-wide agreements on: ▪ gender equality in the workplace ▪ integration of disabled workers and keeping them in employment ▪ the inter-generational contract

An overview of the health and safety agreements signed is shown on page 39.

Employee consultation and engagement

Listening to employees and securing their commitment are key elements in labour relations; each entity implements mechanisms for listening to employees' expectations, which contribute to developing the Group's culture and fostering commitment.

In 2013, for example, Carrefour Belgium ran a satisfaction survey based on the Group survey carried out in 2011, designed to measure the impact of the programmes introduced following the first survey and strengthen actions in priority areas. Working sessions were led by an independent partner, with the aim of listening anonymously to the expectations and difficulties expressed by employees. A summary was sent to each store and action plans implemented.

Carrefour Spain ran a survey in 2013 called "We're improving thanks to your opinion" as a way of analysing the working environment in stores. Six working groups with about 15 people each were set up.

The Carrefour Group also conducted a study on "Generation Y" as part of the Carrefour Master programme in 2013, with the aim of examining the commitment of the younger generations (see page 42). Generation Y (Gen Y) refers to people aged 18 to 34, who in 2030 will represent the main category of Carrefour customers and who already represent a significant share of Group employees, since 21% of staff were under the age of 26 in 2013. The survey, called "How do our organisation and managers need to change to stimulate commitment from the younger generations?" was carried out in conjunction with country Human Resources departments and involved 12,000 employees. Each country received detailed results of the survey to produce an action plan appropriate to its context.

2.2.3.5 Increased vigilance on health and safety at work

The Group made a commitment at a very early stage to a proactive policy of improving its employees' working conditions in terms of both safety and physical and psychological health. From the outset, this approach has been characterised by respect for the operational teams and listening to their needs, introducing flexible working practices and a commitment to a better work/life balance. In each of its countries, Carrefour respects the legislation in place regarding the prevention of occupational illnesses.

Prevention of workplace accidents

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

Carrefour France created a dedicated body for workplace health and safety in 2012. Several major projects were launched, such as the prevention of psychosocial risks, the appointment of a company doctor for France and the prevention of workplace risks associated with the drive-in format. The latter resulted in the signing of two partnership agreements with the Île-de-France health insurance fund (Cramif – *Caisse Régionale d'Assurance Maladie d'Ile-de-France*) on January 25, 2013, the first on drive-in collection points and the second on workplace risk prevention officers' training for Carrefour France.

In order to assess in-store employee health and safety risks, since October 2013 specific training has been made available to store directors which will run until April 2014. The training enables them to ensure compliance with regulations in their stores, and to sustain their actions over time.

In 2013, Carrefour Italy implemented a wide-reaching plan aimed at the prevention of accidents and psychosocial risks and strengthened the employees' medical follow-up with 17 new doctors across the country and medical consultations whose regularity depends on the employee's position. Health and safety training sessions were provided for over 6,000 employees. New personal safety equipment has been issued, after having been tested by the employees themselves. Lastly, defibrillators have been installed in 38 stores where the employees have been trained on their use.

Carrefour Spain carried out in-store psychosocial risk assessments in 2013, and launched appropriate action plans as a result.

RATE OF WORK ABSENCES AND ACCIDENT FREQUENCY AND SERIOUSNESS

	2013	2012	2011	2010	% vs. 10
Rate of absence due to workplace and travel-related accidents	0.61%	0.60%	0.61%	0.62%	(1.0)%

Like-for-like BU figures (76% of 2013 consolidated sales excluding VAT) - excluding: HM: BR, IT and SM: BR, IT.

	2013	2012	2011	% vs. 11
Workplace accident frequency rate (number of accidents/ millions of theoretical work hours)	27.5	27.0	29.7	(7.4)%
Workplace accidents' seriousness level (number of days absent due to workplace accident/1,000 work hours).	0.70	0.69	0.70	+ 0.0%

Like-for-like BU figures (76% of 2013 consolidated sales excluding VAT) - excluding: HM: BR, IT and SM: BR, IT.

Prevention of occupational illnesses

Workplace ergonomics and combating musculoskeletal problems

The main occupational illnesses identified by the Carrefour Group are musculoskeletal problems. Numerous preventive actions are taken to avoid them.

Carrefour stores have been given ergonomic equipment designed to reduce handling operations. French supermarkets and hypermarkets, for example, are equipped with high-lift pallet trucks or manual trucks in smaller stores. Platforms have been specially created in supermarkets to allow employees to reach the top shelves easily when placing goods on display. To eliminate restrictive movements and postures and avoid the risk of falling, French supermarkets installed tables and platforms for restocking shelves in all stores in 2013. Pilot schemes are underway in the hypermarkets.

Carrefour Brazil equipped 54 new stores with ergonomic cash tills in 2013.

In 2013, Carrefour became one of the first brands in the trade and mass retailing sector to remove phenol from its till receipts and loyalty tickets. As a precautionary measure, Carrefour had already removed bisphenol A from its till receipts in 2011 and substituted it with bisphenol S, then considered to be the best solution available on the market.

Preventing stress and psychosocial risks

Over the past 15 years, stress has emerged as a major psychosocial risk faced by companies. The Carrefour Group's preventive approach here aims to assess the main risk factors and support the development of appropriate action plans. Numerous actions have been taken at local level at the instigation of countries and entities, such as: stress management training, a free remote listening and psychological support system, in-store risk assessments followed by corrective action plans.

In 2013, Carrefour France continued its mission to prevent psychosocial risks in all of its entities:

- the hypermarkets piloted a psychosocial risk analysis method in three stores with a view to expanding this to all other sites, which will then independently define and implement their own action plans;
- the supermarkets initiated an action plan with three priority areas: prevention of psychological or sexual harassment, support for risks of antisocial behaviour and for victims of aggression, and prevention of workplace stress;
- the Logistics action plan also comprises three areas: workplace and management relations, work's organisation and requirements, consideration of employee expectations;

- the head offices raised manager awareness of psychosocial risks over the course of 20 sessions attended by 226 people; and
- the three-year action plan on preventing strenuous working conditions and psychosocial risks, initiated in 2012 by the Logistics entity, continued in 2013.

In Carrefour stores in France, training courses on stress management and "SOS Conflict" courses to help employees manage sometimes difficult situations with customers (from basic dissatisfaction to verbal and physical aggression or hold-ups) continued in 2013:

- some 139 executive managers and 605 employees and store managers were given training in hypermarkets and supermarkets on the subject of stress management, with the aim of identifying stress linked to workplace activities, and managing and adapting working methods to optimise performance and improve the quality of working life;
- 1,925 employees took part in the "SOS Conflict" course in supermarkets and hypermarkets. A total of 27,330 have followed the course since 2004.

As part of a general programme for the improvement of organisation and working conditions, Romania offered training for its check-out assistants: "Small gestures for great business" provides reminders of the right attitudes to adopt, the keys to successful communication and how to manage conflict situations with certain clients.

Promoting employee well-being

To ensure that all employees flourish in their professional activities, Carrefour focuses its actions on promoting work/life balance and supports the introduction of programmes to improve well-being in the workplace.

Work/life balance

In 2008, Carrefour was one of the first 30 groups in France to sign the Parenthood Charter and to commit to implementing concrete initiatives in this area. Since then, Carrefour has also been a member of the *Observatoire de la parentalité en entreprise* (corporate parenthood monitoring group).

In France and Spain, agreements on the equal treatment of men and women ensure that employees have more opportunity to reconcile their working and family life. Among the measures taken are: adjustments to working hours, inter-company daycare centres, adjustments to paternity leave, assistance in financing childcare, etc.

Work-schedule pooling (see page 40) also helps ensure a better work/life balance.

Programmes to promote well-being

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

In Spain, the Carrefour Life programme, a social project aimed at employees and their families, offers a range of benefits, training courses and group activities designed to help people combine their private and working lives. Over 9,000 people took part in these activities in 2013: Padel tennis tournament, company sports, Christmas party, and lip dub competition for staff, golf tournament, and Christmas party for retired staff, etc. Thanks to Carrefour Life, 850 of the staff's children attended summer camps at the country's biggest sports clubs.

Audits targeted the improvement of working conditions in Italy in 2013, and more comfortable protective equipment was made available as part of a preventive health and safety plan.

Overview of agreements signed regarding health and safety at work

The table below shows some of the agreements and supplementary agreements signed in 2013 with trade unions or staff representatives on workplace health and safety. This list is not exhaustive. Clauses added to previously-signed agreements are not included.

Country/format	New for 2013
France/SDNH	Agreement on workplace health
China	Collective bargaining agreement for the Mencheng region

2.2.3.6 Effective work organisation that respects employees

Carrefour is committed to implementing effective organisational models that respond to the constraints inherent to the business and the changes it faces, while continuing to listen to employee expectations and to comply with local regulations.

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

Work schedules

Part-time employment

Part-time work is an option that enables the Group to adapt its store-based activities to suit customer flows. However, the employees affected have not always favoured this alternative. Wherever possible, Carrefour seeks to increase the hourly basis of part-time employees who wish to do so.

	2013	2012	2011
Proportion of part-time employees	23.2%	23.8%	23.6%

Carrefour has developed a job versatility option, initially in France within its hypermarkets, which offers employees who are interested the opportunity to do some of their work in a different department within the store or to do a different job. This enables them to increase their number of working hours and therefore their remuneration, diversify their workplace experience and explore new business functions.

In Belgium in 2013, the job versatility option was piloted in eight stores and could be extended in 2014.

In Romania, the "Team 10" concept was inaugurated in 2013: store management members are trained on the tills so that they may help check-out assistants when the store is at its busiest.

Work-schedule pooling and remote working

Introduced in France in 1999 and managed via a computerised tool, work-schedule pooling - currently in place at the hypermarkets - allows check-out assistants to plan their working time in accordance with their wishes and the level of store activity.

In Belgium, a pilot scheme named "free time management" was first implemented in 2012 and continued in 2013.

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

The remote working pilot scheme launched in Belgium in 2012 was extended in 2013 to all central services staff. It meets staff needs regarding schedule flexibility and reduces the stress of commuting.

ABSENTEEISM RATE BY REASON

Absenteeism rate (1)	2013	2012	2011
Illness (2)	4.70%	4.40%	3.60%
Workplace accidents	0.56%	0.55%	0.56%
Accident while travelling	0.05%	0.05%	0.05%

(1) The absenteeism rate for illness is calculated solely for employees with permanent work contracts.
(2) Like-for-like BU figures (76% of 2013 consolidated sales excluding VAT) - excluding: HM: BR, IT and SM: BR, IT.

2.2.3.7 Progressive careers

Carrefour believes that career management is a key element of its human resources policies: promotion gives the Company impetus and is within everyone's reach.

Furthermore, at Carrefour, the notion of talent is not the sole reserve of managers or high potential staff. It more broadly covers middle management positions and experts in all those areas necessary for the Group to serve its customers. A talented employee at Carrefour is one who has completely mastered a business function and who maintains a strong customer focus.

Staff development through varied career paths

With over 120 different business functions and a presence in 11 countries, Carrefour offers some highly varied career paths and real mobility opportunities. Developing a career entails a series of different professional experiences.

The Group is aiming to build professional experiences which allow all employees to show their initiative and flourish on a personal level while contributing to the Company's performance. The different paths offered within the Company increase levels of know-how and facilitate communication.

In France, an average of 5,000 employees change position every year and 56% of managers have been promoted to their positions from within the Company. The *enviedebouger* (Want to move) intranet site makes internal mobility easier. The average length of service among French staff is 11.1 years; this figure stands at 7.9 years for the Group.

The Group also offers international career paths and now has 170 expatriates, managers, experts or employees in a career shift (40% in Europe, 10% in Latin America and 50% in Asia).

Diversity and internal promotion at the heart of the Carrefour development model

The Group prioritises internal promotion and is committed to employees' development being based on their performance and ability to take on new responsibilities, in keeping with the business' needs.

The Group has therefore equipped itself with effective management tools and processes, notably the Career Committees. Career Committees exist at every organisational level and decisions are based on annual performance appraisals. Their aim is to identify talent and ensure that the business has the right people, in the right place, at the right time, now and for the future. This results in collective and individual development areas based on rigorous succession planning.

These practices, taking personality and individual merit into account alongside academic experience and qualifications, allow that the highest-performing employees rise to management roles within the Group. Furthermore, by placing emphasis on internal promotions, the Group acts as a social ladder for its employees. As an example, store employees can quickly rise to the position of department Manager or sector Manager. As part of the Women Leaders programme, the Carrefour Group has made a commitment to promote the development of women and to support them so that they might reach positions at the highest level of responsibility (see page 34).

2

Rate of internal promotion	2013	2012	2011
Promotions to senior director	56.0%	48.3%	30.5%
Promotions to director	54.6%	42.4%	45.3%
Promotions to Manager	50.1%	51.6%	47.9%
TOTAL	**50.4%**	**51.0%**	**47.4%**

2.2.3.8 Training for better individual and collective performance

The Carrefour Group creates an environment in which everyone can progress and move upwards within the organisation over the short, medium and long term.

All employees should continue to develop their professional skills throughout their careers at Carrefour. In each of the Group's countries, varied programmes provide employees in the head offices and the stores with the opportunity to simultaneously develop on a professional and personal level. Training employees to be accustomed to a faster rhythm than that of the constantly evolving environment around them is an essential step in nurturing their propensity for change, thereby ensuring sustainable growth.

The Group also develops innovative training methods, such as e-learning, to reflect new ways of learning, particularly for the younger generation of employees.

Shared between the Group and country or entity levels, the Group Training department is responsible for carrying out the training plan with two key areas:

- developing Carrefour business function skills in order to provide a better customer service;
- encouraging employees' personal development.

In total, nearly 5.1 million hours of training were provided in 2013, an average of 16.6 hours of training per person.

In 2013, Carrefour also placed emphasis on the development of Group leaders, for the management of today and for the future.

	2013	2012	2011	2010	% vs. 10
Average number of training hours per employee (1)	16.5	17.3	17.9	17.4	(4.9)%

(1) Like-for-like BUs (scope: 83% of 2013 consolidated sales, excl. VAT) - excluding: HM: BR/SM: BR.

	2013	2012	2011	2010	% vs. 10
Total number of training hours during the year (1) *(in millions)*	4.7	4.9	5.2	5.3	(10.4)%

(1) Like-for-like BUs (scope: 83% of 2013 consolidated sales, excl. VAT) - excluding: HM: BR/SM: BR.

Developing business function skills to provide a better customer service

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

Each country and entity is also responsible for implementing its own training plan to meet its particular needs, especially specific training in business functions.

Customer-focused

Many training courses are therefore provided throughout the Group's various countries to develop an in-store focus on the customer, following the example of the "Customer Path" module in France or the customer service training for check-out assistants in China.

In Argentina, trainings have been implemented to train store teams to better listen to customers' needs with the aim of significantly improving their satisfaction levels.

In Romania, the "Carrefour delights You" programme is aiming to instill a profound change in the attitudes and behaviour of all managers and employees towards customers. In every hypermarket, role models are identified and selected to become ambassadors and internal trainers on subjects linked to customer satisfaction.

Fresh produce business functions

Throughout the Group, specific training is provided for business functions, particularly the Meat, Fruit & Vegetables, Fish, and Bakery & Pastry sections.

Carrefour China, aware of the importance that these sections represent in its hypermarkets, has decided to establish schools dedicated to fresh produce training in each of its regions. Levels of employee professionalism in the meat, fruit & vegetables and fish sections are enhanced thanks to schools dedicated to these three business functions.

Carrefour Poland has set up an initiative to become a reference in this regard. Internal trainers are identified from among store employees. The training courses are very operational, largely taking place in sales areas. Specific action plans are drawn up in collaboration with the store directors, so that they may immediately be implemented.

Promoting employees' personal development

The Group has introduced training courses for employees with reading and writing difficulties based on the EvoluPro programme; courses are run by Carrefour hypermarkets in France and provide store employees with an opportunity to learn or improve their French on a voluntary basis. Since 2008, 905 people have followed the programme, including 156 in 2013. At the end of 2012, the EvoluPro module had been piloted at a site of the logistics entity (Carpiquet) and was being set up at two other sites at the end of 2013.

One of Carrefour's priorities is to develop managerial skills that promote accountability and independence.

By way of example, Carrefour Brazil runs the *Tropa de Elite* programme to develop the leadership skills of the country's Regional directors. After the success of this initiative, Carrefour Brazil is launching the *Tropa de Elite 2* programme for the development of store directors to establish collectively new expectations for this key role in the organisation.

Similarly, the "Mandarin" programme has been designed in China to speed up store director training and to oversee the numerous store openings in the country; 20 hypermarkets were opened in China in 2013. Lasting eight months, the programme combines classroom training, practical in-store workshops and online sessions.

Elsewhere, the Group supports the development of its senior directors by offering them places on its Master Carrefour programme: three weeks of training that aims to give a global understanding of the new challenges facing the sector, to reinforce managerial skills and, as a team, to reflect on the Company's major issues and future challenges. This flagship programme provides a special opportunity to share and exchange ideas with the General Management. Since its creation, nearly 300 managers have been on this programme, including the majority of Executive directors.

The creation and launch of the Carrefour University

In 2013, the Carrefour Group decided to create its own company university, the Carrefour University, with a view to training its future managers. Specially designed for all Group senior directors and directors undergoing a career shift, the Carrefour University offers varied and innovative training on subjects such as customer focus, business function innovation and leadership. It was developed in collaboration with front-line employees to guarantee the relevance of all of its programmes.

2.2.3.9 Appealing and motivating global benefits to involve employees in the Group's success

Carrefour has set up a global benefits scheme which combines financial remuneration with attractive and competitive social assistance, meeting the needs of the employees and their families. The aims of the Group's global benefits scheme are as follows: financial remuneration, employee benefits (medical cover, pension, insurance), employee savings and other advantages such as discounts on purchases.

Furthermore, the employees' individual benefits are linked to their contribution to company's current performance and future growth.

Offering all employees a basic remuneration and social protection to meet their needs

Fair and competitive remuneration

Carrefour is committed to offering its employees fair and competitive remuneration.

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

In every country, the level of employee remuneration is analysed in comparison with both the general market and the retail market, through remuneration surveys carried out by specialist firms.

Benefits for employees and their families

The Carrefour Group is a responsible employer that strives to offer benefit schemes to its employees in the countries in which it operates. The schemes are adapted to respect local practices and obligations and to meet the needs of employees and their families.

As part of a continuous improvement approach, Carrefour carried out an inventory of employee benefit schemes worldwide. The inventory was principally designed to check that schemes complied with local obligations, to assess Carrefour's position in relation to market practices, and to identify short- and medium-term adjustments to be made in accordance with legal restrictions and local trends.

The approach is part of Carrefour's desire to meet its employees' changing social protection needs. It also translates into initiatives in communications on the various Group benefit schemes, in order to highlight the components that make up employees' remuneration.

In France, Carrefour promotes employee share ownership by offering a Carrefour shares fund as one of the six on offer. As at December 31, 2013, Group employees held 1.09% of the Group's capital through the Group savings plan. In 2013, Carrefour France also renewed its Group profit-sharing agreement for a period of three years.

Engaging employees and involving them in the Group's success

Year upon year, Carrefour develops varied and complementary ways to involve its employees in the Group's success and ensure they receive an attractive and competitive remuneration.

Engaging employees

Carrefour believes that, for its employees to be truly committed, responsibilities must be clear and specific and targets must be perfectly understood. Targets must be clear, communicated early in the year, and must be set in relation to employees' scope of responsibilities and priorities.

All employees are assessed by their managers, who are encouraged by the Group to make regular feedback to their teams throughout the year. The main assessment tool is the annual performance appraisal. The appraisal is an opportunity for employees and their manager to discuss the performance over the year, how they would like their career to develop, and their training needs.

Involving employees in the Group's success

Carrefour believes that its success is down to the sum total of the actions of its 364,795 employees. To more closely connect its employees to this success, simple and motivating variable remuneration plans are regularly updated within each entity. These aim to link each employee in the best way possible to the Company's results and in particular to recognise employees who have made a decisive contribution to the results achieved.

All the Group's managers are eligible for variable individual remuneration, the amount of which varies in line with the economic results of their entity and their individual performance, assessed by their line manager and based on the targets set at the start of the year. In order to assess individual performance, each manager is asked to take into account the way in which the targets have been reached, beyond a simple consideration of the result obtained.

Over 60% of the Group's employees are today eligible for results-based incentive schemes in addition to their basic salary and, if applicable, their individual variable remuneration. In this way:

- all employees in China are eligible for an incentive scheme: they receive a direct share in the profits of their entity. For example, an employee whose store has good results will receive a bonus calculated as a percentage of his or her basic salary;
- employees in France are eligible for a profit-sharing and incentive scheme that is more generous than the legal requirement. Carrefour supplements payments with a top-up contribution.

Finally, in 2013, several of the Group's countries set up dedicated results-based incentive schemes for store directors and their management teams (Belgium, Brazil, China, Italy, Romania).

2.2.4 A RANGE OF RESPONSIBLE PRODUCTS FOR EVERYONE

For Carrefour, "doing a good job" means offering its customers quality products at affordable prices. It also means that every shopping transaction should benefit as many people as possible. Each day, the Group strives to improve its wide, varied product mix, which includes products from major national brands, regional products and its own-brand products. Through its range of Carrefour products, the Group promotes responsible production models that respect the environment, biodiversity, animals and people.

2.2.4.1 Carrefour products quality and safety

A rigorous approach to quality

Carrefour demands quality in each phase of a product's life and in the operation of its stores worldwide. These high standards are supported by quality control processes which cover all issues of health, safety, hygiene and quality, and which guarantee optimal food health and safety.

These processes exist at all Group levels and are constantly updated and improved:

- the entity or country self-monitors its own processes, checking routines, registrations, and reporting on Quality/Safety indicators. For example, specifications which bind suppliers are monitored at country level. Factory audits and management of non-conformance are also handled at country level;
- The Group Quality department provides effective support for international quality management to adapt to local markets and ensure consistency worldwide. To achieve this, experts act on a variety of issues; and
- Internal Control then confirms the relevance, compliance with procedures and declarations through a programme of regular audits.

Harmonising quality standards: fundamentals shared by all stores

In 2013, Group Quality teams focused their efforts on harmonising quality standards applicable to stores. The harmonisation targets several coinciding objectives: to optimise processes, to align quality at country level with the Group's requirements, and to facilitate follow-ups during deployment of the standards. In the future, harmonisation will promote the development of a stronger, customer-focused quality process.

Built on the basis of an HACCP study (Hazard Analysis Critical Control Point), Carrefour's standards specify rules and basic expectations with respect to five key points, the "cornerstones of safety":

- **teams' expertise:** organisation of country-level quality teams, expertise required from quality managers and in-store employee training policy: food health and safety, compliance with rules;
- **audits:** audit policy for stores, warehouses and suppliers on mastery of food health and safety rules, definition of specifications for auditor selection, identification and signature of contracts with auditors, store/warehouse action plans implementation;
- **specifications:** procedures to manage food health and safety in each department;
- **control plan:** in-stores products control, selection and sorting of fresh produce delivered to the warehouse, microbiological analysis of products handled in store and food contact surfaces, definition of laboratory specifications, identification and signatureso of contracts with laboratories, action plans in the event that non-compliance is detected; and
- **database:** archive of supplier and product controls, compilation of quality/safety indicators.

By the end of 2013, with the support of the Group Quality department, these had been implemented in every country where Carrefour is present.

IN PRACTICE

In Europe, France, Belgium, Italy and Spain have developed a cross-inspection system for stores and warehouses, based on these five cornerstones of safety. Conducted by Quality Directors or quality experts from another Group country, they are intended to develop a diagnostic analysis to control food health risks, and to promote the sharing of best practices between sites and countries.

In China, a network of four central laboratories and 45 in-store laboratories perform daily analyses of fresh produce. They test for the presence of pesticides, preservatives, dyes, heavy metals and microorganisms. These laboratories, which are present in Carrefour stores, ensure product safety and carry out a constant follow-up of suppliers. In 2013, Quality and Food Safety teams along with laboratory technicians (approximately 170 people) took part in a three-day training module ("Dragon" training) on in-store hygiene. It has two objectives: to promote skills development and internal promotion within the China Quality team. A training programme for 21 farming cooperatives on food safety improvements and integrated farming practices was also launched in 2013, for a three-year period.

Demanding specifications for safe, quality products

To ensure that a product complies with Carrefour's Quality policy from its initial stages of development, merchandise teams are organised into Purchasing/Quality teams working together.

In order to offer safe, quality Carrefour products, the Group has developed specifications for its own-brand ranges with demanding and intangible quality standards. Carrefour's suppliers are committed to compliance with these strict specifications which define the product's basic characteristics: customer expectations, particularly in terms of taste, the recipe used, price positioning, compliance with regulations and Carrefour standards, the origin of raw materials and production methods for foodstuffs.

Carrefour asks the supplier for certification of safety/food quality standards at its production site, or has it audited by an expert or an independent third-party organisation to ensure that it has skills and tools which are compatible with the Group's quality and safety requirements. Next, an annual monitoring plan is developed for the product. To guarantee maximum safety for consumers and to anticipate risks, Carrefour has introduced procedures and tools designed to manage any non-compliance that may be detected: periodic analyses by independent laboratories, a monitoring network, exchanges with consumers, the administration, the stores and suppliers, and product traceability.

Finally, in the event of a non-conformity requiring the withdrawal of a product, the Group uses an international alert known as "Alertnet" to inform all of its stores as soon as possible. Accessible via the Internet, it provides maximum responsiveness. This tool is currently used by France, Poland, Argentina and Brazil.

IN PRACTICE

In China, for the third consecutive year, Carrefour received the National Food Safety 7-Star award in September 2013.

Taiwan has demonstrated transparency during its self-monitoring: test results from fresh produce (pork and beef) were published on the website and the information was posted for customers in the store.

In Vivo tests in France

In Vivo tests were developed in France during 2013 by teams responsible for consumer panels and testing. This method for gathering opinions on the quality of Carrefour producers is based on direct exchanges with customers. During in-store meetings, groups of four loyal customers are invited to take part in an informal discussion with two quality managers. These direct, open discussions provide a better understanding of their expectations. For example, during a test at the Athis-Mons (France) store in June 2013, 13 volunteer customers, chosen from among 2,000 customer loyalty card holders, openly discussed the quality of Carrefour food products for 90 minutes. They emphasised that Carrefour food products must have the same quality (taste for a food, or effectiveness for an HPC product) as national brand products at a lower price. Generally speaking, value for money remains the most important criterion. Five *In Vivo* tests were conducted in 2013 by Carrefour, which will repeat the experiment in 2014.

On-going improvement of quality standards

Continuous monitoring of substances

The teams responsible for quality continuously monitor data provided by exact science, humanities and social science, health agencies and scientific publications. They rely on a network of scientists who help them anticipate risks and take the appropriate decisions.

In response to questions and the continued strengthening of regulations covering substances which are present in certain Carrefour products, the Group has developed a formal risk mapping and management methodology based on classification by category of risk. Objective: better anticipation of risks, on-going surveillance and action plans to improve product composition. The approach enables Carrefour to be proactive, and at times keep ahead of future regulations.

In 2013, Carrefour restricted the use of ingredients that were not yet regulated but which had become the focus of much attention in the scientific community. For example, in the cosmetics sector, Carrefour developed a range of approximately twenty nanoparticle-free sun-care products for the French, Spanish and Belgian markets.

In the food sector during 2013, official publications on the potentially harmful effects of acrylamide led Carrefour's merchandise teams to prepare and implement an action plan, to draft an exhaustive inventory of the presence of this newly-formed molecule in foodstuffs, quantify it for each affected product and verify whether the contents exceed the thresholds established by the European Food Safety Authority (AESA/EFSA). In 2014, any excess will result in a careful study of the manufacturing process in order to limit its presence as far as possible.

Traceability of fresh produce and frozen products containing meat

Following the fraud which emerged in February 2013 concerning beef labelling (which had been substituted with horse meat), Carrefour in France decided to enhance its controls over sourcing, and undertook, during the Paris International Agricultural Show, to use 100% French-origin beef and pork in its own-brand fresh and frozen ready meals.

Since 2013, the products in question have been made exclusively from French beef and pork from animals born, raised and slaughtered in France. For Carrefour, restricting its sourcing to a French market, using shorter routes, and having the ability to meet its control requirements are the most effective ways to protect itself against fraud. Controls and tests, including DNA testing, were also stepped up.

Consumers have access to detailed information on the origin of the meat used with labels updated as and when packaging is replaced.

Specific audits were performed to check the traceability system, from the supplier to the slaughterhouse, their new methods for guaranteeing the species and the origin of the meat.

In Belgium, Carrefour also enhanced its system for monitoring and sharing legislative developments. DNA testing on sourced meats was also expanded: more than 13 control panels and 485 products were tested by an outside panel, an increase of 10% compared with 2012. As in all countries where the Group is present, a tool to gather and manage supplier information was deployed in Belgium.

A balanced diet for everyone

Given the public health challenges represented by excessive weight and obesity, Carrefour is developing, in addition to basic quality and safety criteria, a proactive policy designed to promote a balanced diet for everyone. Through its specifications, Carrefour insists that its suppliers guarantee nutritional value that meets market standards. During 2013, work was carried out in particular on Carrefour products such as compotes, sandwich bread and breakfast cereals. Nutrition was the focus of a discussion forum with Group stakeholders in July 2013 (see page 19).

Various initiatives were carried out within countries, depending on local issues. In Belgium, efforts focused on reducing salt and trans fats, and on communication so that consumers gain a better understanding of nutritional labelling.

IN PRACTICE

In Brazil, during 2013, Carrefour became the first retailer to sell rice fortified with vitamins and minerals to meet the needs of part of the local population. Its distribution is the focus of a product-sharing operation, since a portion of sales is donated to the ABRINQ Association (*Associação Brasileira dos Fabricantes de Brinquedos*), which defends the rights of Brazilian children and adolescents and promotes their social responsibility.

For several years, the Group has also been developing targeted ranges to respond to the nutritional needs of certain consumer groups, such as newborns, children, the gluten-intolerant, and those who must reduce their salt consumption, etc.

Carrefour Baby

In 2013, in response to the latest expectations of parents seeking high-quality and affordable products for their infants, Carrefour launched its new range of foods for children aged 0 to 3, in cooperation with a paediatrician and a dietician who are experts in child nutrition. It aims to ensure that the texture and ingredients are ideally suited to an infant's nutritional profile, according to their age. These quality products are made from simple recipes that meet the needs of young children.

In France, in 2013, the Carrefour Baby range had 76 infant nutrition products, 21 of them organic.

Carrefour Kids

In 2013, Carrefour revamped its Kids range, designed for children aged 3 to 10, to better address parents' concerns and children's taste.

The range offers more than 100 products, developed for children to enjoy and which provides them the best without compromising on quality: new products, new recipes and repackaged products for easy use at school.

Carrefour No Gluten

This range, available in Europe, was specifically developed for people who are gluten-intolerant. These products can easily be recognised by the wheat-head symbol with a cross through it, the logo of the French Gluten Intolerance Association and of the Spanish Celiac Association (FACE). In September 2013, two new gluten-free products were launched in France: Viennese mini-baguettes and hamburger buns. The range currently includes 17 products sold in France specifically for people with celiac disease. France has implemented specific procedures to develop and monitor gluten-free products, including panels of customers with celiac disease (or who typically consume gluten-free products) to taste-test the products.

In 2013, Carrefour Spain launched a campaign to make shopping more affordable for people with celiac disease. All hypermarkets offer discounts of up to 70% on 40 gluten-free items, including several basic products such as bread, pasta, a variety of flours, different pastries and desserts, creamed vegetable soups, tomato concentrate and aperitif snacks such as popcorn and nibbles. In Spain, Carrefour offers one of the widest ranges of gluten-free items, with more than 500 products including 211 own-brand products. These include delicatessen meats, cheeses, pâtés, ice cream and desserts, a wide range of canned foods, sauces, jams, grilled and fried dried fruits, along with a large range of fresh produce.

Promoting responsible consumption

Raising customer awareness of responsible consumption

Since mass-market retailers can play a major role in modifying consumption patterns and changing behaviours, Carrefour is taking steps to guide its customers toward responsible consumption. Products with environmental and social added value (see below) are representative of these efforts. They are promoted in stores and through various national and local events.

IN PRACTICE

In France, for example, the approach to responsible sourcing of wood and responsible fishing is presented in catalogues and at www.carrefour.fr. Many other initiatives are used to mobilise customers: at the start of school, for example, school supplies manufactured in France using recycled paper or made with materials from sustainably managed forests are available, along with information to teach customers to identify logos.

In Argentina, China, France and Brazil, Carrefour used the WWF's Earth Hour campaign to rally stores and customers around the issue of climate change. The Group also highlights energy-efficient products in its stores during occasional campaigns, as in France.

In Spain, guides to responsible consumption and recycling have been published for customer and consumer use. At www.carrefour.es, Internet users are informed about sustainable development and the importance of responsible consumption.

Informing consumers about the importance of a varied and balanced diet

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

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

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

2.2.4.2 Protecting biodiversity

Many supply networks – involving agricultural products, seafood, wood products, soya, beef and palm oil – now have a major impact on the environment and biodiversity.

Carrefour aims to reduce its environmental footprint, including through its sourcing. Protected ecosystems provide raw materials and services which support the Company's activities and economic performance, while benefitting society as a whole. Carrefour influences its supply chains and plays an active role in initiatives aimed at developing responsible product lines.

Protecting biodiversity through the Carrefour Quality Lines

Through the Carrefour Quality Lines, several thousand producers worldwide, along with the Group, are committed to offering a range of flavourful core market fresh produce which comply with environmental, social, quality and traceability requirements. Thanks to its direct relationships with producers, which are often created for the long term, Carrefour has built mutual trust with its partners, providing the guarantee of quality products manufactured according to best practices, and ensuring multiple, regular commercial outlets for the products.

With each producer, Carrefour establishes strict specifications for each product within the Quality Lines. These rules include production methods, flavour criteria, as well as environmental and biodiversity protection obligations. An independent inspection body is authorised by Carrefour to check compliance with the specifications for each line.

In 2013, these lines have expanded throughout the Group, in cooperation with the local farming community.

IN PRACTICE

During 2013, China made a commitment to develop Carrefour Quality Lines to meet consumer expectations for fresh produce: freshness, quality, price and food safety. Likewise, Argentina - an important agricultural nation - is committed to developing these lines.

KEY FIGURES - CARREFOUR QUALITY LINES

414 lines around the world.

In France:

19,044 producers;

110,000 tonnes of fresh produce per year.

Group	2013	2012	2011	2010	% vs. 10
Sales (incl. VAT) of Carrefour Quality Line products *(in millions of euros)*	1,036	898	924	902	+ 14.9%
Number of Carrefour Quality Lines *(number of partnerships)*	414	418	417	404	+2.5%

Like-for-like BUs (scope: 100% of 2013 consolidated sales, excl. VAT).

Carrefour Quality Lines: agroecology laboratory

A pioneer in agroecology, specifically through its Quality Lines, Carrefour has long been developing initiatives which support this approach. These lines are the "tool" deployed by the Group to put into practice its commitment to create responsible product lines. By building close relationships with producers linked to their expertise, it is able to implement demanding specifications and strive for superior quality.

Those involved in the Carrefour Quality Lines (CQL) demonstrate respect for ecosystems through several key, mandatory principles: crop rotation, a ban on spreading sludge from water treatment plants, prohibition of soil-free plant production and the absence of post-harvest chemical treatment of fruits and vegetables. Carrefour Quality Line product lines favour alternative methods such as integrated pest control and the use of plant protection products only when strictly necessary.

Carrefour is mindful of living and slaughtering conditions, as well as the veterinary care provided to animals. Cows are put to pasture as soon as weather permits, and remain there for at least six months. Lambs are nursed by their mothers for at least two months. Egg-laying hens and chickens are free-range and treated without antibiotics. Natural cycles are respected, the conditions and time of transport are regulated, and stunning prior to slaughter is mandatory. All of these animal protection practices undergo constant improvement.

The development of antibiotic-free animal product lines, along with consultations and work to promote responsible plant proteins in its supply chain, is also part of this agroecology "laboratory" approach. Through its agroecology programme, Carrefour is involved in and supports the "Agroecology Programme for France", launched by the French Minister for Agriculture, Agri-food and Forestry, and will continue to expand its involvement in this area in the future.

Offering a credible alternative to GMOs

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

In 1998, Carrefour France extended its commitments to the feeding of animals to be used in Carrefour fresh produce, and developed a traceable, GMO-free soya-meal network. In 2010, the Group launched more than 300 Carrefour Quality Line products in France, labelled "Reared without GMOs" to meet customer and consumer demand for transparency. The approach anticipated the French government's decree on the labelling of foodstuffs, published in January 2012.

Chickens raised without antibiotics

In partnership with 150 breeders, Carrefour has created a Carrefour Quality Line with chickens raised without antibiotics. The chickens from Auvergne (France), fed without GMOs (<0.9%), are free-range and treated without the use of antibiotics. The principle of phytotherapy helps to strengthen the birds' immune system, amongst other things, thereby avoiding illnesses. It also implies to ensure the animals' well-being, and provides top quality results. As part of the close relationship that Carrefour has developed with farmers who are committed to rediscovering quality production methods, the Group was able to develop this product with demanding specifications. The antibiotic-free Carrefour Quality Line chicken is Red Label-certified, synonymous with superior quality and, as with all Red Label chickens, was awarded top prize in the *Concours Général Agricole*.

A responsible beekeeping line

In response to the Beekeeping Sustainable Development Plan launched by the French government, the Group decided, in early 2013, to sell Carrefour Quality Line honey in France. The honey has the notable feature of being produced with beekeepers themselves, and was carefully controlled at every stage, from the beekeepers to the consumers. In this way, Carrefour promotes best beekeeping practices and takes part in a different marketing method, with the goal of supporting the development of the French beekeeping sector. Thanks to Corsican beekeepers, on December 20 of last year, Carrefour signed a pre-commitment for a Carrefour Quality Line dedicated to honey.

Protecting biodiversity by promoting organic agriculture: the Carrefour BIO range

The Group has developed an especially broad selection of organic products. The Carrefour BIO range offers a wide range of textiles (under the TEX brand), cosmetics and food products, and the number of listings expands year after year. In 2013, Carrefour hypermarkets sold more than 2,150 Carrefour BIO product listings worldwide.

In 2012, Carrefour celebrated the 20th anniversary of its BIO organic range in France. This was the occasion for a number of events at its stores and launching a wide-reaching campaign to promote Carrefour BIO products in-store, via catalogues and online (http://www.c-laterre.fr/carrefour_et_le_bio/produit-bio-magasins). The website showcases products of French origin. 100% of Carrefour BIO fruits and vegetables are of French origin, and 70% of Carrefour BIO organic processed products come from French production sites. Practical, educational and interactive, the website provides a space devoted to organic enthusiasts and promotes the brand's commitments.

KEY FIGURES

962 Carrefour BIO food listings and 774 Carrefour Bio Textile listings in France.

235 Carrefour Bio products in France (Traditional Fresh Produce)

All formats	2013	2012	2011	2010	% vs. 10
Number of controlled organic-food product listings *(in units)*	2,153	1,998	1,985	1,677	+28.4
Sales (incl. VAT) of organic food products *(in millions of euros)*	581	545	602	549	+6.0

Like-for-like BUs (scope: 100% of 2013 consolidated sales, excl. VAT).

Protecting biodiversity through responsible sourcing of raw materials

To take into account the need to protect fish stocks **through its seafood supply chain**, Carrefour has long incorporated sustainability criteria into its products' specifications, reduced or eliminated the sale of threatened species and promoted sourcing that uses certified best practices. The Group is also committed to its partners, who support it in building its approach to sustainable fishing:

- Carrefour has been working with **WWF** France since 2007 to identify the fishing areas and species that need priority attention;
- the Group also uses the guide published by **Seafood Choice Alliance**, an NGO working with the entire sector, helping it to take species' endangerment in its procurement choices;
- lastly, in France, Carrefour represents the *Fédération du commerce et de la distribution* - FCD (Federation of Retail and Distribution Companies) before the **Sustainable Fishing Ecolabel Commission**.

Carrefour has gradually developed a comprehensive strategy to **reduce the forest footprint of its supply chain**, comprising initiatives in all sectors directly or indirectly connected to forestry use and in association with NGOs and dedicated working groups:

- as part of its membership in the **Consumer Goods Forum**, the Carrefour Group supported the adoption of a far-reaching objective: **zero deforestation by 2020**;
- Carrefour has been a member of the **Roundtable on Sustainable Palm Oil** (RSPO) since 2009. The roundtable is a platform for 1,450 palm oil producers, agri-food manufacturers, retailers and NGOs, whose aim is to transform the palm oil market into a sustainable sector. by developing a production certification system and ensuring traceability in the supply chain;
- since 2009, Carrefour **Brazil** has been participating in the **Sustainable Cattle Working Group** (*Grupo de Trabalho da Pecuaria Sustentavel* – GTPS), which aims to create a responsible cattle supply sector;
- the Group is a member of the **Round Table on Responsible Soya** (RTRS). Launched in 2006, this international organisation brings together soya producers, industry representatives, mass-retailing representatives and NGOs. In 2010, it published a certification standard for responsible soya networks; and
- since 2006, Carrefour has been supporting the **Soya Moratorium in the Amazon**. This initiative, engaged in by sector professionals in coordination with the Brazilian authorities and civil society, allows fighting the Amazon's deforestation for soya crops.

Carrefour affirms and strengthens its commitment to sustainable fishing

In 2013, Carrefour in France strengthened its commitment to sustainable fishing in three areas:

Stopping the sale of deep-sea fish: Carrefour is gradually stopping the sale of scabbard fish, grenadier and cusk. Between 2007 and 2013, Carrefour had already stopped the sale of blue ling cod and deep-sea perch, and had decreased fourfold the sales volume of scabbard fish, grenadier and cusk. Carrefour is enhancing its commitment to sustainable fishing by halting their sale by June 2014, upon expiry of its commitments to suppliers.

Carrefour is doubling its MSC-certified listings, gradually increasing them from 22 to 50 by the end of 2014. Since 2008, the Carrefour Group has developed a wide range of own-brand products certified by the Marine Stewardship Council (MSC), a globally recognised programme for certifying products obtained via responsible fishing practices. In 2013, Carrefour sold 22 MSC-labelled products, one of the largest ranges in France (all brands combined) and will continue to actively promote this label.

Carrefour Quality Line farmed salmon: 100% of fresh Norwegian salmon now comes from the Carrefour Quality Line. This Norwegian line, created in 1995 and now expanded to cover all of Carrefour's fresh salmon, ensures full traceability of salmon to the stores. All sites and every stage of the production process is audited by an independent company, and the products meet highly demanding specifications.

Promoting responsible sourcing of palm oil

In 2013, Carrefour took part in revising the principles and criteria for responsible production of palm oil developed by the RSPO. Carrefour hopes that in the future, palm oil production will exceed the set of best practices currently certified by the RSPO, to permit in particular:

- preservation of peat bogs and natural forests (identified as high carbon density areas) and a corresponding reduction in CO_2 emissions; and
- halting the use of certain pesticides in agricultural operations on palm oil plantations;

Along with its involvement in the RSPO's work, Carrefour has continued to implement its action plan with the goal of using **100% sustainable palm oil by 2015 in Carrefour products** in which palm oil is not substituted. The following results were achieved in 2013:

- more than 100 products containing RSPO traced and certified palm oil are available in Carrefour stores in Europe, and over 600 products contribute to more sustainable production;

  palm oil has been replaced in more than 400 Carrefour products in France, with no negative impact on quality, taste or product storage. The Group substitutes another oil for palm oil when this improves the nutritional profile of its products, based on local circumstances and technical feasibility;
- Carrefour's action was recognised by the WWF, which ranked it as the top French retailer on the 2013 Palm Oil Scorecard;
- with the support of the Carrefour Foundation, 349 Indonesian palm oil producers obtained the first RSPO certification issued to independent producers in Indonesia. Small producers produce approximately 40% of the world's palm oil. Thus, it is essential that the Group's approach includes support for such producers.

Reducing the footprint on the forester ecosystems of the paper and wood supply chain

Carrefour made a commitment to sustainable forest management so as to control its supplies of timber and associated products at a very early stage. The Wood Charter commits European purchasing office suppliers that use wood, pulp, paper and products derived from these materials to ensuring:

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

To strengthen its initiative, Carrefour appended the Wood Charter to all contracts signed by suppliers of Carrefour products which contain wood fibres. All suppliers that manufacture products made of wood and wood derivatives have received the Wood Charter.

For the non-food sector, the Wood Charter is supported by a questionnaire that helps to work with suppliers in examining how to improve their sourcing to comply with the Charter (species, production regions etc.). In compliance with current regulations, Carrefour has also strengthened its decision-making and control system by broadening its risk analysis by species and by supply area, and by specifying criteria to apply when evaluating suppliers.

In an effort to constantly improve, Carrefour continuously enhances the expertise of its teams, training them in local regulatory issues, risk analysis, standards and supplier evaluation. To achieve this, Carrefour has enlisted the aid of the only firm recognised by the European Union to audit the traceability of wood. The Group has also collaborated with the WWF France and its GFTN [1] (Global Forest Trade Network) to develop a supplier training programme.

The Group continues to promote stationery and personal hygiene products (paper tissues, wipes etc.) and packaging based on FSC, PEFC and recycled materials, mainly under its ECOplanet brand. In 2013, Carrefour's French catalogues highlighted Carrefour products and national brand products which have been awarded eco-labels, and whose manufacture is designed to limit environmental impact.

KEY FIGURE

Carrefour France was the number one retailer on the WWF France 2012 Timber Barometer.

First beef products certified by the Rainforest Alliance

In 2013, Carrefour Brazil was the first banner to launch beef products certified by the NGO Rainforest Alliance. The certification covers the entire beef production chain, including farms, slaughterhouses and retailers. Criteria include sustainable agriculture, methane gas emission set-offs, respect for workers' rights and well-being, protection of ecosystems and water conservation. It also involves complete traceability of products through the Internet, and systematic food safety controls throughout the chain.

Promoting "responsible" plant proteins

Plant proteins (legumes including soya, cereals, oilseeds, etc.) are used in animal feed in animal-rearing operations. With little production currently in Europe, soya is frequently imported from Brazil, where it is a cause of deforestation in the country. Most of the production also comes from GMO crops.

(1) "The GFTN France network is a discussion forum and networking facility for tree farmers on the ground and buyers of sustainability farmed timber throughout the world".

Carrefour supports the cultivation of GMO-free soya and takes part in developing lower impact product lines, using a multiphase approach:

- develop GMO-free and responsible soya production: the Group is a member of the Round Table on Responsible Soy (RTRS), supporting the Soya Moratorium (see page 49); and
- in France, Carrefour promotes the local sourcing of plant proteins. This guarantees production without deforestation, the absence of GMOs and a shorter route for the entire supply chain.

Using this approach, in 2013 Carrefour launched 100% French eggs from hens reared on GMO-free feed during the entire egg-laying process, with feed grown exclusively in France.

2.2.4.3 Fair trade

In 2013, the Group had nearly 1,700 fair trade listings (own-brand and national brands) worldwide. In 1998, Carrefour became the first French banner to market a fair trade product: Malongo coffee under the Max Havelaar label.

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

In France, the new line of Carrefour BIO coffees launched in 2013 is 100% fair trade.

KEY FIGURE

In France, Carrefour is amongst the leading players in this market with 470 items, including 26 Carrefour products with the Fairtrade label.

Group	2013	2012	2011	2010	% vs. 10
Sales (incl. VAT) of fair trade products *(in millions of euros)*	110	99	105	94	17.3
Number of Carrefour-brand fair trade products *(number of listings)*	93	115	100	77	20.8

Like-for-like BUs (scope: 100% of 2013 consolidated sales, excl. VAT).

2.2.5 OPTIMISING OUR BUSINESS OPERATIONS' ENVIRONMENTAL PERFORMANCE

In addition to its "Antigaspi Waste Reduction Plan", Carrefour is continuing programmes implemented as part of its commitment to fight climate change and protect the environment. Using resources effectively and protecting the environment in which Carrefour operates contributes to the Group's economic performance and sustainability over the long term.

2.2.5.1 Managing environmental risks

Environmental risks are covered on page 100. Like other risks, they are incorporated into the risk analysis carried out by the Group Sustainable Development department (see page 18).

Accidental risks are managed by monitoring regulatory compliance.

Carrefour's exposure to natural risks and procedures to compensate for the impact of confirmed risk are described on page 99.

2.2.5.2 Carrefour's organisation for addressing environmental issues

In keeping with the principle of subsidiarity, which prevails in the Carrefour Group's management methods, each country creates the organisation best suited to its situation in terms of environmental goals and achieving the objectives set forth by the Group. Analysis, regulatory monitoring, development of action plans and investment therefore take place locally at the initiative of country management or store directors, with the cooperation of maintenance employees and all other employees.

A tool to measure and report environmental performance of stores (energy and water consumption, waste production, etc.) has been deployed at Group and country level to monitor and manage the facilities. All countries have defined environmental performance goals in such key areas as energy, greenhouse gas emissions and reducing waste and water consumption, and they have a scorecard for monitoring purposes.

2.2.5.3 Environmental evaluation and certification approaches

Approaches for environmental certification of products is described on pages 47 to 51.

In all countries, Carrefour has established a continuous improvement system using the “Plan Do Check Act” (PDCA) system to manage its environmental performance. To measure performance, a non-financial reporting system has been established, and the Group relies on verification by an independent third party of the prepared and published information (see page 71).

Locally, and on certain issues, countries may choose certification when the context, specifically regulatory, means that the certification will create value for the Group. For example, this is the case for the ISO 50001 certification issued to Carrefour for committing the banner and its employees to an energy policy in French stores and head offices (see page 28).

2.2.5.4 Designing more eco-friendly stores and ensuring clean sites

Each country has a Property entity whose responsibilities include identifying and implementing the principles of sustainable construction, including when building, expanding, and renovating sales areas. The approach contributes to the Group’s commitment to preventing waste.

Carrefour Property, the real estate company that manages the commercial real estate assets of the Carrefour Group in France, Italy and Spain, has adopted three documents that guide its practices to help better protect the environment:

- the Eco-Construction Charter, under which the Group strives to implement innovative solutions that preserve the environment;
- the Landscaping Charter, under which the Group is committed to managing green spaces with respect for local biodiversity; and
- the Biodiversity Charter, whose goal is to expand best practices that foster biodiversity. It is a prerequisite for any land-use project.

Guided by these framework documents, Carrefour Property strives to integrate environmental best practices into each stage of a building’s life cycle.

During the design phase:

- a store’s architecture is chosen to optimise its energy consumption, with access to natural lighting, materials with high thermal inertia, optimised orientation of façades, and green roofs or roofing with high solar reflectivity to limit the need for air conditioning; Carrefour also works to facilitate universal accessibility in its stores;
- preference is given to natural materials that are eco-friendly: wood from sustainably managed forests, glues, paints, stains and varnishes bearing the NF Environment label, European Ecolabel or any other equivalent environmental certification, and materials that require low levels of energy for their production or are made using abundant natural materials;
- renewable energies (solar water heaters, heat pumps, wind turbines, etc.) are considered whenever possible; and
- each project is designed to integrate seamlessly into the natural or urban landscape and to minimise environmental impact.

During the construction phase, Carrefour also works to limit its impact. In France, the companies that worked on construction sites for Carrefour stores in 2012 signed the Green Site Charter, whose recommendations include sorting waste, cleaning earth-moving machinery’s wheels, and limiting noise disturbances.

For the operations phase, environmental criteria are included in the rental agreements and specifications for outfitting stores, calling for energy-efficient equipment, eco-friendly materials, and waste sorting.

One practical example is the S’Estada shopping centre. Carrefour Property Spain obtained planning permission in June 2013 for the project, which will be the largest shopping centre on Majorca; its architecture is inspired by the Mediterranean environment and the cultural and architectural heritage of the Balearic Islands. The centre will feature the latest technological innovations to limit energy use while focusing on integrating the construction into the landscape and choosing natural materials.

The Mondevillage shopping centre, which opened in 2013, is integrated into its environment and leaves plenty of space for biodiversity, with 1.5 hectares of green spaces, 300 apple and pear trees, nest boxes and beehives. With its high-performance equipment and energy management, Mondevillage should also be the first shopping centre to receive BBC certification (*Bâtiment Basse Consommation* - low energy consumption building).

The L’Escapade shopping centre in La Chappelle-Saint-Luc, which opened in 2012, was recognised in 2013 by the French National Council of Shopping Centres (CNCC), which awarded it an honourable mention for its sustainable development-based approach and environmental qualities. The 100% LED car park lighting and the Carrefour hypermarket, with its particularly innovative technologies for limiting energy consumption, drew the attention of sector professionals.

In India, the property company has partnered with the Indian Green Building Council to develop an approach to store design and development that combines high levels of customer satisfaction (location, accessibility, internal paths, equipment design and ergonomics, and safety) and environmental protection (materials, energy efficiency, local supplies, an emphasis on natural lighting, north-facing windows, etc.). This approach, long driven by an interest in environment certifications, earned the Meerut Cash & Carry store a gold LEED certification in 2013. The Bangalore store, which opened in late 2013, also earned a platinum LEED certification in February 2014; the platinum certification is the highest available for sustainable construction. The buildings offer improved environmental performance over a standard store and generate significant resource savings. In Bangalore, for example, the savings are 57% for energy, 61% for LED lighting, and 39% for refrigeration systems.

2.2.5.5 Reducing stores' carbon footprint

The Group has set itself an ambitious goal: reducing its CO_2 emissions by 40% compared to 2009 levels in four European countries – France, Spain, Italy and Belgium – by 2020. More generally, the Group is committed to reducing its emissions everywhere it operates. Through this commitment, the Group intends to reduce its impact on climate change.

Greenhouse gases linked to store operations are mainly attributable to the energy the stores use and the refrigerant fluids that are necessary to keep food cold. Carrefour acts to reduce energy consumption through its "Antigaspi Waste Reduction Plan" (see page 24); the programmes for refrigerant fluids are presented below.

The Carrefour Group's carbon footprint

To assess its carbon footprint, in 2007 the Group implemented a greenhouse gas (GHG) emissions reporting system based on the guidelines of the GHG Protocol, an international GHG accounting standard. In 2013, total greenhouse gas emissions (direct and indirect) were 3.7 million t. CO_2 eq.

GHG EMISSIONS BY SOURCE (IN T. CO_2 EQ.) IN 2013

Scope 1	Refrigerants, Gas and Fuel	1,775	48%
Scope 2	Electricity	1,600	43%
Scope 3	Logistics	311	9%

Like-for-like BUs (scope: 100% of 2013 consolidated sales, excl. VAT).
2013 figures verified with a result of reasonable assurance.

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

France	20%
Europe (excluding France)	37%
Asia	18%
Latin America	25%

Like-for-like BUs (scope: 100% of 2013 consolidated sales, excl. VAT).
2013 figures verified with a result of reasonable assurance.

KEY FIGURES

A 26.7% reduction in CO_2 emissions linke$_d$ to refrigerant and energy consumption by stores in France, Spain, Belgium and Italy compared to 2009 levels (goal: 40% less by 2020).

Reducing emissions from cooling

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

- reduce consumption of refrigerant fluids in particular by identifying and reducing leaks, with the goal of limiting them to 10% of the gas used in its facilities;
- substitute alternative or natural fluids with a lower environmental impact for hydrofluorocarbons (HFCs); and
- gradually equip the Group with closed refrigeration units that can run on natural fluids.

Carrefour has also pledged to stop using HFC fluids in its new cooling facilities as of 2015.

In some countries, the Group has launched a diagnostic analysis aimed at measuring fluid leak rates and identifying their causes, with a view to introducing corrective measures. Between 2009 and 2013, the quantity of refrigerant gas refilled in cooling facilities following leaks dropped by 18% per sq.m of sales area.

Several types of gas may be used in refrigerator and freezer units. Their use is subject to increasing regulatory constraints. At Carrefour stores in Europe, all food-chilling facilities that use hydrochlorofluorocarbons (HCFCs) will soon be phased out. The use of HFCs (hydrofluorocarbons) will also be reduced due to their impact on the greenhouse effect.

Carrefour is thus testing various alternative systems that can use natural fluids like carbon dioxide (CO_2), which have a lower impact on climate change and ozone layer destruction. Moreover, CO_2 requires very tightly-sealed refrigeration facilities, which significantly reduce leak risks. The new-generation equipment also consumes less fluid and 10%-20% less electricity.

After the first conclusive tests, the Group began taking advantage of replacements to gradually convert its facilities that run on fluorinated fluids to instead use scalable mixed CO_2 solutions or 100% CO_2. Now, in some new stores, completely renovated stores or stores whose cooling facilities are reaching their end-of-life, the Group is using CO_2 for both freezing and refrigeration. This makes Carrefour a leader in the European countries where it is present, having rolled out natural solutions to 133 stores as of the end of 2013, including 36 with 100% CO_2 solutions. By investing in natural cold-production solutions, Carrefour has become a major player in developing the sector, helping to improve operator expertise, and promoting innovative solutions to the market while demonstrating their effectiveness and competitiveness.

Some countries, like Italy, are developing remote centralised management systems to control the temperature in refrigeration units and cold-storage areas. This remote management optimises energy consumption while reducing leaks and maintenance costs. As of the end of 2013, 83 stores were equipped with remote management systems in Italy.

	2013	2012	2011	2010	% vs. 10
Quantity of refrigerants refilled due to leakage *(in kg/1,000 sq.m of sales area)*	39.1	38.8	40.0	47.7	(18.0)%

Like-for-like BUs (scope: 76% of 2013 consolidated sales, excl. VAT) - excluding: HM: BR, AR, TW/SM: BR, AR.

Reducing vehicle fleet emissions

In France, Carrefour signed the "CO_2 Objective Charter" (covering its own fleet) with the ADEME in 2012, and encourages its carriers to make the same commitments. 214 carrier groups, who handle 70% of the Group's shipping, have already signed it. Through this charter, carriers make a three-year commitment to an action plan that involves improving vehicles' aerodynamics, choosing a highly energy-efficient system for refrigerated vehicles, improving consumption monitoring, setting up eco-friendly driving courses for drivers, and raising awareness among carriers.

The Group also tests and promotes innovative solutions, particularly regarding vehicles:

- six hybrid delivery lorries in different French cities;
- a bioethanol vehicle that runs on recycled French grape pomace;
- a 100% electric 16-tonne shipping lorry being tested in metropolitan Lyon, France. This quiet, non-polluting lorry has reduced CO_2 emissions by nearly 90%; and
- three lorries fuelled by biomethane, which is generated by recycling organic waste from stores. As of the end of September 2013, these efforts had prevented 100 tCO_2 of emissions.

Promoting renewable energy sources

For several years, Carrefour has been testing renewable energy sources for its activities: geothermal (Italy), wind turbines (France), photovoltaic solar power (Spain, Poland), solar water heaters (Turkey), etc. Especially when new sites are opened, and depending on local contexts, the Carrefour Group takes every opportunity to increase its use of renewable energy sources.

2.2.5.6 Reducing water pollution and consumption

In 2013, Carrefour conducted an analysis of its water-related issues: direct and indirect depletion, direct and indirect discharge of organic materials, pesticides, industrial discharge, waterproofing and changed soil use, deforestation, etc. Carrefour is committed to measuring and reducing its stores' water consumption as well as addressing the issue of water in its procurement chain and during product use.

Reducing stores' water consumption

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

From 2010 to 2013, water consumption dropped by 9.1% at Group level. This progress is the result of a long consumption-monitoring and awareness process.

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

	2013	2012	2011	2010	% vs. 10
Quantity of water consumed *(cu.m/sq.m of sales area)*	1.68	1.74	1.79	1.85	(9.1)%

Like-for-like BUs (scope: 92% of 2013 consolidated sales, excl. VAT) - excluding: HM: BE, AR/SM: BE, AR.

KEY FIGURES

3.3% water saved in one year per sq.m of sales area Group-wide.

14.6 million cu.m consumed at Group stores in 2013 (excluding Argentina).

Promoting water-friendly procurement

Carrefour helps its suppliers with their water management through initiatives including specifications for Carrefour Quality Line products and the sustainable development self-diagnostic tool provided to suppliers of Carrefour products. Some Carrefour Quality Line farmers, for example, use the innovative technique of drip irrigation to prevent water loss via evaporation. The Company Fruits et Compagnie, for example, winner of the 2012 Sustainable Development Awards, was recognised for its underground "ferti-irrigation" technique for orchards. The technique prevents the evaporation caused by traditional watering and allows the farm to accurately measure how much water is necessary using underground moisture probes. As a result, the Company has generated a 30% water savings over three years in its young orchards.

Offering products with a small footprint and raising customer awareness

Carrefour has improved the environmental characteristics of its own-brand plant care products for the garden. In 2009, the Group discontinued sales under its brand of pesticides containing glyphosate, a substance classified as toxic and dangerous for aquatic organisms. In 2011, Carrefour began offering its customers an alternative to these products: 86% of the active substance in Carrefour's Finalsan herbicide, for example, is an exact reproduction of a natural ingredient derived from geraniums.

The Group offers a product range to limit water pollution and consumption: water-saving fixtures (mixer taps), rainwater collectors, eco-certified cleaning products, etc. These products have been regularly highlighted in dedicated catalogue pages in honour of World Water Day over recent years.

Finally, Carrefour regularly holds consumer awareness activities during World Water Day and World Wetlands Day.

2.2.5.7 Limiting the environmental impact of commercial publications and office paper consumption

Since 2005, the Carrefour Group has been implementing a comprehensive approach involving all its commercial publications, in line with its responsible procurement approach (see pages 47 to 51). **In particular, the Group committed to using only FSC- or PEFC-certified paper or recycled paper for its European commercial consumer publications by the end of 2012.**

Since 2012, nearly 100% of the paper used Group-wide for its commercial publications has been recycled or certified. At the same time, Carrefour has been limiting the quantity of paper used for its publications by reducing paper weights, going digital, and optimising distribution. Carrefour is also working with printers to reduce the impact of its commercial publications. All of Carrefour's printers are committed to an eco-friendly approach (Imprim'Vert, FSC, PEFC, ISO 14001 etc.).

	2013	2012	2011	2010	% vs. 10
Quantity of paper purchased for commercial publications *(in kg/sq.m of sales area)*	15.9	18.3	20.1	20.4	(22.0)%

Like-for-like BUs (scope: 100% of 2013 consolidated sales, excl. VAT).

In future years, Carrefour hopes to further improve the environmental quality of its office paper. In 2013, efforts began in France, beginning with improved procurement. As of January 1, 2014, 100% of the office paper purchased in France is now FSC-certified. Carrefour was ranked No. 1 general retailer by the WWF in its study: "PAP 50 Companies for 2013", which ranks companies according to their commitment to a responsible paper policy and performance in terms of consumption, recycling, and responsible purchasing.

KEY FIGURE

99.4% of paper in Carrefour catalogues is certified and/or recycled.

2.2.5.8 Air, water and soil pollution

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

Sites

Equipment operating on fossil fuels that generate emissions into the air (dust or smoke) such as generators, compressors and condensers are equipped with recovery systems or filters. Thanks to the nature of stores' activities, the wastewater leaving sites is not laden with major pollutants. In certain countries, wastewater treatment and recycling systems have been introduced.

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

- double-bottom tanks and concrete storage tanks;
- systems designed to recover vapour from petrol storage tanks and deposits when tanks are filled;
- a braking system and fill valves to avoid overfilling and leaks, which contaminate soil;
- tight seals on the hose between tank and petrol pump to avoid ground contamination;
- adaptors on petrol hoses and leak-detection equipment on tanks;
- hard pavement around the filling area to avoid fuel infiltration into the ground;
- decanting systems to avoid contamination of the sanitation network, and a system designed to detect water contamination by hydrocarbons.

The Group constantly monitors the regulatory compliance of its facilities and closely tracks fuel inputs and outputs to control the risk of leakage.

Shipping fleet

Carrefour strives to improve its fleet with cleaner, quieter lorries:

- in Belgium, since 2012, 100% of lorries have been Euro 5-compliant; and
- in France, 96% of all distance is travelled by a dedicated fleet that is Euro 4 and 5 compliant (compared to 93% in 2012).

Compliant with the EEV (Enhanced Environmentally-Friendly Vehicles) standard – the strictest to date – France's fleet has now increased to 94 vehicles.

2.2.5.9 Preventing noise pollution

Carrefour store operations generate little to no major noise disturbances. Generators or compressors that cannot be installed underground are covered with anti-noise equipment or placed behind insulating walls. When noise is caused by obsolescent equipment, that equipment is replaced. In all countries, maintenance teams ensure respect for noise regulations.

However, operations linked to goods transport may generate noise disturbances, particularly for local residents during delivery periods. In 2013, Carrefour continued its noise-reduction strategy, an approach for which Supply Chain France won the Gold Decibels award in December 2011. This award recognises companies that have made significant progress in this area. In 2012, in the context of its membership in the Demeter Club and together with the Certibruit organisation, Carrefour also participated in the development of a new "Respect for local residents during night deliveries" label, which recognises shippers and retailers that significantly reduce the noise disturbances they generate, opening the way for an increase of night deliveries. In 2013, Supply Chain France worked to promote and roll out this label.

In concrete terms, Carrefour France has also doubled its number of silent lorries since 2010. At the end of 2013, 300 urban stores were supplied by a fleet of 160 vehicles that meet the PIEK standard, a label guaranteeing sound levels of under 60 decibels.

Warehouse and store deliveries: continuing efforts toward multimodal solutions

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

In France, over 5.8 million kilometres were saved in 2013 by using multimodal transport, or the equivalent of 8,300 fewer lorries for a savings of 4,000 tonnes of CO_2 emissions. Upstream (deliveries from suppliers to warehouses), 42% of non-food imported products were routed using a multimodal solution.

Downstream (deliveries from warehouses to stores), multimodal transport represented 8% of all transnational flows, or 2.3 million kilometres of road transport saved. Indeed, combined rail/road delivery is effective for some hypermarket deliveries of non-food products, and this has taken 3,200 lorries off the roads. In Spain, Carrefour continues to favour rail transport.

In Belgium, Italy and Brazil, Carrefour favours waterway or rail transport or cabotage (waterway/sea).

Several collaborative projects have been developed, including a very innovative platform initiated in France in partnership with Danone Eaux France and ID Logistics. This project has created a regional industrial inventory for Danone Eaux France at Carrefour's Grans Miramas site, which has the advantage of being connected to a railway. This site supplies over 120 Carrefour stores in the southeast, as well as the warehouses of other retailers operating in this region. With the volumes pooled in this way, the objective is to send trains fully loaded with goods from Danone Eaux France's plants. This pooling has already saved 415 tonnes of CO_2 emissions per year (with 1,000 fewer lorries on the roads). To support its optimisation efforts, Carrefour has invested in high-performance tools. A Transport Management System (TMS) aimed at better management of data and optimised delivery rounds has been implemented in France. Other countries, such as Argentina, Italy and Poland, also rolled out the TMS in 2012.

Improving the environmental efficiency of warehouses

Warehouses' environmental performance is steadily improving.

In France, in 2008, Carrefour introduced a set of sustainable development indicators, initially for consolidated warehouses and then for warehouses managed by service providers. Since 2005, an outside firm has been carrying out sustainable development audits of French warehouses to identify best practices and encourage improvements.

50 audits were performed in 2013 in France, with an average 95.5% compliance with the reference system, compared to 94.7% in 2012.

In 2013, French warehouses continued to improve the energy efficiency of their heating facilities, refrigeration equipment and lighting systems (such as low-consumption lights and motion detectors that activate lights only when needed). The result: electricity consumption has been reduced by 12% compared with 2010 levels. Carrefour Belgium has reduced energy costs by 20% at its fresh produce warehouse in Nivelles and 50% at its non-food warehouse in Cargoville.

In France, certain warehouses have begun using 100%-recyclable cardboard pallets. Weighing only 3.3 kg compared to the 20 kg of a wooden pallet, this recyclable cardboard version reduces waste quantities while improving handling conditions and significantly reducing the tonnages transported. In 2013, 159,054 pallets were recycled.

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

2.2.6 CARREFOUR ECONOMIC PARTNER AND LOCAL PLAYER

2.2.6.1 Carrefour, partner to local economies

Supporting local economies all over the world

Promoting local suppliers and their products

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

In **Belgium**, Carrefour teams select regional products from artisans located within 50 km of the stores, and promote them in a dedicated store area and via special events. At the same time, in Taiwan, Carrefour features local products by stamping them with "MIT: Made in Taiwan".

Carrefour **Romania** has launched a campaign to "Choose Romanian Products," the result of an effort with 1,500 local fruit and vegetable farmers who supply stores with local produce. This contributes to developing the local economy. In addition, Carrefour Romania signed an agreement in July 2013 with the "Bio Romania" association that provides Carrefour hypermarkets with access to organic produce grown in the country.

In **China**, the Direct Purchase programme launched in 2007 aims for intermediary-free procurement at national and local levels. This makes it possible to offer customers low prices for fruit and vegetables and to guarantee optimum income for farmers. To support this approach, Carrefour China launched an initiative that allowed customers to use their mobile telephones to access information on the traceability of these products, the origin of production and the date they were delivered to the stores. Since 2007, the Direct Purchase programme has made it possible to buy over 440,000 tonnes of fruit and vegetables from over 1,225,000 farmers, and nearly 60 training courses have been set up for farmers.

Improving commercial relationships and cooperation with SMEs

On September 16, 2013, Carrefour signed the Supply Chain Initiative, a European voluntary framework to ensure fairness in B-to-B relations along the food supply chain. More than 450 companies in the retail and industry sector have signed it to date. The Group is considering what internal adaptations will be necessary (training, mediation system, single point of contact, etc.) to improve collaboration with producers.

In addition, Carrefour has implemented specific tools to work more effectively with the various players involved in the supply chain. In Belgium, for example, Carrefour has adopted a simplified agreement for small local producers.

In September 2013 in **France,** the French Federation of Enterprises and Entrepreneurs (*Fédération des entreprises et entrepreneurs de France* - FEEF) and the Federation of Retail and Distribution Companies (*Fédération du commerce et de la distribution* - FCD), of which Carrefour is an active member, committed to a guide for best practices in commercial relationships as part of a voluntary policy of cooperation with SMEs. Both the FEEF and the FCD have decided to adapt the rules governing business relationships to fit SMEs. The "differentiated SME platform" covers four major points: the negotiation period, the length of agreements with national brands, rates and price volatility, and competition with Carrefour's own brands.

Several programmes were launched in **China** in 2013 with the aim of supporting and promoting the activities of local SMEs, both producers and suppliers of Carrefour stores, and helping create jobs both directly and indirectly. For example, agreements were signed to formalise partnerships between Carrefour and its suppliers and jointly define investment and marketing plans, enabling the parties to focus their common efforts on selling and increasing market share. Nearly 500 suppliers of food and non-food products have participated in the programme. On average, they have seen their sales increase by 40%. Carrefour China has also partnered with a bank to develop a programme to fund working capital for its suppliers. Signing a supply agreement with Carrefour opens the door for easy access to low-interest loans. This assistance allows suppliers to consolidate their operations and is therefore particularly appreciated by small businesses; more than 1,000 suppliers have currently signed up to the programme, for a total loan value of approximately 1 million yuans. With these programmes, Carrefour China has continuously improved its ranking as preferred retailer among suppliers, earning second place in 2013 in the Suppliers Most Satisfied Retailers Awards.

The Carrefour Quality Line partnership

The 1992 launch of the first Carrefour Quality Line (CQL) products **in France** marked the beginning of Carrefour's commitment to French producers. In 2013, the initiative was renamed *Origine et Qualité Carrefour* in France and the partnership with farmers was strengthened this year when the Group established three-year agreements for all of the relevant lines in France (meat, fish, seafood, fruit and vegetables, cheese, eggs and honey). Each Carrefour Quality Line has given rise to long-standing partnerships designed to develop, together with all supply chain players, a quality approach from field to plate, and to ensure outlets for the products. These lines therefore help sustain and promote local business and regional expertise. Carrefour works closely with all network players (agricultural producers, animal breeders and processors), taking into account their needs and helping them to stay abreast of regulatory developments, implement eco-friendly practices, reduce their pesticide use and improve animal well-being.

The new three-year agreements, signed with all partner producers, initiate a long-term partnership that can serve as the foundation for lasting, trust-based relationships, help develop responsible production methods, and ensure continuity of operations.

KEY FIGURES

74% of the food products sold to Carrefour brands in the various countries where it operates come from local suppliers.

11% of Group sales from traditional fresh produce are achieved through Carrefour Quality Lines.

414 lines around the world.

Over 19,000 producer partners in France and over 22,000 throughout the world.

Reflets de France, Terre d'Italia, De Nuestra Terra brands

Among the regional product ranges that Carrefour develops, the Reflets de France brand involves more than 220 local French producers (excluding fruit and vegetables), for whom it provides total sales of over €330 million. In 2013, 80% SMEs working in partnership with Carrefour to develop more than 480 Reflets de France products were French. Created in 1996 with the aim of cooperating with SMEs in a common project, this brand allows customers to experience the traditional food products of various French regions. To take this support of French SMEs even further, Reflets de France has adopted an international outlook since October 2013 to help French SMEs export. Reflets de France products are now available to customers of Carrefour hypermarkets in China and Taiwan. The related initiatives introduce local consumers to these "made in France" products and the French lifestyle. For example, a hundred products were featured during the Autumn Wine Fair in China, and in Taiwan more than 40 products were showcased for promotional events. These included catalogue pages, a digital communications campaign, special staging and in-store tastings. Encouraged by its success, Carrefour plans to continue this development in Asia in 2014 and export the products of French producer partners to other countries.

KEY FIGURES

In 2013, the Reflets de France range offered 486 products in France.

220 local producers, 60% of whom have been a part of the Reflets de France brand since it was created.

In Italy, the Terre d'Italia range promotes traditional Italian food products and the expertise of the local SMEs that produce them. Over 90% of Terre d'Italia product suppliers have fewer than 50 employees. By working closely with 120 producers, Carrefour Italy puts a national range of over 300 regional products within everyone's reach. The range, first launched some ten years ago, is exported to several of the Group's European countries (for example, Belgium and Romania). In Spain, De Nuestra Tierra is the equivalent of the Reflets de France products for France.

Carrefour BIO: priority focus on French producers

In 1992, Carrefour launched its first organic product: the Boule BIO. 21 years later, the Carrefour Group offered 2,150 organic food listings under its BIO brand in 2013. In France, the banner offers 962 organic food listings and 774 organic cotton textile products.

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

KEY FIGURES

€336 million in Carrefour BIO food product sales worldwide.

Over 2,150 Carrefour BIO organic product listings offered in the countries.

Supporting the Sustainable Development approach of suppliers

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

Launched in France in 2006, the sustainable development self-assessment tool is a detailed self-evaluation framework designed in conjunction with the WWF and ADEME, the French Environment and Energy Management Agency. It is accessible to suppliers online and includes 49 assessment criteria, based on four central pillars reflecting the principles of the ISO 26000 standard:

- sustainable development management and policy;
- environmental performance;
- corporate social performance; and
- economic performance.

Carrefour's aim is to ensure that all of its suppliers answer all questions and implement practical sustainable development initiatives. Carrefour provides them with support to achieve this goal using the tool. The self-assessment covers all the topics related to sustainable development (responsible purchasing, local suppliers, eco-design, waste management, energy consumption, biodiversity, employee health and safety, etc.). The tool provides suppliers with some 20 advice sheets and best practice examples, and allows them to compare their average with that of other suppliers in their activity sector. Carrefour also arranges for consultants to visit some businesses to identify their best practices, help them to pinpoint improvement goals and draw up action plans.

In 2013, over 5,289 suppliers of Carrefour brand food products around the world used the self-assessment tool. The tool enables Carrefour to identify the suppliers who are most exemplary and "committed" to sustainable development and to recognise that commitment with an award. For the first time, the fifth Sustainable Development Awards for suppliers, held in November 2013, included a waste reduction prize (see page 25).

In Poland, a day of training on the CSR self-assessment was offered to suppliers of Carrefour products, with an emphasis on measures to reduce waste: energy efficiency, food safety, packaging, and waste management. 128 people participated, representing 78 suppliers.

2.2.6.2 Carrefour as a dynamic player in employment and a partner in local life

Stores driving growth

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

A Carrefour hypermarket in France, for example, employs an average of 300 people. Every new store creates jobs, which mainly benefit people who live in its geographical area.

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

Promoting youth employment

The Carrefour Group is committed to contributing to the local development of the communities in which it operates and has always focused on recruiting local young people through work-based learning schemes and/or by providing mentoring for new recruits.

In France, Carrefour strengthened its commitment to youth employment even further in 2013 by signing:

- the *Jeunes et Entreprises* (Young people and companies) commitment, along with many other corporate members of the AFEP;
- the employment pact by the hypermarkets, under which hypermarkets agree to hire 10,000 young people in three years, including 3,000 in 2013;
- an *Entreprises et Quartiers* (Companies and neighbourhoods) charter with the French Minister responsible for Urban Affairs, which sets forth the general principles of Carrefour's efforts to promote jobs in difficult areas; and
- the future jobs convention, signed with the Ministry, which binds the Group to hire 1,000 young people for unqualified local assignments under full-time, permanent contracts (300 hires in 2013, 700 in 2014).

In France, a work/study day was held for the first time in 2013, with 5,200 CVs submitted.

Carrefour is also pursuing its partnership with an association called "Talent in our neighbourhood". More than 380 young people have been sponsored since this partnership began.

Other countries have also taken part in important programmes to help young people integrate society and the workplace. Brazil's *Conexão* programme, for example, is designed to improve employability for young people experiencing economic and social exclusion by giving them access to a first job. The 2013 objective was to train 4,700 young people and offer job contracts to more than 2,000 of them.

Given the difficulties of finding professionals in the retail sector, Carrefour Spain has created a "School for Fresh Produce". The school trains unemployed young people under the age of 30 and helps them join the fresh produce business functions. In 2013, 420 young people were hired.

France's *École Carrefour* was created to promote the recruitment and qualification of young people as well as training and skills development for non-executive employees. Each year, it accepts candidates under professionalisation and apprenticeship contracts. In 2013, 2,811 CQP "retail employee" professionalisation contracts were hired at hypermarkets and 270 at supermarkets, while 27 "order preparation" professionalisation contracts were hired in Supply Chain positions.

Carrefour also encourages business start-ups and a spirit of entrepreneurship by facilitating access to franchising. Since 2003, Carrefour Convenience has been running a two-year training programme for the assistant store directors with a view to helping them open a store under a lease management scheme. 120 people were trained between 2010 and 2013. Since 2013, the training has been done in partnership with the CNAM. It is certified and recognised by the RNCP (*Répertoire National des Certifications Professionnelles* - French national list of professional certifications).

In China, Carrefour is forming partnerships with business schools and universities to hold recruiting sessions and facilitate student access to internships or teaching projects within the Company. A scholarship programme funded by Carrefour also provides deserving students with access to a higher level of education. Carrefour plans to recruit 1,000 young graduates in China over the next three years.

Promoting access to employment for those who have difficulty finding work

In 2013, the Group continued its partnerships with key players in employment and social integration. In France, the Group signed ten regional agreements with *Pôle Emploi* (French employment agency) to provide an appropriate local framework for the historical partnership between *Pôle Emploi* and Carrefour. Carrefour has also recruited employees through the *Préparation Opérationnelle à l'Emploi* (POE – Getting Ready for Work) programme, again in partnership with *Pôle Emploi*. Objective: To support new employees through training to get them ready for starting work. This year, 20 stores have committed to a special initiative for food-industry careers.

In addition, Carrefour France is pursuing its partnerships with Missions Locales (local organisations for employment), PLIE - *Plan Local pour l'Insertion et l'Emploi* (Local plan for integration and employment), *Cap Emploi* and promoters of social integration such as Restos du Cœur, Emmaüs Défi, ANDES, and Macadam.

Carrefour as a partner in local life

The result of constructive cooperation with elected officials and local players, a Carrefour store is a centre of neighbourhood life, creating social ties and responding effectively to residents' everyday needs. The Group's stores and shopping centres are designed to contribute to local life, create social ties, and energise local communities.

The example of Mondevillage, a shopping hub created by Carrefour Property in 2013, clearly illustrates Carrefour's commitment to meeting specific local needs. In Mondeville, the property company proposed a complementary complex designed to reflect new consumer habits and meet the needs for urban restructuring in the business district, while focusing on the preservation of the environment and biodiversity. The partnership formed with public and private stakeholders in the area set an example for how to form a leading regional hub with lasting appeal.

Through this project, Carrefour Property also served as a driver in the region by signing a Convention on Improved Access with the government, the Conseil Général, Caen-la-Mer, the town of Mondeville, and private stakeholders active in the region. The Convention helped improve traffic flow through the sector by redeveloping access points to local business areas and the Mondeville 2 shopping centre, and by creating an exit ramp. In addition, in an effort to encourage use of public transport, a bus stop was erected in cooperation with VIVACITES on the line serving Mondevillage and the Mondeville 2 shopping centre.

Carrefour Property is also contributing to the urban renewal process initiated by the town of Mondeville by welcoming store brands into Mondevillage that were previously located at Vallée Barrey, which will be converted to a new mixed-use neighbourhood combining housing and businesses.

Finally, with Mondevillage, Carrefour Property has created a dynamic hub of job creation for the region: the construction phase employed as many as 800 workers a day, and the site will generate 300 direct jobs upon opening.

In terms of the environment, Carrefour Property is aiming at “very good” level Breeam certification (Building Research Establishment Environmental Assessment Method) for Mondevillage, as well as BBC (*bâtiment basse consommation* - low energy consumption building) certification. The BBC label is a first for a shopping hub in France. The building’s design and its high-performance equipment should generate a combined energy savings of 50% in terms of heat regulation, through several concrete initiatives: optimised insulation and waterproofing, natural lighting, low-consumption lighting (including a 100%-LED car park and the lights in the central island), and efficient heating and air conditioning.

A group of Indonesian farmers earns certification for its palm oil production

In 2013, 349 small palm oil producers from three villages in the Riau on Sumatra Island province took part in a WWF Indonesia programme designed to train them in sustainable agricultural practices (reducing inputs, protecting natural forest plots in their yield, etc.) with the aim of helping them improve their yields, and thus their income. The programme, funded for one year by the Carrefour Foundation, enabled the farmers to earn international RSPO certification in 2013 for sustainable palm oil production, but also cut their use of herbicides and pesticides in half, and boost their yields by 20%. The 349 Indonesian farmers are the second-largest group of certified independent producers. Their farms cover a total of 763 hectares of certified land.

2.2.7 SERVING COMMUNITIES

Carrefour’s sponsorship initiatives include all the socially responsible activities the Group carries out every day in its stores and the 11 countries where it is located. This covers all of the social projects funded by the Carrefour Foundation abroad as well as those initiated and implemented by local Carrefour teams.

2.2.7.1 The Carrefour Foundation

Carrefour’s corporate foundation, established in 2000, engages in activities around the world to promote the general good and fight exclusion. It conducts sponsorship programmes related to the retail sector, drawing on Carrefour Group employees and their skills, in countries where the Group and its suppliers are present. In 2013, it had a **budget of €6.5 million** and funded 48 projects in nine countries. Since it was founded, the Carrefour Foundation has supported nearly 400 programmes.

It is involved in two areas of action: food solidarity and emergency humanitarian aid.

Food solidarity projects focus on five areas: donations and collection of consumer products, the development of cooperative grocery stores, the development of agriculture, the promotion of food-industry careers and the implementation of nutritional programmes.

As far as **emergency humanitarian aid** is concerned, the Foundation calls on the Group’s teams and their logistical expertise to respond to large-scale natural disasters in areas where Carrefour is present.

For more information about all projects the Foundation supports, visit: www.fondation-carrefour.org.

Examples of projects supported by the Carrefour Foundation in 2013 are given in the paragraphs below.

Carrefour hypermarkets in France join forces in a call for socially responsible projects

From October 2-22, 2013, to celebrate the Carrefour Group’s 50th anniversary, Carrefour’s hypermarket teams invited customers and Internet users to visit www.carrefour.fr and vote in support of a local food-related non-profit project. The call for projects was a resounding success, with nearly 800,000 votes cast. Grants ranging from €1,000 to €50,000 were awarded to 216 projects, allowing their sponsor associations to make them a reality.

Thanks to a concerted effort by employees of the Carrefour hypermarket in Draguignan and Internet users, the local branch of *Secours populaire* there won 1st prize in the call for projects, receiving a grant of €50,000 to purchase a refrigerated lorry. The lorry will be used to transport and store food for families in Draguignan and 28 neighbouring communities. *Secours populaire Français* works every day to fight poverty and exclusion through emergency support relying on food and clothing donations.

The grants awarded to other initiatives - nine received €10,000 each, 40 received €5,000, and 167 received €1,000 - went to projects to support parents with young children (new Restos Bébés du Cœur kitchens, a place for families to gather and be heard), students (cooperative grocery stores), the destitute (assistance for the end-of-year festivities), and hospitals (a community kitchen garden). View the full list of winners online at: http://www.projetssolidaire.carrefour50ans.fr/classement-liste-projets.

Food donations and combating waste in France

In France, 100% of all consolidated supermarkets and hypermarkets donate food products to non-profit associations every day, making Carrefour the top private food bank donor in the retail sector.

In 2013, Carrefour donated the equivalent of 68 million meals to food assistance organisations in France.

The 2013 roll-out of the "Antigaspi Waste Reduction Plan" in France created opportunities for new projects, sponsored by Carrefour and its partners and with support from the Foundation, including:

- support for collecting unsold fruit and vegetables from MIN - *Marchés d'Intérêt National* (wholesale markets for agricultural products), for food donations, and transforming damaged produce into soups and smoothies, in partnership with ANDES - *Association Nationale de Développement des Épiceries Solidaires* (French national association to develop cooperative grocers). This activity employs 127 people requiring assistance with professional integration and collects more than 1,300 tonnes of products per year;
- support for collecting unsold stock from fish markets and processing it for soups and filets, along with the FPLM - *Fédération Nationale des Paniers de la Mer* (federation of associations set up to redistribute unsold fish). 165 people received training under this programme in 2013, successfully reusing 335 tonnes of products;
- participation in creating SOLAAL (a socially responsible organisation for farmers and the food industry) as a benefactor member, to combat waste within the supply chain and encourage food donations.

Coordinating the first international food drive for Food Banks in eight countries

In November 2013, riding the momentum of International Solidarity Week and with support from the European Food Bank Federation and the Global FoodBanking Network, the Carrefour Foundation coordinated a massive international food drive in eight countries: Argentina, Belgium, Brazil, Spain, France, Italy, Poland, and Romania.

Carrefour's teams have partnered with the Food Bank Federations since 1994, working alongside volunteers in nearly 3,000 of the brand's stores around the world: 1,100 in France, 700 in Italy, 200 in Poland, etc. Customers, volunteers, and employees of Carrefour were all invited to participate in the project. The initiative will continue in 2014.

This international collection drive complements the daily food donations given by the Carrefour Foundation year-round, drawing on the Group's professional retail expertise. In 2013, the Foundation stepped up its support for food programmes by increasing its grant to nearly €2 million. To the same end, the Foundation also increased its support to the Food Bank Federations, donating a total of €632,097 around the world.

The Carrefour Foundation also provides logistical support, setting up infrastructures for local organisations to help them transport and store food, including fresh produce. Since it was founded, the Carrefour Foundation has funded the purchase of 38 cold-storage areas and 141 refrigerated vehicles for National Food Banks around the world, including 36 in 2013 alone.

Supporting Emmaüs Défi in France

Since 2011, the Carrefour Foundation has supported the social integration project of the association Emmaüs Défi in France, helping set up and develop a Socially Responsible Equipment Bank in Paris, France. The system involves selling and delivering new home equipment to underprivileged families at modest prices. Carrefour and its Foundation provide financial and material support through product donations and regular deliveries by the Carrefour logistics teams, depending on the unsold stock identified in various warehouses.

The 450 families who have benefited from this programme, guided by City of Paris social services, have scheduled an appointment to purchase their new equipment and other items in the show-flat on Rue Riquet in Paris, a space specially designed and dedicated to the purpose. Thanks to this initiative, families moving into permanent housing can furnish their home at an affordable price by selecting from a diverse range of items, including household linen, small and large appliances, furniture, bedding, crockery, and more. The programme also receives technical support from Carrefour's Espace Emploi teams, who seek to create pathways into employment for workers requiring professional support.

Finally, in December 2013, Carrefour and its Foundation financed the sale of 12,000 new toys at affordable prices for children from 0 to 8, helping 5,000 families give their children a very merry Christmas.

Developing the Shanghai Young Bakers programme in China

The Carrefour Foundation supports organisations that train, prepare, and support talented youths in finding jobs. The Shanghai Young Bakers programme is one example in China.

Launched in 2008 alongside the Chi Heng Foundation and Shanghai Economic Chamber members, this programme offers vocational job opportunities for young Chinese people aged 17-23 to learn French baking techniques. The Shanghai Young Bakers programme promotes the social integration of young people from disadvantaged backgrounds by offering them employment opportunities in a food-industry sector that is highly valued in China.

Nearly 100 young people have already been trained thanks to the support of the Carrefour Foundation, the main sponsor of the programme since its creation. Carrefour hypermarkets in China also support the programme's development by hosting young interns in their store departments each year. It is an opportunity for young people to master a trade and facilitate their integration into the working world.

In 2013, 21 of the 40 students recommended by six NGOs were accepted for the training programme, which includes an internship in one of ten partner hotels as well as an intensive internship at a Carrefour store. The training is recognised as being equivalent to a CAP professional qualification in France for its French baking content, and students ultimately receive a Chinese pastry diploma.

KEY FIGURES

48 sponsorship programmes run by the Carrefour Foundation in 2013.

A budget of €6.5 million, with 92% of the budget allocated directly to project support.

Nearly 400 projects supported since the Foundation was established in 2000.

The equivalent of 77 million meals provided free of charge in 2013 to food assistance associations around the world.

2.2.7.2 Solidarity driven by the countries where Carrefour is present

In addition to the national programmes initiated by the Foundation and rolled out to 11 countries, the local country management and stores also develop their own socially-responsible projects to meet the needs of their surrounding communities. The following pages give a few examples of local initiatives carried out by the countries.

Carrefour Solidaridad in Spain

Created in March 2001, the *Fundacion Solidaridad Carrefour* in Spain mainly supports initiatives for children affected by disabilities or exclusion. The 23,000 employees of Carrefour Spain are regularly approached to participate in local initiatives and calls for projects. 900 of them are now permanent ambassadors of the volunteer network they run. Organised into 131 committees, each under the supervision of the store director and HR director, the ambassadors monitor projects in the field.

In addition, the employees work alongside Carrefour to develop the partnership with the Spanish Food Bank Federation (FESBAL), and they participated in the food drive that rallied 264 Carrefour hypermarkets and supermarkets in Spain in April and May 2013. The drive collected 853 tonnes of food. Another initiative, called “Kilo”, was carried out by 168 Carrefour hypermarkets in November; the donations were topped up by the Group, which helped the drive collect a total of 1,626,112 kilos of food for donation to FESBAL.

The *Boucles du Cœur* in France

From May 13 to June 23, 2013, for the third *Boucles du Cœur*, Carrefour held 300 events across France to benefit local non-profit associations and the national heart surgery association, *Mécénat Chirurgie Cardiaque*. More than 1,100 stores and 130,000 employees joined the effort, ultimately collecting €1,200,000 and sharing it among 179 local non-profit associations and *Mécénat Chirurgie Cardiaque* to finance heart operations.

The *Boucles du Cœur* offer an opportunity for everyone to get involved, according to their skills and interests. Donations are taken at check-out and online at www.lesbouclesducoeur.fr for all of the selected non-profit associations; in addition, a donation is made when certain products are purchased at Carrefour and Carrefour *market* stores.

Sumando Voluntades, a social responsibility program in Argentina

Since 2011, the Carrefour Foundation has been working with Carrefour employees in Argentina to support *Alimentarse y Aprender*, a programme developed by the CONIN Foundation.

Over the past three years, Carrefour Argentina employees have been running an education programme called *Sumando Voluntades para Alimentarse y Aprender* (Learning to eat better together). During Nutrition Month, a “Nutrimobile” travelled more than 20,000 km to meet 32,000 students, run 500 workshops, and promote a balanced diet in 136 schools across 22 provinces of Argentina. This support was further reinforced by sponsorship of schools located near stores.

Sumando Voluntades offers 20,000 employees an opportunity to participate in local socially-responsible initiatives near their stores and head office. In 2013, the programme had 250 ambassadors. Together, they put in 19,300 hours of work to complete 1,800 projects in 2013, including support during natural disasters, and drives to collect food, toys and supplies for the destitute.

Voluntario, skills-based sponsorship in Brazil

The *Voluntario* programme founded by Carrefour Brazil in 2001 has already rallied 12,000 employees to share their knowledge and expertise with more than 600 associations, to whom they have donated more than 620,000 hours of volunteer work.

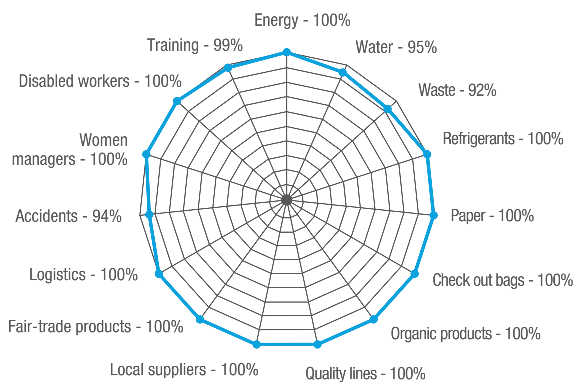
Every month, nearly 1,000 employees of Carrefour Brazil volunteer four hours of their time to benefit a non-profit association that Carrefour puts them in touch with. In 2013, 8,000 people benefitted from this shared expertise.

2.3 Assessment of performance and indicators

2.3.1 PERFORMANCE INDICATORS

2.3.1.1 Global indicator

2013 scope of coverage



The average coverage of the 2013 reporting indicators is 98,8% of Group scope in terms of sales, excluding VAT.

The product, store and logistics indicators are calculated year-to-year, from October 2012 to September 2013.

The human resources indicators are calculated over the year 2013.

2.3.1.2 Key indicators by format

	TOTAL	Hypermarket	Supermarket	Others	Definition of indicators
Products					
Number of listed controlled organic food products *(in units)*	2,153	2,134	2,045	N/A	Number of listed food products certified as organic or eco-friendly and developed as own-brands.
Sales of organic food products *(in €M)*	581	284	239	58	Amount of sales (incl. VAT) of food products certified as organic or eco-friendly.
Sales of Carrefour Quality Line products *(in €M)*	1,036	703	310	23	Sales (incl. VAT) of Carrefour Quality Line products: agricultural products meeting specifications that ensure product traceability and include social and environmental requirements.
Sales (incl. VAT) of fair trade products *(in €M)*	110	89	17	4	Amount of sales (incl. VAT) of fair trade products certified by an independent body (such as FLO, ESR, etc.) according to recognised criteria. Outside Europe, a product is considered fair-trade if it meets the certification criteria.
Percentage of sales of Carrefour-brand products from local suppliers	73.7	74.0	73.0	N/A	Sales percentage for Carrefour own-brand food listings produced in the country where they are marketed
Logistics					
CO_2 emissions per transport unit *(in kg/pallet)*	6.8	Not applicable			Calculated on the basis of kilometres travelled (1 litre of fuel consumed = 2.6667 kg of CO_2 emitted) to transport merchandise from warehouses to stores. Shipping unit: 120 x 80 cm pallet.
CO_2 emissions *(in thousands of tonnes)*	311	Not applicable			
Stores					
Energy consumption *(in kWh/sq.m of sales area)* ☑	572	530	763	538	Consumption of electricity, gas and fuel required to run consolidated stores.
Energy consumption (electricity, gas, fuel) *(in GWh)*	6,001	4,492	1,432	77	
CO_2 emissions generated by fuel, gas and electricity consumption *(in 1,000 t CO_2 eq.)* ☑	1,762	1,456	278	28	CO_2 eq. emissions linked to electricity, gas and fuel consumption required to run consolidated stores.
Water consumption *(in cu.m./sq.m. of sales area)*	1.6	1.8	1.2	1.4	Water consumption of consolidated stores. Excluding: HM/AR, SM/AR
Water consumption *(in millions of cu. m.)*	14.6	12.6	2.0	0.1	
Consumption of refrigerants *(in kg/1,000 Sq. m of sales area)*	59.1	51.4	90.3	77.5	Quantity of refrigerants used (CFCs, HCFCs, HFCs and others). Scope: cold cabinets for food and air-conditioning in consolidated stores.
CO2 emissions of stores (scopes 1 and 2) - *(1,000 t of CO_2 eq.)* ☑	3,375	2,539	772	64	CO_2 eq. emissions linked to electricity, gas, fuel and refrigerant consumption required to run consolidated stores.
Percentage of recycled waste, including food donations (as percentage of total waste)	60.9	64.0	48.7	N/A	Recycled waste of consolidated stores: paper/cardboard, plastic, organic waste, other (batteries, printer cartridges, neon, cooking oil, etc.) Excluding: HM/AR, SM/IT, AR
Recycled waste – excluding donations (in thousands of tonnes)	345	288	56	1	
Quantities of batteries collected *(in tonnes)*	855	582	273	0	

	TOTAL	Hypermarket	Supermarket	Others	Definition of indicators
Quantity of paper purchased for commercial publications *(in kg/sq.m of sales area)*	15.9	20.1	9.6	2.3	Consumption of paper for commercial publications expressed in kg per sq.m of sales area.
Quantity of paper purchased for commercial publications *(thousands of tonnes)*	207	173	31	3	Quantity of paper purchased for commercial publications (flyers, brochures, newspapers, etc.).
Percentage of paper certified or recycled	99.4	99.5	99.1	N/A	Percentage of paper purchased for commercial publications certified by a recognised body (FSC, PEFC, etc.) and/or recycled.
Number of free disposable plastic check-out bags *(in millions of bags)*	1,176	1,018	79	80	Number of disposable plastic bags purchased by stores and distributed free of charge at check-out.
Human resources					
Rate of absence due to workplace accidents *(in %)*	0.52	0.47	0.77	0.52	Number of hours of absence due to workplace and commuting accidents/number of theoretical work hours during the period (excluding work-related illnesses). Excluding: HM/IT, SM/IT
Women in management positions *(in %)*	36.8	31.9	37.0	44.0	Proportion of women in management positions ("manager" defined as an independent employee with decision-making authority holding a supervisory position).
Percentage of employees declared as having disabilities	2.8	2.8	3.2	1.7	Status defined by the legislation in force in each country (by default, this is any person with at least a 10% physical disability)/Average number of employees during the period.
Number of training hours *(thousands)*	5,131	4,208	500	423	Number of training hours. Excluding: SM/BR

☑ 2013 figures verified with a result of reasonable assurance

2.3.2 REPORTING METHODOLOGY FOR SUSTAINABLE DEVELOPMENT INDICATORS

2.3.2.1 Reporting methodology for Sustainable Development indicators

The Sustainable Development department relied on a multidisciplinary steering committee for the preparation of the 2013 management report. This committee brought together all the relevant Group departments (Quality, Human Resources, Legal, Marketing, Assets, Sales and Merchandise and Logistics) with representatives from the Sustainable Development network in the key European countries.

Principles for drawing up the Sustainable Development report

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

CSR (Corporate Social Responsibility)

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

Stakeholder involvement

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

Materiality

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

Timeliness

For the past 13 years, Carrefour has produced and published an annual Sustainability report. Since 2012, it has been integrated into the Group's management report.

Clarity

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

Scope of reporting

Principles applied

Comprehensiveness: the Group strives to be as comprehensive as possible. Thus, its Sustainable Development reporting describes the implementation of its policy in the 11 consolidated countries, and the Key Performance Indicators (KPIs) cover 98.8% of the Group's consolidated sales excluding tax.

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

Scope of reporting for fiscal year 2013

The reporting on sustainable development KPIs applies to all of the Group's BUs. The chart below indicates the Group's BUs in 2013.

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

Format	Abbre.
Hypermarket	HM
Supermarket	SM
Conventence stores	PRX
Cash & Carry	C&C

Group BU
NS - New activity
NA - format not present in the country

The scope excludes consumption from non-Group activities, transport of people, warehouses, franchised stores, head offices and other administrative offices.

Scope of environmental indicators (Energy, Water, Refrigerants, Waste, Check-out bags, Commercial publications): The scope includes consolidated stores open from October 1 to September 30 of the reporting period. Beginning with 2012, the reporting for these indicators, as well as the product and logistics indicators, is established on a year-on-year, 12-month basis from October 1 to September 30. In 2013, the water, waste, and fluids indicators that correspond to the Atacadao format and are consolidated for hypermarkets in Brazil were not included in the report.

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

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

Carrefour Banque and Carrefour Property Development, as a companies issuing securities on a regulated market, have published their company, environmental, and societal information in their own management report, in accordance with regulations.

Scope variation

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

If a BU was created or acquired after January 1, 2013, it is not included in our reporting.

If a BU was sold or closed in 2013, it is excluded from our reporting on environmental data for the year in its entirety.

For 2013, all consolidated activities in Turkey are included under franchising. They are therefore excluded from the reporting for the full fiscal year.

Sustainable Development Indicators

Principles applied

Our Sustainable Development reporting adheres to the following principles:

- **accuracy:** the Carrefour Group strives to ensure the accuracy of its published data by conducting a large number of manual and automatic internal controls.
- **comparability:** the Group strives to maintain consistency throughout its reports. Figures presented for several years apply the same definition.

Choice of indicators

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

References used

The 2013 management report adheres to the Global Compact's recommendations for "communication on progress", the guidelines of the G3 Global Reporting Initiative (Level B) and the guiding principles of the OECD (see the cross-reference tables on pages 278 to 281). As an addition to the annual report, it also complies with the requirements of Art. 225 of the French Commercial Code.

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

Furthermore, through Enablon, a computerised reporting application, each reporting liaison has access to a data collection procedure, a user's guide for the Enablon reporting application, definitions for each KPI, and a check-list of control points, which are distributed internally to the Sustainable Development reporting managers.

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

Methodological particularities

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

Methodological notes

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

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

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

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

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

Check-out bags: the quantity of check-out bags published corresponds to the number of bags purchased by the BU during the reporting period.

Grammage: The definition used by the Group is the quantity of paper purchased for commercial publications compared to the surface of paper purchased for commercial publications (in g/sq.m.).

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

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

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

Rate of absence: The calculation method used by the countries is based on business days; however, different methods may still exist in some countries.

Percentage of employees recognised as having disabilities:A "person with a disability" is defined by local regulations in each country.

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

Carrefour Quality Line contracts: Contracts that meet the Carrefour Quality Line criteria defined by Carrefour with its suppliers.

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

Methodological limitations of the indicators

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

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

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

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

For the Energy KPI, the quantity of energy published corresponds to the quantity purchased and not the quantity actually consumed for fuel and gas (15% of the energy consumed by the stores).

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

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

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

With regard to the workplace accident KPI, for some BUs for which data is obtained based on the payroll tool the number of workplace accidents with stoppage is estimated according to the number of hours of absence due to a workplace accident.

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

Methods of data collection, consolidation and control

Reporting period

Reporting is performed twice annually: annual reporting is conducted for the management report, published and submitted to the Board of Directors for approval, and a half-year report is also published.

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

To meet the requirements of the publication deadlines required under Article 125 of the Grenelle II environment forum regulations, the indicators on store performance, logistics and merchandise are now calculated on a year-on-year basis from October to September.

Data collection methods

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

Data consolidation methods

The Sustainable Development department consolidates all Sustainable Development indicators at Group level using our Enablon application.

Environmental data control methods

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

Social data control methods

Social data are locally checked before being entered in the Group human resources tool. The Group's Human Resources department carries out a second level of data control. Inconsistencies and errors that are found are reviewed together with the countries and corrected as needed.

External audit

Principle applied

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

External audit

The reporting procedures have been verified by our external Statutory Auditor, Mazars, an independent third body. For the information considered most significant, substantive tests have been conducted on the data. Indicators identified with the þ symbol have been reviewed for reasonable assurance.

Continuous improvement

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

2.3.3 REPORT BY AN INDEPENDENT THIRD PARTY ON THE CONSOLIDATED COMPANY, ENVIRONMENTAL AND SOCIETAL INFORMATION SET FORTH IN THE MANAGEMENT REPORT

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

Year ended December 31, 2013

To the shareholders,

In our capacity as an independent third party, whose application for accreditation was accepted by Cofrac, and as member of the Mazars network, Statutory Auditors for Carrefour, we present our report on the consolidated company, environmental and societal information for the fiscal year ended December 31, 2013, presented in the management report (referred to below as the "CSR Information"), in accordance with Article L. 225-102-1 of the French Commercial Code.

The Company's responsibility

It is the responsibility of the Board of Directors to draw up a management report covering the CSR Information mentioned in Article R.225-105-1 of the French Commercial Code, established in accordance with the reporting procedure used (the "Reporting Procedure", a summary of which appears in the management report, and which is available upon request from the Group Human Resources department or the Group Sustainability department.

Independence and quality control

Our independence is defined by regulatory texts, the Code of Ethics for Statutory Auditors and the provisions of Article L.822-11 of the French Commercial Code. We have introduced a quality control system that covers the policies and procedures documented and aimed to ensure respect for the Code of Conduct, professional standards and applicable laws and regulations.

The independent third party's responsibility

Our role, based on our audit, is to:

- attest that the required information is present in the management report or, in the event of omission, is explained pursuant to the third paragraph of Articl R.225-105 of the French Commercial Code (Attestation of Presence of CSR Information);
- conclude with limited degree of assurance that the CSR Information, taken as a whole, is fairly presented, in all significant aspects, in accordance with the Reporting Procedure (Reasoned opinion on the fairness of the CSR Information);
- express, at the Company's request, a reasonable degree of assurance that the information selected by the Company and identified by the symbol þ in Chapter 2 of the management report were prepared, in all significant aspects, in accordance with the Reporting Procedure.

Our work was carried out by a five-person team between late August 2013 and early March 2014, over a period of approximately 21 weeks. We were assisted in our work by our CSR experts.

We performed the work described below in accordance with professional standards applicable in France, and with the order dated May 13, 2013 which establishes methods to be used by an independent third party entity in carrying out its mission and, concerning the reasoned opinion on fairness and the reasonable assurance report, with ISAE 3000 (1).

1. Attestation of presence of CSR Information

Based on interviews with managers of the relevant departments, we reviewed the report on sustainable development guidelines, based on social and environmental consequences related to the Company's activity and its societal commitments and, where applicable, the actions and programs arising from them.

We compared the CSR information presented in the management report with the list mentioned in Article R.225-105-1 of the French Commercial Code.

In the event that certain consolidated information was absent, we verified that explanations were supplied in compliance with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope, which is to say the Company and its subsidiaries within the meaning of Article L.233-1 and the companies it controls within the meaning of Article L.233-3 of the French Commercial Code, within the limits specified in the paragraph entitled "Methodology for Reporting Sustainable Development Indicators" in the management report.

Based on this work, and within the limits mentioned above, we attest to the presence in the management report of the CSR Information required.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of the work

We conducted approximately twenty interviews with sixty persons responsible for preparing the CSR Information within the departments responsible for the information gathering process and, where applicable, responsible for internal control procedures and risk management, in order to:

- assess the appropriateness of the Reporting Procedure in terms of relevance, exhaustiveness, reliability, neutrality and intelligibility, taking into consideration the best practices of the sector, where appropriate;
- verify the implementation of a collection, compilation, treatment and control process, aimed at achieving exhaustiveness and consistency in the CSR Information, and review internal control and risk management procedures relating to the preparation of the CSR Information.

We have determined the nature and scope of tests and controls based on the nature and importance of the CSR Information, given the characteristics of the Company, the social and environmental issues related to its activities, its guidelines related to sustainable development and best practices in the sector.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

For CSR information that we considered to be the most significant (set forth in the appendix):

- for both the consolidating entity and the Group Human Resources and Sustainable Development departments, we reviewed documents and conducted interviews to corroborate qualitative information (organisation, policies, actions), used analytic procedures on quantitative information and performed tests to verify the calculations and the consolidation of the data, and verified their consistency and agreement with the other information contained in the management report;
- for a representative sampling of entities (2) that we selected based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we conducted interviews to verify the correct application of procedures and implementation of detailed tests based on sampling, which involved verifying the calculations made and reconciling the data with supporting documentation. The selected sample represented 47% of the workforce and between 27% and 75% of the quantitative environmental information.

For other consolidated CSR information, we have assessed its consistency with respect to our knowledge of the Company.

Finally, we weighed the relevance of the explanations concerning the total or partial absence of certain information.

We believe that the sampling methods and the size of the samples we have used in exercising our professional judgment enables us to express a conclusion with a limited degree of assurance. A higher level of assurance would have required more extensive verifications. Because of our reliance on sampling techniques, as well as other limitations inherent in operating any information or internal control system, the risk of failing to detect a material misstatement in the CSR Information cannot be completely eliminated.

Conclusion

Based on our review, we did not find any material misstatements that would call into question the fact that the CSR information, taken as a whole, is fairly presented in accordance with the Reporting Procedure.

3. Reasonable assurance report on a selection of CSR Information

Nature and scope of the work

With regard to the information selected by the Company and identified with the symbol ☑, we have performed work of the same type as described in paragraph 2 above for the CSR Information deemed the most significant, but in a more detailed manner, especially with regard to the number of tests.

The selected sample represented on average between 62% and 75% of the environmental information identified with the symbol ☑.

We believe that this work enables us to express a reasonable degree of assurance on the information selected by the Company and identified with the symbol ☑.

Conclusion

In our opinion, the information selected by the Group and identified by the symbol ☑ was prepared, in all significant aspects, in accordance with the Reporting Procedure.

Signed in Paris-La Défense, March 4, 2014

Independent third party entity
Mazars SAS

Emmanuelle Rigaudias
CSR and Sustainable Development Partner

(2) *Company information: France Hypermarkets and Supermarkets; Brazil Hypermarkets and Supermarkets (Carrefour Brazil and Atacadao); Argentina Hypermarkets and Supermarkets.*
Environmental and quality information: France Hypermarkets and Supermarkets; Brazil Hypermarkets and Supermarkets (Carrefour Brazil and Atacadao); Argentina Hypermarkets and Supermarkets; China Hypermarkets (CO_2 emissions related to energy consumption in stores and CO_2 emissions related to consumption of gas refrigerants); Spain Hypermarkets and Supermarkets (CO_2 emissions related to energy consumption in stores).

Appendix: list of the most significant information

Company information

- Workforce by gender, employee category, age, geographic region;
- Percentage of women in management;
- Part-time employees;
- Total number of new hires (fixed-term/permanent contracts);
- Turnover of employees under permanent contracts;
- Number of workplace accidents with work stoppage;
- Total number of training hours;
- Number of employees recognised as having disabilities.

Environmental and quality information

- Energy consumption in GWh and in kWh/sq.m;
- CO_2 emissions linked to the energy consumption of stores by sq.m;
- CO_2 emissions linked to refrigerant consumption;
- Water consumption by sq.m;
- Waste recycled (including donations) by sq.m;
- CO_2 emissions per shipping unit;
- Quantity of paper purchased for commercial publications in kg/sq.m of area and in thousands of tonnes;
- Number of listed controlled organic products;
- Number of Carrefour Quality Line contracts signed;
- Number of listed responsible and fair trade products;
- Amount of sales (incl. VAT) of food products purchased from local suppliers.

3

CORPORATE GOVERNANCE

3.1 Corporate Governance Code

Since November 12, 2008, the Company has been committed to the AFEP-MEDEF Corporate Governance Code for listed companies. The AFEP-MEDEF Code may be consulted at the Company's head office.

3.2 Composition and operation of the Board of Directors

3.2.1 COMPOSITION OF THE BOARD OF DIRECTORS

By decision of the Shareholders' Meeting of April 20, 2005, the Company adopted the form of a public limited company *(société anonyme)* with a Management Board and Supervisory Board. By decision of the Shareholders' Meeting of July 28, 2008, the Company adopted the form of a public limited company with a Board of Directors. The positions of Chairman and Chief Executive Officer were separated.

By its decision of June 21, 2011, the Board of Directors consolidated the duties of Chairman and Chief Executive Officer. The Board's decision to consolidate the duties of Chairman of the Board of Directors and Chief Executive Officer is designed to simplify the decision-making process and enhance the efficiency and responsiveness of the Company's governance.

The Board of Directors comprises 14 members: Georges Plassat (Chairman and Chief Executive Officer), Amaury de Seze (senior independent director), Mathilde Lemoine, Anne-Claire Taittinger, Diane Labruyère, Bernard Arnault, Thomas J. Barrack Jr, Nicolas Bazire, Jean-Laurent Bonnafé, Thierry Breton, René Brillet, Charles Edelstenne, Bertrand de Montesquiou and Georges Ralli.

The Board of Directors benefits from the presence of highly committed members with complementary experience (retail, financial, industrial and commercial expertise, amongst others), some of whom have in-depth experience and knowledge of the business and its environment both in France and abroad.

At its meeting on January 15, 2014, the Board of Directors decided the cooptation of Thomas J. Barrack Jr as a member of the Board. He replaces Sébastien Bazin for the remainder of his term of office, namely until the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2015.

Mr Barrack's cooptation will be subject to ratification by the shareholders at the Shareholders' Meeting on April 15, 2014.

The members of the Board of Directors were appointed for a term of three fiscal years. Pursuant to the provisions of the Nineteenth Resolution adopted by the Shareholders' Meeting of July 28, 2008, and so that the terms of one-third of the members of the Board are renewed each year, the Board of Directors drew lots to determine the names of those directors whose terms would be subject to early expiration in the first and second years.

The directors whose terms expired at the end of the 2013 fiscal year are Amaury de Seze, Bernard Arnault, Jean-Laurent Bonnafé and René Brillet.

The terms of office of Anne-Claire Taittinger, Sébastien Bazin, Thierry Breton and Charles Edelstenne were renewed for a period of three years by the Shareholders' Meeting of April 23, 2013. Sébastien Bazin's term of office ended on January 15, 2014.

The terms of office of Mathilde Lemoine, Georges Plassat and Nicolas Bazire were renewed for a period of three years by the Shareholders' Meeting of June 18, 2012. Diane Labruyère, Bertrand de Montesquiou and Georges Ralli were appointed by the same Shareholders' Meeting.

Three women sit on the Board of Directors. The Board is therefore applying the law of January 27, 2011 regarding balanced representation of women and men, which sets the proportion at 20%.

In accordance with the AFEP-MEDEF Corporate Governance Code for listed companies and at the recommendation of the Appointments Committee, on March 4, 2014 the Board of Directors decided, after examining the situation, that nine of its members could be considered independent directors. Thus, Mathilde Lemoine, Anne-Claire Taittinger, Diane Labruyère, Georges Ralli, Thierry Breton, René Brillet, Charles Edelstenne, Bertrand de Montesquiou and Amaury de Seze are considered independent directors.

Directors are independent if they have no relationship of any kind to the Company, its group or its management that might compromise their freedom of judgement.

The criteria that guide the Board of Directors in considering a member to be independent are those specified in the AFEP-MEDEF Code, as follows:

- not to be an employee or corporate officer of the Company nor an employee or director of its parent company or consolidated company and not to have been so over the previous five years;
- not to be a corporate officer of a company of which the Company holds office as a director, either directly or indirectly, or in which an employee designated as such or an executive officer of the Company (currently or within the last five years) holds or has held office as a director;
- not to be a client, supplier, corporate banker or investment banker:
  - that is significant for the Company or its Group,
  - or for which the Company or its Group represents a significant proportion of its business;
- not to have any close family ties with a corporate officer;
- not to have been a Statutory Auditor for the business over the previous five years;
- not to have been a director of the business for over 12 years.

Sébastien Bazin acted as Vice-Chairman from June 21, 2011 to January 15, 2014.

At its meeting of June 21, 2011, the Board of Directors appointed Amaury de Seze as senior independent director. His term of office was renewed by decision of the Shareholders' Meeting on June 18, 2012. The role of the senior independent director is to assist the Chairman in his responsibilities in respect of the proper functioning of the Company's governance bodies. He has particular responsibility for examining situations where there is a real or potential conflict of interest, which could affect the directors or the Chairman of the Board in respect of the interests of the business, whether this relates to operational projects, strategic direction or specific agreements.

Corporate officers' statement

For purposes of their corporate positions, members of the Board of Directors are domiciled at the Company's head office.

There are no family relationships between the Company's corporate officers.

To the Company's knowledge and as of the date this Registration Document was prepared, during the past five years no corporate officers (members of the Board of Directors and the Chief Executive Officers) have:

- been convicted of fraud;
- been involved in a bankruptcy, receivership or liquidation;
- been subject to official public sanction by statutory or regulatory authorities;
- has been prevented by a court from acting as a member of an administrative, management or supervisory body or from being involved in an issuer's management or business operations.

To the Company's knowledge and as of the date this Registration Document was prepared, no conflict of interest has been identified between the duties of any corporate officers (members of the Board of Directors and the Chief Executive Officer) with respect to the Company and their private interests or other duties.

To the Company's knowledge and as of the date this Registration Document was prepared, there are no arrangements or agreements concluded with the main shareholders, customers, suppliers or other parties whereby one of the Company's corporate officers (members of the Board of Directors and the Chief Executive Officer) has been selected as a member of one of their administrative, management or supervisory bodies or as a member of their general management.

There are no contractual relations between the Company and the members of the Board of Directors.

Corporate officers' biographies

Georges Plassat

Chairman and Chief Executive Officer

Born on March 25, 1949. French.

Number of Company shares owned: 30,000

Date of appointment to the Board: May 23, 2012

Ratification and renewal date: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014.

Experience:

Casino Group (1983-1997): Marketing director then Chief Executive of the Group's catering division (1988-1990), Chief Executive of Casino France (1990-1992), Managing director (1992-1994), Vice-Chairman of the Management Board (1994-1996), then Chairman of the Management Board of the Casino Group (1996-1997). Executive director, Spain, of the Carrefour Group and Deputy director of Pryca (1997-1999). Chairman of the Management Board of the Vivarte group (formerly the André group) (2000) then its Chairman and Chief Executive Officer (2004-2012).

Amaury de Seze

Senior independent director

(independent member)

Born on May 7, 1946. French.

Number of Company shares owned: 12,500

Date of appointment to the Board: July 28, 2008

Renewal date: June 21, 2011

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2013

Experience:

Amaury de Seze began his career in 1968 with Bull General Electric. In 1978, he joined the Volvo Group, where he held the posts of Chief Executive Officer, Chairman-CEO of Volvo France, Chairman of Volvo Corporate Europe, member of the Executive Committee of the Volvo Group and member of the Strategic Committee of Renault Volvo. He joined the Paribas Group in 1993 as member of the Executive Board of the Compagnie Financière de Paribas and Banque Paribas, in charge of equity holdings and industrial affairs, and as head of the Equity Holdings Division of BNP-Paribas. He served as Chairman of PAI Partners from 1998 to December 2007.

Positions held outside the Group:

Vice-Chairman of Power Financial Corporation of Canada (Canada)

Director of BW Group (Singapore)

Director of Groupe Bruxelles Lambert (Belgium)

Director of Erbe SA (Belgium)

Director of Pargesa Holding SA (Switzerland)

Director of Suez Environnement

Chairman of the Supervisory Board of PAI Partners SA

Member of the Supervisory Board of Publicis Groupe

Director of Imerys SA

Director of Thales SA*

Bernard Arnault

Born on March 5, 1949. French.

Number of Company shares owned: 1,000

Date of appointment to the Board: July 28, 2008

Renewal date: June 21, 2011

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2013

Experience:

Bernard Arnault began his career as an engineer at Ferret-Savinel.

In 1974, he became the company's Head of Construction, and then Chief Executive Officer in 1977 and finally Chairman-CEO in 1978. He remained there until 1984, when he became Chairman-CEO of Financière Agache SA and Christian Dior SA.

He embarked on the restructuring of the Financière Agache Group as part of a development strategy based on prestige brands, making Christian Dior the cornerstone of the organization. In 1989, he became the majority shareholder of LVMH Moët Hennessy-Louis Vuitton, thus creating the world's first luxury goods group. He became its Chairman in January 1989.

Positions held outside the Group:

Chairman and Chief Executive Officer of LVMH Moët Hennessy-Louis Vuitton SA

Chairman of the Board of Directors of Christian Dior SA

Chairman of the Board of Directors of Louis Vuitton (corporate foundation)

Chairman of Groupe Arnault SAS

Director of Christian Dior Couture SA

Chairman of the Board of Directors of Château Cheval Blanc

Director of LVMH Moët Hennessy-Louis Vuitton Inc. (United States)

Director of LVMH Moët Hennessy-Louis Vuitton Japan KK (Japan)

Member of the Supervisory Committee of Financière Jean Goujon SAS

Director of LVMH International SA (Belgium)

Director of LVMH Services Limited (Great Britain)

Thomas J. Barrack Jr

Born on April 28, 1947. American.

Date of cooptation to the Board: January 15, 2014

Submitted to approval of the Shareholders' Meeting convened on April 15, 2014

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience:

Prior to the formation of Colony Capital in 1990, Mr. Thomas J. Barrack Jr, US citizen, was in particular a principal with the investment company Robert M. Bass Group, based in the Fort Worth, Texas.

Mr. Barrack also served in the Reagan administration as Deputy Undersecretary of the Department of the Interior.

Mr. Barrack holds a BA from the University of Southern California and a JD from the University of San Diego.

Positions held outside the Group:

Director of Accor*

Director of Colony Financial Inc (United States)

Director of First Republic Bank (United States)

Nicolas Bazire

Born on July 13, 1957. French.

Number of Company shares owned: 1,000

Date of appointment to the Board: July 28, 2008

Renewal date: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014

Experience:

Nicolas Bazire was an auditor and then senior public auditor with the Court of Auditors. In 1993 he became Chief of Staff to French Prime Minister Edouard Balladur. He served as a Managing Partner at Rothschild & Cie Banque from 1995 to 1999, when he was appointed to the Supervisory Board. He has been CEO of Groupe Arnault SAS since 1999.

Positions held outside the Group:

Chief Executive Officer of Groupe Arnault SAS

Director of LVMH – Moët Hennessy Louis Vuitton SA

Director of Atos SE

Chairman of the Appointments and Remuneration Committee of Atos SE

Director of Suez Environnement Company SA

Member of the Supervisory Board of Rothschild & Cie Banque SCS

Director of Agache Développement SA

Director of Europatweb SA

Director of Financière Agache SA

Director of Financière Agache Private Equity SA

Director of Les Echos SA

Vice-Chairman of the Supervisory Board of Les Echos SAS

* *Term of office expired in 2013.*

Director of LVMH Fashion Group SA

Member of the Supervisory Committee of Montaigne Finance SAS

Member of the Supervisory Committee of Semyrhamis SAS

Director of Fondation Louis Vuitton (corporate foundation)

Manager of Les Chevaux de Malmain SARL

Jean-Laurent Bonnafé

Born on July 14, 1961. French.

Number of Company shares owned: 1,030

Date of appointment to the Board: July 28, 2008

Renewal date: June 21, 2011

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2013

Experience:

An engineering graduate of the École Polytechnique and École des Mines, Jean-Laurent Bonnafé joined the BNP Group in 1993 in the Major Accounts Division. After serving as Head of Strategy and Development from 1997, he oversaw the merger process between BNP and Paribas. Since 2002, he has been Head of French Retail Banking, director of Networks for French Retail Banking and a member of the BNP Paribas Executive Committee. Mr. Bonnafé has been appointed Deputy Chief Executive Officer and has been managing the Group's retail banking business.

Positions held outside the Group:

Director and Chief Executive Officer of BNP Paribas

Director of BNL – Banca Nazionale del Lavoro (Italy)

Director of BNP Paribas Fortis (Belgium)

Director of Erbe SA (Belgium)*

Thierry Breton

(independent member)

Born on January 15, 1955. French.

Number of Company shares owned: 1,000

Date of appointment to the Board: July 28, 2008

Renewal date: April 23, 2013

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience:

Thierry Breton graduated from the Paris École Supérieure d'Électricité (Supelec) and the Institut des Hautes Études de Défense Nationale (IHEDN, 46th class). In 1986, Mr. Breton became Project manager of the Poitiers Futuroscope theme park, then headed its teleport operations. He later served as an advisor to Education Minister René Monory in the field of new information technologies. Mr. Breton also sat on the Poitou-Charentes Regional Council from 1986 to 1992, serving as Vice-Chairman from 1988. He then joined Bull as Head of Strategy & Development, before being appointed as Deputy Chief Executive Officer. Appointed to the Group's Board of Directors in February 1996, he was later made Deputy Chairman of the Board of Directors and then Chief Executive Officer of the Group. Chairman-CEO of Thomson (1997-2002) and then Chairman-CEO of France Telecom (2002-2005), he was France's Minister of the Economy, Finance, and Industry between February 25, 2005 and May 16, 2007, before becoming a professor at Harvard University (USA) in "Leadership, Corporate Accountability", then Chairman of the Management Board of Atos Origin in November 2008.

Positions held outside the Group:

Chairman of the Board of Directors and Chief Executive Officer of Atos SE

Chief Executive Officer of Atos International SAS

René Brillet

(independent member)

Born on August 1, 1941. French.

Number of Company shares owned: 270,250

Date of appointment to the Board: July 28, 2008

Renewal date: June 21, 2011

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2013

Experience:

Carrefour's former Chief Executive Officer Asia, René Brillet began his career as a radio officer in the merchant navy in 1968. In 1972 he joined Carrefour and held a series of posts, ranging from Senior Accountant in Italy and Brazil, to Store manager and Head of Organization and Procedures, also while he was in Brazil. In 1981, he moved to Argentina as Executive Director, and then to Spain from 1982 to 1985, and finally to France, which he managed from 1986 to 1995. In 1996, he was appointed Chief Executive Officer for Europe and then Chief Executive Officer for Asia in 1998, a position he held until February 28, 2004.

Positions held outside the Group:

Director of Électricité et Eaux de Madagascar

Charles Edelstenne

(independent member)

Born on January 9, 1938. French.

Number of Company shares owned: 1,000

Date of appointment to the Board: July 28, 2008

Renewal date: April 23, 2013

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience:

A qualified chartered accountant (IFEC graduate), Charles Edelstenne joined Dassault Aviation in 1960 as Head of the Financial Analysis Unit. He went on to hold posts such as Deputy Secretary-General and Executive Deputy Chairman, Economic and Financial Affairs, before being appointed to the Board in 1989. He was elected as Chairman-CEO in 2000, a role he has held ever since.

Positions held outside the Group:

Chairman and Chief Executive Officer of Dassault Aviation SA*

Honorary President of Dassault Aviation SA

Chief Executive Officer of GIMD (Groupe Industriel Marcel Dassault) SAS

Chairman of the Board of Directors of Dassault Systèmes SA

* *Term of office expired in 2013.*

Member of the Supervisory Board of GIMD (Groupe Industriel Marcel Dassault) SAS

Director of Thales SA

Director of Sogitec Industries SA

Director of SABCA (Société Anonyme Belge de Constructions Aéronautiques) (Belgium)

Chairman of Dassault Falcon Jet Corporation (United States)

Chairman of Dassault International Inc. (United States) *

Manager of ARIE civil partnership

Manager of ARIE 2 civil partnership

Manager of NILI civil partnership

Manager of NILI 2 civil partnership

Diane Labruyère-Cuilleret

(independent member)

Born on November 27, 1968. French.

Number of Company shares owned: 34,580

Date of appointment to the Board: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014

Experience:

A graduate of HEC Paris, UC Berkeley and the Fondaçao Getulio Vargas in Sao Paulo, she began her career in the French Development Agency managing agro-industrial projects in Portuguese-speaking Africa.

She was then recruited by the PARIDOC central buying office, where she set up the Research and Marketing department. In 1997 she joined Carrefour as director of Purchasing and Product Marketing. In 2002, she founded the Institut Robin des Bois (Robin Hood Institute) in Geneva, a private foundation financing projects, primarily in Africa, in the fields of healthcare, education and microfinance. In 2007, she joined the family business - Labruyère & Eberlé - and continues to expand its food distribution activities.

Positions held outside the Group:

Chairman of the Institut Robin des Bois (Switzerland)

Director of the Fondation Antenna Technologies (Geneva, Switzerland)

Member of the Executive Committee of Labruyère & Eberle

Mathilde Lemoine

(independent member)

Born on September 27, 1969. French.

Number of Company shares owned: 2,000

Date of appointment to the Board: May 20, 2011

Renewal date: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014

Experience:

After obtaining a PhD in Economics, Mathilde Lemoine began her career as a post-graduate researcher and then teaching assistant for the Healthcare Economics and Management Chair at the French Political Science Foundation (between 1996 and 1999). In 2000, she was the economist and general secretary for the French Economic Observatory (OFCE) before serving as technical advisor for macroeconomic and globalization issues for the Foreign Trade Minister from 2002 to 2005. She was also the foreign trade and globalization advisor for the ministers of the Economy, Finance, and Industry (2004-2005). She then served as the advisor on macroeconomics and taxation for the Prime Minister (2005-2006). Since 2006 she has been the Economist and director of Economic Research and Market Strategy at HSBC France and Economist for the HSBC Group. She is also a member of the French Council of Economic Analysis (CAE) and the French National Economic Commission (CEN) and Professor at the Institut d'Études Politiques in Paris.

Member of the second "Commission pour la libération de la croissance" and rapporteur of the Climate and Energy Conference, Mathilde Lemoine has published numerous articles on national and international economic trends as well as on structural transformations.

Positions held outside the Group:

Member of HSBC France Executive Committee

Bertrand de Montesquiou

(independent member)

Born on July 1, 1947. French.

Number of Company shares owned: 198,261

Date of appointment to the Board: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014

Experience:

Bertrand de Montesquiou graduated from the École des Hautes Études Commerciales (HEC) business school in 1969. He continued his training at the Faculté des Lettres et Sciences Humaines in Nanterre and the University of Paris-Dauphine. From 1972 to 1980, he worked at the Paris Stock Exchange as portfolio manager for Roth le Gentil-Varangot, then for Sellier (for which he became proxy holder in 1976) and was certified as a professional stockbroker in 1977.

In 1980, he joined the family-owned retail group Guyenne et Gascogne, Carrefour's partner in southwest France and Spain, as an attaché to general management. He was appointed Chief Executive Officer in 1983, Chairman and Chief Executive Officer in 1986 and Chairman of the Management Board in 1996. He is also Vice-Chairman and Chief Executive Officer of Sogara SAS and Vice-Chairman of Centros Comerciales Carrefour (Spain).

* *Term of office expired in 2013.*

Georges Ralli

(independent member)

Born on July 23, 1948. French.

Number of Company shares owned: 5,000

Date of appointment to the Board: June 18, 2012

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2014

Experience:

Georges Ralli holds a DESS (post graduate diploma) in banking and finance from the University of Paris-V, and is a graduate of the Paris Institut d'Études Politiques (economics and finance option) and the Institut Commercial in Nancy.

He joined Crédit Lyonnais in 1970 where he served in a number of management positions until 1981 (General Accounting Research department responsible for monitoring statutory ratios and consolidation procedures for the Group's Alsace Regional department for corporate customers - Financial Affairs department responsible for the primary equity market business). In 1982, he became Secretary to the Commission for Savings Development and Protection, then, from 1982 to 1985, managed the Financial Negotiations department of Crédit du Nord (primary equity and bond markets, mergers and acquisitions, proprietary investment).

He joined Lazard in 1986 to develop its primary equity market business. In 1989 he moved to the mergers and acquisitions department. He became managing partner in 1993 and was appointed as co-head of the firm's mergers and acquisitions from 1999. From 2000 to 2012, Georges Ralli was Managing director and Deputy Chairman of the Lazard LLC Executive Committee (USA). He was simultaneously headed up its French branch (Maison Française) until 2009. Until 2012, he was President of the European mergers and acquisitions activities (Maison Lazard) and European asset management and private banking businesses activities (Lazard Frères Gestion and Lazard Wealth Management Europe). Currently, he manages IPF Partners, investment company specialized in health activity.

Positions held outside the Group:

Director of Chargeurs SA

Director of SILIC SA*

Permanent representative of Groupama which is director of Veolia Environnement

Manager of IPF Management 1 sarl (Luxembourg)

Manager of IPF Partners sarl (Switzerland)

Anne-Claire Taittinger

(independent member)

Born on November 3, 1949. French.

Number of Company shares owned: 3,901

Date of appointment to the Supervisory Board: April 20, 2005

Date of appointment to the Board: July 28, 2008

Renewal date: April 23, 2013

Term of office expires: Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2015

Experience:

Anne-Claire Taittinger graduated from the Institut d'Études Politiques de Paris, and holds a Master's degree in urban sociology and an advanced degree in urban development from the Centre de Perfectionnement aux Affaires. She began her career in 1976 at the Caisse des Dépôts et Consignations as head of urban development operations at the Société Centrale d'Équipement du Territoire. She joined the Louvre Group in 1979 as Corporate Secretary and then became Chairman-CEO of the Compagnie Financière Deville. She later became Chairman-CEO of Compagnie Financière Leblanc and of ELM-LEBLANC, Deputy Chairman-CEO of the industrial division of DEVILLE, Chairman-CEO of Parfums Annick Goutal France USA, and then of Baccarat. She became Chief Executive Officer and subsequently Chairman of the Executive Committee of the Société du Louvre in 1997. In 2002 she became Chairman of the Executive Board of the Taittinger Group and Chief Executive Officer of its subsidiary Groupe du Louvre when the functions of Chairman of the Board and Chief Executive Officer were separated. She left these posts in July 2006 following a change in ownership at the Taittinger Group.

Positions held outside the Group:

Director and Chairman of the Appointments, Remuneration and Corporate Governance Committee of Club Méditerranée

Director of Financités*

Director of IFA (Institut Français des Administrateurs)*

Member of the Supervisory Board of Planet Finance*

Chairman of Le Riffray SAS

Director and Chairman of the Accounts and Internal Audit Committee of Thales SA

Robert Halley

Honorary Chairman

* *Term of office expired in 2013.*

DIRECTOR APPOINTMENTS FROM 2009 TO 2013

Members of the Board

Georges Plassat ***Chairman and Chief Executive Officer***	2013	**Positions held within the Group** ▪ Chairman and Chief Executive Officer of Carrefour **Positions held outside the Group** ▪ N/A
		Former positions held from 2009 to 2012 ▪ Chairman and Chief Executive Officer of the Vivarte Group (formerly Groupe André) (Expiration date of term: 2012)
Sébastien Bazin ***Vice-President until January 15, 2014***	2013	**Positions held within the Group** ▪ Member of the Board of Directors of Carrefour (Expiration date of term: January 15, 2014) **Positions held outside the Group** ▪ Executive Managing director of Colony Europe ▪ Chairman and CEO of SESE SA (Société d'Exploitation Sports et Événements) (Expiration date of term: April 22, 2013) ▪ Chairman and CEO of HSE SA (Holding Sports et Événements) (Expiration date of term: April 22, 2013) ▪ Director of Accor SA ▪ Director of Edenred SA (Expiration date of term: September 1, 2013) ▪ Managing director of Sisters Soparfi SA (Luxembourg) ▪ Member of the Supervisory Board of ANF Immobilier SA (Les Ateliers du Nord de la France) ▪ Chairman of Colillkirch France SAS (Expiration date of term: December 20, 2013) ▪ Chairman of Colfilm SAS (Expiration date of term: December 20, 2013) ▪ Chairman of Bazeo Europe SAS ▪ Chairman of Colony Capital SAS ▪ Chief Executive Officer of Toulouse Canceropole SAS ▪ Chief Executive Officer of ColSpa SAS (Expiration date of term: September 30, 2013) ▪ Manager of CC Europe Invest SARL ▪ Managing Partner of Nina SC ▪ Legal representative of Colony Capital SAS, which chairs ColSpa SAS ▪ Chairman of Colyzeo Investment Ltd (United Kingdom) ▪ Chairman of Data 4 SAS (Expiration date of term: August 29, 2013) ▪ Manager of Société du Savoy à Méribel SARL ▪ Manager of Colmed SARL ▪ Managing Partner of Haute Roche civil partnership ▪ Managing Partner of Madeleine Michelis civil partnership ▪ Managing Partner of Ranelagh civil partnership ▪ Legal representative of Colony Capital SAS, which manages SC George V 302 (Expiration date of term: July 9, 2013)
		Former positions held from 2009 to 2012 ▪ Director (SAS) of Moonscoop SAS (Expiration date of term: 2009) ▪ Member of the Supervisory Board (SAS) of Group Lucien Barrière (Expiration date of term: 2009) ▪ Chairman of the Supervisory Board of PSG Football Club (Expiration date of term: 2010) ▪ Chairman (SAS) of Colwine (Expiration date of term: 2010) ▪ Director of Moonscoop IP (Expiration date of term: 2011) ▪ Director of La Tour Réseau de Soins SA (Switzerland) (Expiration date of term: 2012) ▪ Director of Permanence de la Clinique de Carouge (Switzerland) (Expiration date of term: 2012) ▪ Manager of La Tour SARL (Switzerland) (Expiration date of term: 2012)
Amaury de Seze ***Senior independant Director***	2013	**Positions held within the Group** ▪ Member of the Board of Directors of Carrefour **Positions held outside the Group** ▪ Vice-Chairman of Power Financial Corporation of Canada (Canada). ▪ Director of BW Group (Singapore) ▪ Director of Groupe Bruxelles Lambert (Belgium) ▪ Director of Erbe SA (Belgium) ▪ Director of Pargesa Holding SA (Switzerland) ▪ Director of Suez Environnement ▪ Chairman of the Supervisory Board of PAI Partners SA ▪ Member of the Supervisory Board of Publicis Groupe ▪ Director of Imerys SA ▪ Director of Thales SA (Expiration date of term: September 2013)
		Former positions held from 2009 to 2012 ▪ Director of Groupe Industriel Marcel-Dassault SAS (Expiration date of term: 2009)

Members of the Board		
Bernard Arnault	2013	**Positions held within the Group** ■ Member of the Board of Directors of Carrefour **Positions held outside the Group** ■ Chairman and Chief Executive Officer of LVMH Moët Hennessy-Louis Vuitton SA ■ Chairman of the Board of Directors of Christian Dior SA ■ Chairman of the Board of Directors of Louis Vuitton (corporate foundation) ■ Chairman of Groupe Arnault SAS ■ Director of Christian Dior Couture SA ■ Chairman of the Board of Directors of Château Cheval Blanc (Expiration date of term: 2013) ■ Director of Château Cheval Blanc ■ Director of LVMH Moët Hennessy-Louis Vuitton Inc. (United States) ■ Director of LVMH Moët Hennessy-Louis Vuitton Japan KK (Japan) ■ Member of the Supervisory Committee of Financière Jean Goujon SAS ■ Director of LVMH International SA (Belgium) ■ Director of LVMH Services Limited (United Kingdom)
		Former positions held from 2009 to 2012 ■ Director of Cheval Blanc civil partnership (Expiration date of term: 2011) ■ Member of the Supervisory Board of Lagardère SCA (Expiration date of term: 2012)
Thomas J. Barrack Jr	2013	**Positions held within the Group** ■ Member of the Board of Directors of Carrefour since January 15, 2014 **Positions held outside the Group** ■ Director of Accor (Expiration date of term: April 25, 2013) ■ Director of Colony Financial, Inc. (United States) ■ Director of First Republic Bank (United States) ■ Director of Challenger Financial Services Group Limited (Australia) (Expiration date of term: December 31, 2013)
		Former positions held from 2009 to 2012 ■ N/A
Nicolas Bazire	2013	**Positions held within the Group** ■ Member of the Board of Directors of Carrefour **Positions held outside the Group** ■ Chief Executive Officer of Groupe Arnault SAS ■ Director of LVMH – Moët Hennessy Louis Vuitton SA ■ Director of France Atos Origin ■ Director of Suez Environnement Company SA ■ Member of the Supervisory Board of Rothschild & Cie Banque SCS ■ Director of Agache Développement SA ■ Director of Europatweb SA ■ Director of Financière Agache SA ■ Director of Financière Agache Private Equity SA ■ Director of Les Echos SA ■ Vice-Chairman of the Supervisory Board of Les Echos SAS ■ Director of LVMH Fashion Group SA ■ Member of the Supervisory Committee of Montaigne Finance SAS ■ Member of the Supervisory Committee of Semyrhamis SAS ■ Director of Fondation Louis Vuitton (corporate foundation) ■ Manager of Les Chevaux de Malmain SARL
		Former positions held from 2009 to 2012 ■ Director of Atos SE (Expiration date of term: 2012) ■ Chairman of the Appointments and Remuneration Committee of Atos SE (Expiration date of term: 2012)

Members of the Board		
Jean-Laurent Bonnafé	2013	**Positions held within the Group** ▪ Member of the Board of Directors of Carrefour **Positions held outside the Group** ▪ Director and Chief Executive Officer of BNP Paribas ▪ Director of BNL – Banca Nazionale del Lavoro (Italy) ▪ Director of BNP Paribas Fortis (Belgium) ▪ Director of Erbe SA (Belgium) (Expiration date of term: 2013)
		Former positions held from 2009 to 2012 ▪ Chairman of the Executive Committee and Chief Executive Officer of BNP Paribas Fortis (Expiration date of term: 2009) ▪ Director of BNP Paribas Personal Finance (Expiration date of term: 2012)
Thierry Breton	2013	**Positions held within the Group** ▪ Member of the Board of Directors, Chairman of the Remuneration Committee of Carrefour **Positions held outside the Group** ▪ Chairman of the Board of Directors and Chief Executive Officer of Atos SE ▪ Chief Executive Officer of Atos International SAS ▪ Chairman of the Supervisory Board of Atos Worldline
		Former positions held from 2009 to 2012 ▪ Chairman and Chief Executive Officer of Atos Origin (Expiration date of term: 2011)
René Brillet	2013	**Positions held within the Group** ▪ Member of the Board of Directors of Carrefour **Positions held outside the Group** ▪ Director of Electricité et Eaux de Madagascar
		Former positions held from 2009 to 2012 ▪ N/A
Charles Edelstenne	2013	**Positions held within the Group** ▪ Member of the Board of Directors of Carrefour **Positions held outside the Group** ▪ Chairman and Chief Executive Officer of Dassault Aviation SA (Expiration date of term: January 8, 2013) ▪ Honorary President of Dassault Aviation SA (start of appointment: January 9, 2013) ▪ Chairman of the Board of Directors of Dassault Systèmes SA ▪ Chief Executive Officer of GIMD SAS (Groupe Industriel Marcel Dassault SAS) ▪ Member of the Supervisory Board of GIMD SAS (Groupe Industriel Marcel Dassault SAS) ▪ Director of Dassault Aviation SA ▪ Director of Sogitec Industries SA ▪ Director of SABCA (Société Anonyme Belge de Constructions Aéronautiques) (Belgium) ▪ Chairman of Dassault Falcon Jet Corporation (United States) (Expiration date of term: January 8, 2013) ▪ Director of Dassault Falcon Jet Corporation (United States) ▪ Chairman of Dassault International Inc. (United States) (Expiration date of term: April 29, 2013) ▪ Manager of ARIE civil partnership ▪ Manager of ARIE 2 civil partnership ▪ Manager of NILI civil partnership ▪ Manager of NILI 2 civil partnership
		Former positions held from 2009 to 2012 ▪ Director of Thales SA (Expiration date of term: 2012)
Diane Labruyère	2013	**Positions held within the Group** ▪ Member of the Board of Directors of Carrefour **Positions held outside the Group** ▪ Chairman of the Institut Robin des Bois (Switzerland) ▪ Director of the Fondation Antenna Technologies (Geneva, Switzerland) ▪ Member of the Executive Committee of Labruyère & Eberle
		Former positions held from 2009 to 2012 ▪ N/A

Members of the Board

Mathilde Lemoine	2013	**Positions held within the Group** ■ Member of the Board of Directors of Carrefour **Positions held outside the Group** ■ Member of the Executive Committee of HSBC France
		Former positions held from 2009 to 2012 ■ N/A
Bertrand de Montesquiou	2013	**Positions held within the Group** ■ Member of the Board of Directors, Chairman of the Appointments Committee of Carrefour **Positions held outside the Group** ■ N/A
		Former positions held from 2009 to 2012 ■ Chairman of the Management Board of Guyenne et Gascogne (Expiration date of term: 2012) ■ Vice-Chairman and Chief Executive Officer of Sogara SAS (Expiration date of term: 2012) ■ Vice-Chairman of Centros Comerciales Carrefour (Spain) (Expiration date of term: 2012)
Georges Ralli	2013	**Positions held within the Group** ■ Member of the Board of Directors, Chairman of the Accounts Committee of Carrefour **Positions held outside the Group** ■ Manager of IPF Management 1 SARL (Luxembourg) ■ Manager of IPF Partners SARL (Switzerland) ■ Director of Chargeurs SA ■ Permanent representative of Groupama which is director of Veolia Environnement ■ Director of SILIC SA (Expiration date of term: 2013)
		Former positions held from 2009 to 2012 ■ Non-voting Board member of Eurazeo (Expiration date of term: 2009) ■ Member of the Supervisory Board of Bazile Telecom (Expiration date of term: 2009) ■ Chairman of Maison Lazard SAS (Expiration date of term: 2012) ■ Chairman of Lazard Frères Gestion SAS (Expiration date of term: 2012) ■ Managing Partner of Compagnie Financière Lazard Frères SAS (Expiration date of term: 2012) ■ Managing Partner of Lazard Frères SAS (Expiration date of term: 2012) ■ Managing Partner of Lazard Frères Gestion SAS (Expiration date of term: 2012) ■ Member of the Supervisory Board of VLGI SAS (Expiration date of term: 2012) ■ Deputy Chairman and Managing director of Lazard Group LLC (United States) (Expiration date of term: 2012) ■ Chief Executive of the European Investment Banking Business of Lazard (United States) (Expiration date of term: 2012) ■ Co-Chairman of the European Investment Banking Committee of Lazard (United States) (Expiration date of term: 2012) ■ Chairman of the Board of Managers of Lazard Wealth Management Europe SARL (Luxembourg) (Expiration date of term: 2012) ■ Chairman of the Advisory Board of Lazard GmbH (Switzerland) (Expiration date of term: 2012) ■ Member of LFCM Holdings LLC (United States) (Expiration date of term: 2012) ■ Member of the Advisory Committee of Lazard BV (Belgium) (Expiration date of term: 2012) ■ Member of the European Advisory Board of Lazard (United States) (Expiration date of term: 2012) ■ Director of Lazard Wealth Management Holding SL (Spain) (Expiration date of term: 2012) ■ Director of LAZ-MD Holding LLC (United States) (Expiration date of term: 2012) ■ Director of Lazard Aserores Financieros SA (Spain) (Expiration date of term: 2012) ■ Director of Lazard AB (Sweden) (Expiration date of term: 2012) ■ Director of Lazard & Co Srl (Italy) (Expiration date of term: 2012) ■ Director of Lazard Investments Srl (Italy) (Expiration date of term: 2012)

Members of the Board		
Anne-Claire Taittinger	2013	**Positions held within the Group** ■ Member of the Board of Directors of Carrefour **Positions held outside the Group** ■ Director and Chairman of the Appointments, Remuneration and Corporate Governance Committee of Club Méditerranée ■ Chairman of Le Riffray SAS ■ Director and Chairman of the Accounts Committee of Thales SA ■ Director of Financités (Expiration date of term: 2013) ■ Director of IFA (Institut Français des Administrateurs) (Expiration date of term: 2013) ■ Member of the Supervisory Board of Planet Finance (Expiration date of term: 2013)
		Former positions held from 2009 et 2012 ■ Manager of Eurl Le Riffray I (Expiration date of term: 2009) ■ Director of Tocqueville Finance Holding and Tocqueville Finances SA (Expiration date of term: 2009) ■ Director and member of the Audit Committee of Club Méditerranée (Expiration date of term: 2010) ■ Director and member of the Appointments, Remuneration and Corporate Governance Committee of Club Méditerranée (Expiration date of term: 2011) ■ Chief Executive Officer of DFT Immobilier SAS (Expiration date of term: 2012)

3.2.2 OPERATION OF THE BOARD OF DIRECTORS

During the course of the 2013 fiscal year, the Board of Directors met eight times, with an average attendance rate of 89%.

The main topics covered during these eight meetings were as follows:

- the examination of the quarterly and annual sales figures;
- the Company and Consolidated Financial Statements for the fiscal year ending December 31, 2012 and the notice to attend the Ordinary and Extraordinary Shareholders' Meeting convened to approve the financial statements for this fiscal year;
- the implementation of a new share-buyback programme;
- the half-yearly financial statements to June 30, 2013;
- the examination of certain investments/disposals for the Group.

In accordance with the Board's by-laws, as part of its duties and without this list being exhaustive, the Board:

- approves the Company's strategy and monitors its implementation;
- sets any necessary limits on the powers of the Chairman and Chief Executive Officer;
- in particular, it:
  - conducts any controls and audits it deems appropriate,
  - conducts audits of Company management and the fairness of the financial statements,
  - examines and approves the financial statements, establishes the agenda for the meeting, records its activities in the annual report and approves the various statutory and regulatory reports,
  - examines regulated agreements and rules on their prior authorization.
  - ensures that high-quality financial information is provided to shareholders and markets;
- each year, on the proposal of the Appointments Committee, it draws up the list of directors considered independent, based on the Company's governance criteria;
- once a year, it examines the budget.

During its meeting of July 17, 2013, the Board of Directors amended its by-laws, divided into three chapters, structured as follows:

- the first chapter covers the Board of Directors, its role, operation, compensation for directors and its assessment;
- the second chapter covers the specialist committees, their common rules, composition and missions;
- the third chapter covers the rights and responsibilities of directors.

As a result, the Board of Directors now has a new set of by-laws, dealing with both the formal aspects of its role and the rights and responsibilities of directors in the context of the good corporate governance practices it imposes on itself. The balance of power within the Board is ensured through a precise definition and division of roles.

Conflict of interests

Directors must strive to avoid any conflict of interest between their personal and material interests and those of the Company.

A conflict of interests arises in particular where a director or a member of their family could benefit on a personal basis from the conduct of the Company's business or could have a relationship or link of any kind with the Company, its subsidiaries or its management that could compromise the free exercise of the director's judgement.

Directors must inform the Board of Directors of any situation involving a real or potential conflict of interest with the Company or the Group's companies as soon as they become aware of such a situation and must refrain from participating in discussions and voting relating to the respective proceedings. The Chairman may ask the director not to attend such proceedings.

Directors must therefore inform the Chairman without delay of any agreement reached between themselves, or a company of which they are a director, or in which they hold a significant stake either directly or indirectly, or in which they have a direct interest, and the Company or one of its subsidiaries, or which has been reached through an intermediary.

The Chairman of the Board may ask the directors at any time to sign a statement certifying that they do not have a conflict of interest.

Assessment

The Board of Directors conducts regular assessments of its operations and ability to carry out its missions. Accordingly, it reviews its operating procedures and the quality of the information published and of its decision-making and discussions, as well as each person's actual contribution to the work of the Board of Directors and the committees.

As a result, the Board of Directors is obliged to include a discussion on its operation as an agenda item once a year.

A formal assessment of the Board of Directors was carried out during the fiscal year with the help of the Appointments Committee and an external consultant. The aim of this assessment was to ensure observance of the Board of Directors' operating principles and compliance with the governance rules, and to identify proposals aimed at improving its operations and effectiveness

3.2.3 THE BOARD OF DIRECTORS' COMMITTEES

The Board of Directors has decided on the creation of specialist committees responsible for examining questions submitted to them for their opinion by the Board or the Chairman.

To take into account the nature and specific characteristics of the Company's activities, the Board of Directors' Committees are as follows:

- the Accounts Committee;
- the Remuneration Committee;
- the Appointments Committee.

The specialist committees are made up of directors appointed by the Board of Directors for the period of their term of office.

These committees report on their work to the Board of Directors on a regular basis and share with it their observations, opinions, proposals and recommendations.

The committee Chairmen (or, if they are unavailable, another member of the same committee) present oral summaries of their work to the Board of Directors at its next meeting.

The terms of reference of these committees may not delegate powers to them that are assigned to the Board of Directors in law or under the articles of association. The committees have consultative power and conduct their activities under the responsibility of the Board of Directors, which alone has statutory decision-making power and remains collectively responsible for the fulfilment of its missions.

The Chairman of the Board of Directors is responsible for ensuring that the number, missions, composition and operation of the committees reflects the needs of the Board of Directors and best corporate governance practices at all times.

Each committee is chaired by an independent director drawn from its members.

The secretary of each committee is an individual selected by the Chairman of each committee.

These committees meet, as necessary, on the invitation of their Chairman, or at the request of one-half of their members. They may call upon outside experts as necessary. The committee Chairman may ask the Chairman of the Board of Directors to interview any Group executive regarding issues that fall within the committee's purview, as defined by these by-laws.

3.2.3.1 The Accounts Committee

This committee meets at least four times per year.

Composition

At least two-thirds of the committee members must be independent, as defined by the Board of Directors in accordance with the AFEP-MEDEF Code to which it refers. At least one member of the committee must have special expertise in financial or accounting matters.

The composition of the committee is as follows:

- Chairman: Georges Ralli (independent director)
- Members: Mathilde Lemoine (independent director), René Brillet (independent director), Nicolas Bazire.

Sébastien Bazin's term of office as member of the Account Committee ended on January 15, 2014.

Duties

The main duties of the committee are:

(i) In respect of the financial statements:

- to carry out a prior examination and offer an opinion on the annual and half-yearly Company and Consolidated Financial Statements before they are presented to the Board of Directors,
- to examine the relevance and permanence of the accounting principles and rules used in drawing up the Company and Consolidated Financial Statements and to warn of any deviation from these rules,
- to examine the drafts of the annual report and financial statements prior to publication,
- more generally, to review all issues relating to financial statements and other documents, including the selection of accounting standards, provisions, management accounting data, capital sufficiency requirements, profitability indicators and any accounting issues that raise methodological concerns or give rise to potential risk;

(ii) In respect of internal control:

- to assess the effectiveness and quality of the Group's internal control systems and procedures, to interview the internal audit manager, to give an opinion on the organisation of the department and to be informed of its programme of work,
- to examine, in conjunction with internal control managers, the objectives and intervention and action plans in the area of internal audit, the conclusions of such interventions and the actions, recommendations and follow-up arising from them,
- to examine the methods and results of the internal audit and check that the procedures used help the financial statements to reflect a true and accurate picture of the business in accordance with accounting rules,
- to assess the reliability of the systems and procedures used to produce the financial statements and the validity of the positions taken in respect of presenting significant transactions,
- to examine the methods used to report and present accounting and financial information from the subsidiaries and/or operational units,
- to examine the draft report on internal control procedures.

Relations with the Statutory Auditors

The committee oversees the process of selecting Statutory Auditors, formulates an opinion on the appropriate fee levels for legal work pertaining to internal control and submits the results of this selection to the Board.

It also ensures the Statutory Auditors' independence. It issues a recommendation on the Statutory Auditors whose appointment is proposed by the Shareholders' Meeting.

It reviews the Statutory Auditors' audit plan, their recommendations and the implementation of these recommendations.

It is annually notified of the amount and breakdown of fees paid by the Group to the Statutory Auditors and the networks to which they belong, calculated according to a model approved by the committee. It ensures that the amount or share of the Statutory Auditors' revenues represented by the Group is not likely to compromise the Statutory Auditors' independence.

It gives its prior consent for any undertaking whose fees (excluding tax) exceed 1 million euros. The committee approves other undertakings after the fact, based on submissions from the Group Finance department. Each year, the committee receives a report from the Group Finance department on all assignments other than auditing carried out by networks to which the Group's Statutory Auditors belong.

The committee ensures that the signatories of the financial statements rotate and that the expiry dates of the terms of office of the Statutory Auditors are staggered.

It ensures that neither the firm(s) responsible for statutory auditing of the accounts nor the network to which it belongs provide any kind of consultancy services to the Group.

The Statutory Auditors each provide an annual presentation to the committee on the procedures within their internal-control system for ensuring independence, and annually certify in writing their independence in fulfilling their audit responsibilities.

At least twice per year, the committee devotes part of its meeting to a discussion with the Statutory Auditors' teams without the presence of the Company's general management, after first informing the Chairman of the Board of Directors.

The committee meets in the presence of the Statutory Auditors' teams to review the half-yearly and annual financial statements.

However, the Statutory Auditors do not attend any or all of the meeting dealing with their fees and renewal of their terms of office.

The Statutory Auditors do not attend any or all of the meeting at which the committee deals with specific issues relating to any of them.

Where questions of interpretation of accounting standards arise in connection with the half-yearly and annual results, involving choices that have a material impact, the Statutory Auditors and the Group Finance department present a memorandum to the committee analysing the nature and significance of the issue, presenting the pros and cons of various possible solutions and explaining the reasons for the choice made.

Report by the Chairman

The committee reviews the draft report by the Chairman on internal-control procedures relating to the preparation and processing of accounting and financial information.

Interviews

On all issues within its purview, the committee may – as it sees fit and outside the presence of any other general management members, if it deems this appropriate – interview the Group's financial and accounting managers as well as the audit and internal-control manager. The Chairman of the Board of Directors must be informed of this in advance.

The committee may call on outside experts as necessary.

3.2.3.2 The Remuneration Committee

The committee meets as often as necessary.

Composition

A majority of the members of the Remuneration Committee members must be independent directors as defined by the Board of Directors in accordance with the AFEP-MEDEF Code to which it refers.

The composition of the committee is as follows:

- Chairman: Thierry Breton (independent director);
- Members: René Brillet (independent director), Charles Edelstenne (independent director).

Sébastien Bazin's term of office as member of the Remunation Committee ended on January 15, 2014.

Duties

The committee is responsible for formulating proposals on the various elements of compensation paid to members of the Board and the Chairman and Chief Executive Officer.

It is responsible for reviewing all issues relating to the personal status of corporate officers, including remuneration, pension and welfare benefits, benefits in kind and provisions governing the cessation of their term of office.

Its main responsibility is to formulate proposals for decisions on granting subscription and/or purchase options for shares in the Company to the benefit of corporate officers and all or some of the salaried staff of the Company and subsidiaries in accordance with the authorizations granted by the Shareholders' Meeting. It examines the conditions under which options are granted and proposes a list of beneficiaries of options and the number of options allocated to each of them. It formulates any proposals determining the characteristics of options and in particular, the subscription and/or purchase price of shares, their duration, any conditions to which exercising them may be subject and the terms under which they may be taken up.

It is also responsible for formulating proposals in respect of the free allocation of existing shares or shares to be issued in accordance with the authorisations granted by the Shareholders' Meeting. It proposes the names of beneficiaries of share allocations and any conditions, particularly in respect of the length of acquisition and retention periods and criteria for share allocations.

It is informed of the remuneration policy for top executives who are not corporate officers.

3.2.3.3 The Appointments Committee

The committee meets as often as necessary.

Composition

A majority of the members of the Nominations Committee must be independent directors as defined by the Board of Directors in accordance with the AFEP-MEDEF Code to which it refers.

The composition of the committee is as follows:

- Chairman: Bertrand de Montesquiou (independent director)
- Members: Anne-Claire Taittinger (independent director), Diane Labruyère (independent director), Nicolas Bazire.

Duties

The committee examines and formulates an opinion on any application for nomination to the post of director or a role as a corporate officer, taking particular account of a desirable balance in the composition of the Board. It assesses the appropriateness of the renewal of terms of office.

It organises a procedure for the purpose of selecting future independent directors.

The classification of independent director is discussed by the committee and reviewed each year by the Board prior to the publication of the annual report.

It makes recommendations to the Board of Directors on the appointment of members of the specialist committees when they are due for renewal.

It is also charged with assessing directors' independence and reporting its findings to the Board of Directors. If necessary, the committee reviews situations that result from a director's repeated absence.

It also assists the Board of Directors in adapting the Company's corporate governance practices and assessing their operation.

It examines the Chairman's draft report on corporate governance and any other document required by law or regulations.

3.3 Executive Management

Mr Georges Plassat has been the Company's Chairman and Chief Executive Officer since May 23, 2012.

By its decision of June 21, 2011, the Board of Directors consolidated the duties of Chairman and Chief Executive Officer. The Board's decision to consolidate the duties of Chairman of the Board of Directors and Chief Executive Officer is designed to simplify the decision-making process and enhance the efficiency and responsiveness of the Company's governance.

Chairman and Chief Executive Officer power's limits

During its meeting of July 17, 2013, the Board of Directors decided that the Chief Executive Officer could not carry out the following transactions or actions in the name and on behalf of the Company without the Board's prior consent:

- investment and disposal transactions envisaged by the Group, in particular acquisitions and disposals of assets or holdings, subscriptions to any issues of shares, proprietary interests or bonds and entering into partnerships and joint-venture agreements as well as any transaction likely to affect the Group's strategy of an amount in excess of €250 million per investment or disposal on behalf of the Group, it being specified that the Chairman and Chief Executive Officer may not have sole decision-making power for more than two successive transactions of an individual amount less than or equal to €250 million per fiscal year;
- financial transactions, regardless of their conditions, of an amount in excess of €2 billion, the Chairman and Chief Executive Officer being accountable to the Board for transactions below this amount;
- direct establishment of overseas sites by forming a company, a direct or indirect subsidiary, or by acquiring an interest, or deciding to withdraw from these sites;
- any merger, spin-off or asset transfer for net asset transfer values in excess of €250 million, excluding any internal restructuring;
- the total or partial sale of non-financial assets not valued on the balance sheet, including brands and customer data and in particular the Carrefour brand and customer files;
- in the event of a dispute, any settlement or compromise in an amount greater than €100 million per case.

3.4 Remuneration and benefits granted to corporate officers

3.4.1 REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Shareholders' Meeting of July 28, 2008 established the amount of directors' fees allocated to the Board of Directors at 900,000 euros.

Based on discussions held on July 11, 2012 and on April 17, 2013, the Board of Directors decided to allocate directors' fees annually, as follows:

- Chairman of the Board of Directors: 10,000 euros;
- Vice-Chairman of the Board of Directors: 40,000 euros;
- Senior independent director: 40,000 euros;
- Chairman of the Accounts Committee: 30,000 euros;
- Chairman of the Remuneration and the Appointments Committees: 10,000 euros;
- Committee member: 10,000 euros;
- Members of the Board of Directors: 45,000 euros.

It being specified that:

- 10,000 euros for membership in one or more committees will be based on the committee member's regular attendance at its meetings;
- 45,000 euros for membership in the Board will be comprised of a fixed portion of 35,000 euros and a variable portion of 10,000 euros based on the Board member's regular attendance at its meetings.

The variable portion of the directors' fees is paid in proportion to the number of Board and/or committee meetings attended by the directors (100% of the variable portion will be allocated for attendance at all meetings).

Directors' fees are paid once per year, in July.

During 2012 and 2013 fiscal years, the members of the Board of Directors obtained directors' fees (absence of other compensation except for the Chairman and Chief Executive Officer as detailed in 3.4.2) as detailed below.

TABLE OF DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY CORPORATE OFFICERS

	Amount paid during fiscal year N-1	Amount paid during fiscal year N
Georges Plassat	€13,339.00	€55,000.00
Sébastien Bazin	€114,062.50	€105,000.00
René Brillet	€75,000.00	€64,090.90
Thierry Breton	€73,125.00	€61,363.63
Anne-Claire Taittinger	€72,884.50	€54,090.90
Mathilde Lemoine	€71,009.50	€49,881.81
Amaury de Sèze	€92,187.50	€85,000.00
Nicolas Bazire	€60,000.00	€55,000.00
Charles Edelstenne	€53,125.00	€45,000.00
Bernard Arnault	€44,687.50	€38,636.36
Jean-Laurent Bonnafé	€43,750.00	€43,181.81
Bertrand de Montesquiou	€9,107.00	€65,000.00
Georges Ralli	€9,107.00	€70,757.57
Diane Labruyere	€7,902.00	€55,000.00
TOTAL	**€739,286.50**	**€847,002.98**

3.4.2 REMUNERATION OF THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Remuneration of Mr Georges Plassat as Chief Executive Officer was established by the Board during its meetings held on January 29, February 8 and March 7, 2012.

He receives:

- fixed annual gross compensation of one million five hundred thousand (1,500,000) euros;
- variable remuneration based on the fulfilment of objectives. This variable remuneration can rise to 100% of fixed compensation if performance objectives are met and more if they are exceeded, capped at 150% of fixed compensation.

50% of the performance objectives are based on meeting financial objectives (like-for-like gross turnover excluding petrol, current EBIT and average number of days' inventory in stock), while 50% are based on meeting individual qualitative objectives precisely defined and pre-established by the Board of Directors.

Mr Georges Plassat will also be eligible for the defined-benefit pension scheme in place since 2009 intended for Carrefour Group's main executives whose annual gross compensation is more than 16 times France's social security ceiling. This scheme is described in consolidated and company annual accounts for the year 2013.

In the event of termination of his term as Chief Executive Officer prior to April 2, 2015, except in the event of non-renewal, resignation, retirement or dismissal for serious misconduct or wrongful act, Mr Georges Plassat will be entitled to receive, as part of a transaction that involves full waiver of recourse, a settlement payment submitted to performance conditions equal to one (1) year of fixed and variable remuneration.

Year 2013:

	Amounts for fiscal year N-1 *(in euros)*		Amounts for fiscal year N *(in euros)*	
	owed	**paid**	**owed**	**paid**
▪ fixed remuneration	€1,125,000	€1,125,000	€1,500,000	€1,500,000
▪ variable remuneration (1)	€1,543,500		*	€1,543,500
▪ exceptional remuneration				
▪ directors' fees (2)	€13,339	€13,339	€55,000	€55,000
TOTAL	**€2,681,839**	**€1,138,339**	**€1,555,000**	**€3,098,500**

(1) The variable remuneration owed for the year is paid in the year N+1.
(2) Period of the year (August 1st to July 31st)
** The variable remuneration for the year 2013 is not settled at the time of publication of the Registration Document.*

3.4.3 AFEP-MEDEF RECOMMENDATIONS: TABLE ON REMUNERATION AND BENEFITS GRANTED TO CORPORATE OFFICERS

TABLE 1 - SUMMARY TABLE OF REMUNERATION, OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE OFFICER

	Fiscal year N-1	Fiscal year N
Name and position of executive officer	**Georges Plassat** Chairman and Chief Executive Officer	
Remuneration owed for the fiscal year (set forth in Table 2)	€2,681,839	€1,555,000
Pricing of options granted during the fiscal year (set forth in Tables 4 and 5)	-	-
Pricing of performance-based shares granted during the fiscal year (set forth in Tables 6 and 7)	-	-
TOTAL	**€2,681,839**	**€1,555,000**

TABLE 2 - SUMMARY TABLE OF REMUNERATION FOR EACH EXECUTIVE OFFICER

Table presented on the page 92.

TABLE 3 - TABLE OF DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY NON-MANAGEMENT CORPORATE OFFICERS

Table presented on the page 91.

3

TABLE 4 - SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FISCAL YEAR TO EACH EXECUTIVE OFFICER

Name of executive officer	Number and date of plan	Type of options (purchase or subscription)	Pricing of options according to the method used for the Consolidated Financial Statements	Number of options awarded during the fiscal year	Exercise price	Exercise period
None						

TABLE 5 - SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR BY EACH EXECUTIVE OFFICER

Name of executive officer	Number and date of plan	Number of options exercised during the fiscal year	Exercise price
None			

TABLE 6 - PERFORMANCE-BASED SHARES GRANTED TO EACH EXECUTIVE OFFICER

Name of executive officer	Number and date of plan	Number of shares allocated during the fiscal year	Pricing of shares according to the method used for the Consolidated Financial Statements	Vesting date	Date available for trading	Performance conditions
None						

TABLE 7 - PERFORMANCE-BASED SHARES WHICH BECAME AVAILABLE FOR TRADING DURING THE FISCAL YEAR FOR EACH EXECUTIVE OFFICER

Name of executive officer	Number and date of plan	Number of shares which became available for trading during the fiscal year	Vesting conditions
None			

TABLE 8 - SUMMARY OF GRANTED SHARE SUBSCRIPTION OR PURCHASE OPTIONS - INFORMATION ON SUBSCRIPTION OR PURCHASE OPTIONS

Data December 31, 2013	Plan 05/15/2007	Plan 06/06/2008	Plan 07/07/2008	Performance Option Plan 06/17/2009
Date of the Shareholders' Meeting	04/30/2007	04/30/2007	04/30/2007	04/30/2007
Date of the Board of Directors or Management Board meeting	05/15/2007	06/06/2008	07/07/2008	06/17/2009
Total number of shares which may be subscribed for or purchased, including the number which may be subscribed for or purchased by the corporate officers:	4,354,667	4,545,183	17,109	1,252,994
José-Luis DURAN	148,278	148,278		
Jacques BEAUCHET	96,951	85,000		
Javier CAMPO	96,951	96,951		
José-Maria FOLACHE	96,951	85,000		
Guy YRAETA	93,964	90,976		
Thierry GARNIER		96,951		
Gilles PETIT		90,976		
Lars OLOFSSON				139 139
Date from which options may be exercised	05/15/2009	06/06/2010	07/07/2010	06/17/2011
Expiry date	05/14/2014	06/05/2015	07/06/2015	06/16/2016
Price of subscription or purchase	€49.45	€39.68	€39.68	€29.55
Exercise procedure (when the plan has several phases)	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years
Number of shares subscribed for as of December 31, 2013	0	0	0	0
Cumulative number of cancelled or void share subscription or purchase options	562,310	976,899	0	821,906
Share subscription or purchase options remaining at the end of the fiscal year	3,792,357	3,568,284	17,109	431,088

Data restated following the DIA spin-off in 2011

Data December 31, 2013	Présence Option Plan 06/17/2009	Présence Option Plan 05/04/2010	Performance Option Plan 07/16/2010	Présence Option Plan 07/16/2010
Date of the Shareholders' Meeting	04/30/2007	05/04/2010	05/04/2010	05/04/2010
Date of the Board of Directors or Management Board meeting	07/16/2009	05/04/2010	07/16/2010	07/16/2010
Total number of shares which may be subscribed for or purchased, including the number which may be subscribed for or purchased by the corporate officers:	6,974,861	60,000	1,439,017	1,941,610
José-Luis DURAN				
Jacques BEAUCHET				
Javier CAMPO				
José-Maria FOLACHE				
Guy YRAETA				
Thierry GARNIER				
Gilles PETIT				
Lars OLOFSSON			171,090	
Date from which options may be exercised	06/17/2011	05/04/2012	07/17/2012	07/17/2012
Expiry date	06/16/2016	05/03/2017	07/16/2017	07/16/2017
Price of subscription or purchase	€29.55	€32.84	€29.91	€29.91
Exercise procedure (when the plan has several phases)	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years
Number of shares subscribed for as of December 31, 2013	0	0	0	0
Cumulative number of cancelled or void share subscription or purchase options	1,472,379	60,000	921,407	467,447
Share subscription or purchase options remaining at the end of the fiscal year	5,502,482	0	517,610	1,474,163

Data restated following the DIA spin-off in 2011

TABLE 9 - SUMMARY OF GRANTED PERFORMANCE SHARES - INFORMATION ON PERFORMANCE SHARES

Data December 31, 2013	Performance shares plan 07/16/2010	Performance shares plan Executive officer 07/16/2010
Date of the Shareholders' Meeting	05/04/10	05/04/10
Date of the Board of Directors or Management Board meeting	07/16/2010	07/16/2010
Total number of free shares , including the number for each executive officers:	391,047	57,030
Lars OLOFSSON	0	57,030
Vesting date for performance shares	07/17/2012	07/17/2012
Transferability date for performance shares	07/17/2014	07/17/2014
Performance conditions	1) TSR Retail (50%) 2) TSR Consumer Goods (50%)	Preceding conditions : Growth in 2011 ex-petrol net sales compared to 2009 ex-petrol net sales, at constant currencies and comparable scope and Activity contribution 2011 + 5 % compared to Activity contribution 2009 1) TSR Retail (50%) 2) TSR Consumer Goods (50%)
Number of performance shares vested at December 31, 2013	0	0
Cumulative number of cancelled or void performance shares	391,047	57,030
Performance Shares remaining at the end of the fiscal year	0	0

Data restated following the DIA spin-off in 2011

TABLE 10

	Employment contract		Supplemental pension plan		Compensation or benefits owed or likely to be owed due to termination or change in duties		Compensation related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Georges PLASSAT : Chairman and Chief Executive Officer (since May 23, 2012) Start of term: 05/23/2012		X	X		X			X

3.4.4 TRANSACTIONS CARRIED OUT BY CORPORATE OFFICERS WITH REGARD TO COMPANY SHARES

In accordance with Article 223–26 of the General Regulations of the AMF, we hereby inform you that, during transactions carried out during the 20132 fiscal year by persons described in Article L. 621-18-2 of the French Monetary and Financial Code:

- on June 7, 2013, the company Blue Capital, a legal entity linked to Bernard Arnault, director of the Company, acquired shares in respect of the option for the payment of the dividend in shares for fiscal year 2012 in the amount of €182,524.86, i.e. a unit price of €19.62;
- on June 6, 2013, Mr Jean Laurent Bonnafé, director of the Company, acquired shares in the amount of €588.60, i.e. a unit price of €19.62;
- on June 7, 2013, the company Bunt, a legal entity linked to Bernard Arnault, director of the Company, acquired shares in respect of the option for the payment of the dividend in shares for fiscal year 2012 in the amount of €18,573,861.60, i.e. a unit price of €19.62;
- on September 16, 2013, a natural person linked to Bertrand de Montesquiou, director of the Company, disposed of shares in the amount of €1,269,928 at an average unit price of €25.39856;
- on November 19, 2013, the company Groupe Arnault, a legal entity linked to Bernard Arnault, director of the Company, extended share purchase options in the amount of €1,648,861;
- on November 20, 2013, the company Groupe Arnault, a legal entity linked to Bernard Arnault, director of the Company, extended share purchase options in the amount of €217,260;
- on November 21, 2013, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €4,538,156.85, i.e. a unit price of €27.479;
- on November 22, 2013, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €10,683,414.03, i.e. a unit price of €27.819;
- on November 25, 2013, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €9,960,911.94, i.e. a unit price of €28.262;
- on November 26, 2013, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €11,124,609.65, i.e. a unit price of €28.609;
- on November 27, 2013, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €10,333,130.82, i.e. a unit price of €28.881;
- on November 28, 2013, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €6,579,419.30, i.e. a unit price of €28.997;
- on November 29, 2013, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €5,145,354.10, i.e. a unit price of €28.968;
- on December 2, 2013, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €7,698,885.43, i.e. a unit price of €29.012;
- on December 3, 2013, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €15,071,927.43, i.e. a unit price of €28.245;
- on December 4, 2013, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €12,487,487.79, i.e. a unit price of €27.858;
- on December 16, 2013, a natural person linked to Bertrand de Montesquiou, director of the Company, disposed of shares in the amount of €966,623 at an average unit price of €27.6197.

3.5 Risk management

In an uncertain, constantly changing environment, proactive risk management is an essential part of sustainable development for our business, and is an aim shared by all of our employees. This approach also enables the review of all processes within the Company and identification of opportunities and areas for improvement.

The risk management system implemented by the Group is primarily based on identifying and accounting for risk factors which may have a significant impact on its activities, its financial position and its image (3.5.1).

For the past several years, the Group has been committed to a coordinated risk management policy based on risk mapping, rules and communication of best practices, with a focus on prevention (3.5.2). The risk management system is also presented in the section entitled "Chairman's report on internal control and risk management procedures" starting on page 106 of this Registration Document.

As part of a regular analysis and review of insurable risks, the Group also implements solutions to transfer risks to the insurance market (3.5.3).

To manage difficult situations that may significantly impact its activities or its image, the Group has also developed a comprehensive crisis management system (3.5.4.).

3.5.1 RISK FACTORS

The principal risk factors identified by the Group are presented below, grouped into four themes: business environment, strategy and governance, operations, and financial.

All listed risks may have an impact on the Group's activities or its ability to fulfil its objectives. There may also be other risks of which the Group is unaware as of the date of this Document, or which may evolve with significant negative consequences.

The system presented in 3.5.2 aims for comprehensive risk management in order to avoid the occurrence of risks or limit their impact, through a customized protection and prevention policy.

The management and oversight systems for each risk factor are briefly stated.

Business environment

Political and social environment

Some of the Group's activities are exposed to risk and uncertainty in countries which have experienced or may experience a period of political or social instability or weak governance.

During the past several years the Group has developed country-specific risk mapping which takes into account a number of indicators, is updated annually and provides forward-looking monthly tracking, in order to support decision making in the context of the Group's international growth.

Economic environment and market volatility

The economic situation in countries where the Group operates may affect demand, spending levels and the purchasing habits of our customers, increased by the instability and unpredictability of the global, national or regional economic climate. Volatility in asset prices and the cost prices of assets and products related to raw materials (agriculture, metals, fuel, energy costs, etc.) may also impact sales, costs and balance sheet values.

Due to the nature of its activities, the Group pays particular attention to monitoring and taking into account the changing economic climate and future outlooks in the countries where it operates, specifically through a number of studies and exchanges. Given the interdependence of activities and the price sensitivity of Group customers, changes in market prices are also taken into consideration at various levels, especially purchases of merchandise and general and administrative expenses.

Environment, pressure and regulatory changes

Regulations applicable to the Group in countries where it operates, along with regulatory changes and actions taken by local, national and international regulators, are likely to impact our activities and the Group's financial performance.

The local Legal department in each country is responsible for monitoring regulations and taking them into consideration, under the coordination and supervision of the Group Legal department.

With a focus on anticipation and optimal allocation of resources, the Group Legal department has also developed and implemented a legal risk mapping process, specifically taking into account the environment, pressure and regulatory developments.

Changes in the sector and the competitive environment

Highly exposed to changes in consumer behaviour in a world of changing technology, the retail sector is characterised by strong competitive dynamics with saturated markets in Europe and relatively low margins. This drives constant rapid changes within the sector, which could impact the Group's activity and performance.

The changing competitive environment is monitored and addressed at country level, and handled at Group level by the Strategy department, in an effort to anticipate and identify growth opportunities or decisions to be made.

Natural disasters and climate change

In most countries where it operates, the Group may be exposed to natural disasters, with direct or indirect impacts on its activities, its assets and its employees, and consequences for its financial position. In a context of climate change, changing meteorological conditions may also impact its operations, especially with regard to customer behaviour.

Since 2008, the Group has undertaken extensive work to better improve the management of natural risks in its operations, in order to develop knowledge, improve assessment, adapt preventive measures and adjust insurance coverage. This work was carried out in all countries where the Group operates, either directly or through franchises, with a forward-looking exercise related to climate change, specifically through a mapping of natural risks, assessments by risk and by country to identify 'sensitive' sites, and prevention fact sheets.

Terrorism and crime

Due to a multitude of counterparts, the vast number of sites and its activity involving considerable human, product and financial flows, the mass retail sector is particularly exposed to risks of crime and terrorism, with significant direct and indirect impacts, especially in stores.

Preventive and protection measures for each site are determined based on risk exposure, with regular review of the systems and adjustments made based on the development of threats.

Strategy and governance

Strategy definition, adjustment and implementation

As with project management or restructuring problems, in an uncertain and complex political, economic, social and competitive environment, the ineffective or unsuitable design, communication and execution of the Group's vision and strategy may damage its reputation and its financial and operational performance.

Under the coordination of general management and as part of overseeing activities and the principal action plans, extensive work is underway at the country level to develop the strategy, with a regular review of objectives and commitments enabling optimal allocation of resources.

Compliance and fair practices

In an increasingly litigious world, with regulatory authorities having broad power, the failure to comply with regulations and contractual commitments, within the scope of the Group's operational activities and in its relations with its employees, can have a significant impact on its financial performance and its reputation.

As part of its preventive approach at the Group and country level, the Legal department has created and implemented information and training programmes involving all employees concerned. The top fundamental principle of the Carrefour Code of Business Conduct, which applies to all employees, emphasises strict compliance with regulations wherever the Group operates and in all of its activities. The Company's ethics system is presented in Section 2.1.3 (page 21 and following pages).

Corporate responsibility

Looking beyond regulatory compliance, given consumers' growing concerns about responsible and sustainable trade and the nature and reality of commitments, sustainable development policies and actions may impact the Company's reputation and its financial performance.

For a number of years, the Group has maintained a proactive and committed sustainable development policy, described in detail in the section on Corporate Responsibility, with a wide range of concrete actions taken in every country in which the Group operates.

Environment

In the scope of its activities, the Group may be exposed to a wide range of environmental risks (water, air and ground pollution, noise pollution or visual pollution) mainly with respect to its large number of operated sites.

While environmental regulations have been developing in many countries, along with increased consumer awareness of the stakes, certain activities and processes are especially sensitive (waste treatment, recycling of own-brand product packaging, consumption of refrigerants and energy, explosive atmospheres, service stations, alternative transport, etc.) with particular attention paid to natural resource management (water, fish stocks, wood, etc.).

Environmental protection and preservation is naturally considered by the Group along with industrial risks, with a focus on prevention through study and analysis, but also through the operational implementation of prevention or treatment systems, such as for risks related to service stations. All actions intended to reduce the environmental footprint of our business activities are presented in Section 2.5 of the Registration Document (page 51 and following pages).

Disputes/Litigation

In the scope of its normal activities, the Group is involved in various legal and administrative proceedings and is subject to administrative audits, whose outcomes are uncertain with potentially significant impacts on our financial position or reputation.

The Legal department manages and oversees disputes at the country level and at Group level.

Operations

Relevance and performance of economic and business models

In a highly competitive environment with very unstable markets, the relevance of economic and business models and their rapid adjustment to changing consumption habits and patterns, as well as efficient and effective purchasing, can have a significant impact on the Group's operational and financial performance, in its organisation and design as well as in the ability to deploy in stores.

Adapting business models to customer expectations is a major challenge for the teams in charge of development and concepts, using a forward-looking approach and constant oversight. Careful oversight and numerous pre-deployment studies are also used to fully account for all factors and effects involved in establishing the economic models.

Operational and financial control of growth and expansion

In a significant competitive environment with cost pressure and increasingly scarce high-quality locations in certain countries, the Group faces the inability or difficulties in identifying, obtaining or developing the best sites, in a constant search for higher profitability based on valid and reliable assumptions while taking into account all risk factors. This may impact its financial performance and fulfilment of its objectives, along with inadequate identification, assessment and integration of new assets or companies.

All of these elements are considered in the dossiers analysed by the country-level Financial departments, in connection with the Development department and, where applicable, with the Carrefour Property teams. The most significant dossiers are reviewed and approved by the Group Investment Committee (CIG).

Partnerships and franchising

Since most of the Group's stores under banner are operated as franchises and the Group's growth relies on partnerships in several countries, the evaluation, selection, support and oversight of these various franchisees and partners may have a positive or negative impact on financial and operational performance, and on its reputation in the event the partners' practices do not comply with regulations or with the Group's standards and values.

Looking beyond the contractual framework and the well-controlled process of awarding banners under franchise, relations with our partners and franchisees are maintained and developed through numerous regular exchanges, with oversight by franchise advisers and support by business experts. Establishment of standards and regular inspections enable us to effectively support our partners and franchisees.

Control of the supply chain

In an interdependent global market with a large number of suppliers and increased cross-docking, the performance of logistical processes and continuity of supply to the Group's stores are essential to customer satisfaction and the fulfilment of operational and financial objectives, with greater risk in emerging markets and multinational corporations' growing responsibility for their supply chains.

Although purchasing is a key aspect of standing out from the competition, the Group's organisation is adapted to its international scope (delete) while capitalising on its knowledge of local markets and relying on entities dedicated to sourcing new products.

Over a number of years, the Group has developed expertise which ensures that its stores are supplied, relying on integrated logistics platforms and service providers, along with business continuity plans in the event of an unusual situation.

Product quality, compliance and safety

With regulatory authorities and customers increasingly attentive to health and quality issues, ensuring product safety and complying with health standards in stores is a major issue which can significantly impact reputation and financial performance, and which may in some cases result in liability for the Group.

The Group Quality department has developed a number of standards and tools which are deployed in all countries where the Group operates. The country-level Quality departments are also part of the Quality network, with regular meetings and discussions aimed at increased sharing of best practices and ensuring a consistent approach. The Group also launched a significant employee training programme and regularly communicates with customers about food safety.

In addition, the system includes a procedure for the rapid withdrawal of any potentially dangerous product inventory.

Carrefour brand products are subject to more stringent procedures and controls, from design to marketing, as part of a comprehensive approach presented in detail in Section 2.2.4 (Page 43 and following pages).

Safety of people and property

Compliance with health and safety regulations and the protection of Group assets are important factors. Insufficient consideration of these issues could negatively impact the Group's reputation, activities and financial performance, and may also have legal consequences.

An appropriate crisis management system in case of a major event is an important part of limiting its potentially significant negative consequences, especially with regard to business continuity.

The Group's risk prevention organisation ensures the safety of people and property at all Group sites by using human, technical and organisational resources which are appropriate to the risks.

Coordinated by general management, each country has an organisation which enables rapid information reporting in the event of an incident, and utilises the appropriate resources. The crisis management system is briefly presented in Section 3.5.4.

Human resource management

As the largest private employer in many countries where the Group operates, the retail profession is based on human relations and employee commitment. In a highly competitive market for talent with major demographic changes, the Group faces a challenge in attracting, retaining, training, motivating, compensating and developing employees and the top candidates.

As a responsible employer, the Group has implemented an important system adapted to the challenges of human resources, presented in Section 2.2.3 (Page 31 and following pages).

Continuity, integrity and confidentiality of information systems

While most of the Group's activities and a number of its functions largely depend on information systems developed or administered by internal resources or outside service providers, weakness in these systems could noticeably disrupt operations. This could result in significant impacts on financial and operational performance, especially with regard to the ordering, cash handling and financial reporting systems.

With information systems that are constantly changing and difficult to grasp as a whole, along with the development of nomadic computing and cybercrime, information systems security is also a challenge, especially the protection of data concerning our customers and employees.

The Group Information Systems department handles the development and consistency of all computer applications within the Group, as part of a coordinated effort to promote synergies while taking a forward-looking approach to incorporating technological developments.

A dedicated team, which relies on a network in all countries where the Group operates, works to ensure information systems security through tailored governance, shared standards and regular controls.

Control and valuation of assets

Site quality and control of the Group's assets are key factors in terms of competitiveness and success. This involves determining and maintaining an optimal level of property holdings, while remaining attentive to the maintenance, management and value of the Group's assets.

With a significant portion of stores operated under commercial leases, the Group's inability to renew them under favourable terms could impact performance. The same applies to inefficient or sub-optimal management of tenant relations at sites owned by the Group.

Under the responsibility and coordination of the Group Property director, who is also in charge of all Carrefour Property activities, each country implements an asset control and valuation policy which is tailored to its strategy.

Under the direction of the Group Legal department, the Group has also established an active and committed policy to protect all of its brands.

Financial market risks

Within the scope of its activities, the Group is exposed to financial risk, namely liquidity, credit, foreign exchange and interest rate risk. The Carrefour Group's financial risk management policy addresses three primary objectives: security, liquidity and profitability. It is described in detail in Note 36 to the Consolidated Financial Statements.

Risk is managed centrally by the Group's cash and cash equivalent and Financing Operations department (DTFG).

With regard to credit activities (banking and insurance), risk management and oversight is directly managed by the concerned entity, with DTFG ensuring proper application or rules applicable to credit activities, together with its capital partners where applicable.

Liquidity risk

Distribution of borrowings by maturity and detailed information on liquidity risk appear in Note 36 to the Consolidated Financial Statements.

Cash and cash equivalent available at the end of 2013 (4.76 billion euros) covers bond maturities for the upcoming year.

As of the same date, the Group also had a commercial paper programme with the capacity to issue 5 billion euros, and 4.15 billion euros in available and undrawn syndicated loans (maturity 2016, 2017 and 2018), leading to the conclusion that its liquidity is strong.

In 2013 the Group carried out one bond issue (1 billion euros with maturity May 2019) and bought back 1.3 billion euros (excluding accrued interest).

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 4 years 3 months.

Since 2007, issues under the Euro Medium Term Notes (EMTN) programme have been subject to a soft change of control clause. This clause would apply in the event that a change of control led to Carrefour losing its long-term investment grade rating. In such case, the debt would not become immediately repayable but the interest rate would increase.

Loan agreements for syndicated lines of credit held by the Group include the usual commitments and default clauses, including *pari passu*, negative pledge, change of control, a clause restricting sales of substantial assets and cross-default clauses. There is no default clause in the event of a change in the long-term rating. On the other hand, the drawdown margin may change in the event of a long-term rating upgrade or downgrade (pricing grid). The contracts do not include an acceleration clause in the event of a material adverse change, nor is there any acceleration clause based on financial covenants.

Carrefour Banque's liquidity risk is monitored under a 'liquidity policy' approved by general management with the following objectives:

- refinancing security;
- gradual compliance with the new Basel III liquidity ratios;
- diversification of refinancing sources.

During 2013, Carrefour Banque completed two major public transactions to finance and expand its activities:

- a bond issue in April 2013 (300 million euros for three years);
- a securitisation transaction in November 2013, raising 400 million euros.

This total refinancing of 700 millions euros is fully in line with the goal of complying with the Basel III liquidity ratios through a significant lengthening of the original term and a perfect match of asset and liability cash flows.

Interest-rate risk

Interest rate risk management is centrally handled by the DTFG, which reports on its operations each month, reviewed by a rate committee which establishes a hedging strategy and methods of application in an effort to limit interest rate risk exposure and optimise financing costs.

Long-term debt is primarily incurred at fixed rates, protecting the Group against rate increases.

However, Carrefour holds various financial instruments which are intended to hedge the Group's financial debt against the risk of interest rate changes. They are primarily swaps (vanilla) and interest rate options (vanilla caps and floors).

When issued at a variable rate, long-term debt is hedged through financial instruments which cap interest rate increases for some or all of the period.

A sensitivity analysis of rate changes is presented in Note 36 to the Consolidated Financial Statements.

Foreign-exchange risk

The Group's operations throughout the world are conducted by subsidiaries operating primarily in their own countries (with purchases and sales in local currencies). As a result, the Group's exposure to exchange-rate risk in commercial operations is naturally limited and primarily concerns imports. Risk related to fixed import transactions (purchase of goods in foreign currency) is hedged *via* forward currency purchases.

Translation risk which burdens transactions conducted in countries outside the euro zone concerns Brazilian real and Argentine Peso. For example, the impact of average exchange rate fluctuations used in 2013 as compared with 2012 affected Group sales by -2,326 million euros (3.1% of 2013 sales) and operating income by - 73 million euros (3.1% of 2013 operating income).

Finally, when local financing is used, transactions are generally conducted in the local currency.

Equity risk

Detailed information on equity risk appears in Note 36 of the notes to the Consolidated Financial Statements.

Within the context of the stock option and free share allocation plans, the Group purchases its own shares and stock options. A breakdown of these plans is provided in Note 28.1 to the Consolidated Financial Statements.

Quality of financial management, budgets and reporting

The organisation and procedures for financial and accounting matters are set forth in the Group's Reference Guide to Corporate Rules, which applies to all subsidiaries.

Procedures and tools used are intended to control financial flows in all countries where the Group operates, to verify that budgets and forecasts best reflect observed trends, to constitute a realistic estimate of future performance, and to ensure that the Consolidated Financial Statements provide a true and fair view of the Group's financial position and its results.

Financial services

Financial services distribute consumer credit, savings products, insurance products and payment services, exposing them to classic financial risks (risks of providing financing and insurance, risk related to financial ratios, liquidity risk) along with regulatory obligations to which financial and banking institutions are subject, specifically systems to fight money laundering and terrorism financing.

Since 2009, Carrefour Banque has initiated a project to map processes and operational risks and, since April 2012, has defined the principles and outline for grouping and pooling operational risk management tools for France and for entities in other countries.

In accordance with Article 17 of CRBF 97-02, Carrefour Banque has defined materiality thresholds for incidents uncovered through internal control procedures.

Credit risk

To address the risk of borrower insolvency, the Group's financial companies have systems to check debtor quality and solvency (scoring tools, budget and past references which attest to the counterparty's quality, searches on positive and negative credit files, active management of debt collection and legal actions, etc.).

Consumer receivables are classified as bad debts as soon as they show a risk of total or partial non-recovery (late payment, etc.). Impairment models are established based on current regulations applicable to credit companies in each country (classification of out standings into homogeneous risk categories, in terms of the likelihood of recovery and modelling loss probabilities on a historical basis).

Detailed information on the Group's exposure to credit risk appears in Note 36 to the Consolidated Financial Statements.

3.5.2 RISK PREVENTION

Effective risk management relies on a shared vision of challenges and optimal coordination.

The Group incorporates risk management into its day-to-day business practices. Risk management is a job shared by all employees with the aim of developing a risk management culture.

Risk management within the Group is decentralised to the country executive directors, who are tasked with identifying, analysing and handling the main risks with which they are faced.

They are supported in this by the Group Risk & Compliance department, which coordinates the deployment of a guidance and mapping tool for major risks, while mapping operational risks and developing tools deployed in the countries.

The Risk & Compliance department also worked on country-by-country mapping of health risks, natural risks, risk of crime and terrorism and legal risk, while conducting studies on emerging risks and supporting certain operational departments. It also supports the Purchasing departments in their knowledge and evaluation of supplier risk.

In operational terms, the Group Risk and Compliance department coordinates and leads a network of risk prevention directors present in all Group countries. During 2011, Carrefour communicated a Risk Prevention Charter which defines the scope of action, the role and responsibilities of the country-level Risk Prevention units, and the ethical rules they must follow.

In each country where the Group operates, a Risk Prevention department is responsible for the security of the Company's tangible and intangible assets and ensures the safety of persons present on its sites. It is tasked with implementing the human, organisational and technical resources necessary to manage both accidental and intentional risks (natural disasters, malicious acts, theft etc.).

The prevention policy relies on risk mapping, loss analysis and identification of emerging risks as part of its on-going oversight and specific studies.

The Risk and Compliance department prepares a consolidated annual report on the risk prevention function at Group level, with benchmarks between management and performance indicators for the function in each country, in terms of loss, workforce, resources and action plans.

3.5.3 INSURANCE

For the past several years, the Group's insurance strategy has focused on providing the best possible protection for people and property.

Group insurance policy

The Group's insurance strategy is primarily based on identifying insurable risks through a regular review of existing and emerging risks, in close collaboration with operational managers, the various Carrefour Group departments involved and outside specialists.

Worldwide programmes

The Group has implemented comprehensive, worldwide programmes (especially for Property Damage and Business Interruption, Civil Liability and Construction policies) that provide uniformity of coverage for all formats (consolidated stores only), wherever the stores are located (except in countries where regulations prohibit this type of arrangement).

Thus, the Group has a solid understanding of the limits of coverage in place, and the certainty that its insurance programmes have been taken out with insurers having an international reputation.

Acquisitions during the year

The Carrefour Group (delete) ensures that acquisitions over the course of the insurance year quickly obtain this comprehensive coverage, or, where applicable, benefit from its DIC/DIL (difference in conditions/difference in limits) coverage policies, in order to ensure solid control over existing coverage and benefits.

Prevention policy

The Carrefour Group's (delete) insurance policy requires that risk prevention measures be monitored by the Risk and Compliance department in coordination with local Group liaisons in each country, as well as with the Group's insurers.

Transfer of risk to the insurance market

The Group transfers identified insurable risks to the insurance market or self-insures, in accordance with the Group insurance policy and consistent with the Group's general policies.

Self-insurance of certain risks

In order to optimise insurance costs and better manage risk, the Group has a policy for maintaining its frequency lines through its captive insurance and re-insurance companies for certain risk categories. The results of these captive companies are consolidated in the Group financial statements.

Information concerning the main insurance programmes

The following information is provided for information purposes only in order to illustrate the scope of action in 2013. This information should not be regarded as static, since the insurance market is constantly changing. Indeed, the Group's insurance strategy depends on and adapts to insurance market conditions.

Property Damage and Business Interruption

This insurance protects the Group's assets through an "all risks, with exceptions" policy, on the basis of guarantees and underwriting capacity available on the insurance market to cover the traditional risks for this type of coverage, which include fire, lightning, theft, natural disaster and operating loss.

The programme established by the Group for the period from July 1, 2012 to June 30, 2013 offers a coverage limit of 260 million euros per claim in direct damages and operating losses combined. This programme includes sub-limits, particularly with regard to natural disasters. Deductibles are established as appropriate for the various store formats.

Exclusions in force for this policy comply with market practices.

For subsidiaries in Europe in what is known as 'free service provision' zone, this coverage is acquired through the direct captive insurance company.

For subsidiaries located outside the European 'free service provision' zone, the Property Damage and Business Interruption programme is reinsured through the captive insurance company.

A stop-loss provision per claim and per insurance year has been established in order to protect the captive companies' interests and limit their commitments.

Finally, beyond a certain predefined limit, risk is transferred to the insurance market.

Civil liability coverage

This programme is intended to cover the Group's activities against the financial consequences of its civil liability in cases where the Company may be held liable for resulting damage and/or bodily harm caused to third parties.

The limits of its civil liability policy are consistent with those of an international retail company. Deductibles vary from country to country.

Exclusions in force for this policy comply with market practices.

A specific subscription strategy applies to civil liability risk, through the re-insurance scheme offered by its captive insurer. The captive reinsurance company's exposure is limited per claim and per insurance year. Anything beyond a certain exposure level is transferred to the traditional insurance market.

The Carrefour Group (delete) is covered against the risk of harming the environment as part of its comprehensive, worldwide civil liability insurance programme.

Such risk requires a specially designed approach because of conditions imposed by re-insurers, which offer more limited coverage for gradual pollution risk.

Mandatory Insurance

The Carrefour Group (delete) takes out different insurance programmes in accordance with local law, including:

- automobile insurance;
- construction insurance (building defects, comprehensive worksite, ten year builder liability, etc.);
- professional liability insurance related to its activities:
  - banking,
  - insurance,
  - travel.

3.5.4 CRISIS MANAGEMENT

To address extraordinary situations that may impact business continuity and the fulfilment of its objectives, the Group has established a global crisis management organisation.

At Group level, the Risk and Compliance department coordinates the crisis management system in close cooperation with the Group Communication department.

Depending on the nature and scope of the event, the crisis may be handled locally, reporting to a country-level Executive Board, or at country level in accordance with crisis management principles, as defined in the Group's Reference Guide to Corporate Rules.

Each Country Executive director establishes a formal crisis management organisation to address the main scenarios likely to impact business continuity, by bringing together all internal functions concerned and relying on a network of outside experts depending on the type of crisis.

This organisation specifically includes a backup plan at the level of each establishment, an appropriate system for product recall and withdrawal, in accordance with the Group Quality department's recommendations and standards, as well as an alert system to permit rapid reporting of information from all sites.

All members of the country Executive Committee and the other internal players concerned are trained in crisis management and crisis communications. Regular organisation of crisis simulations tests the collective abilities of each Country Executive Committee.

The Group has also developed a number of tools at Group level and made them available to all crisis coordinators in each country through a "Carrefouralert" website, dedicated to managing difficult situations. This website includes contact information for all crisis management and communication coordinators, practical information and reaction sheets, prevention tools and a wide range of useful information.

3.6 Internal control

3.6.1 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Introduction

The Group Internal Audit department has been asked to compile the required components of this section, which incorporates contributions of several Group departments.

Responsibility for the quality of internal-control and risk-management systems lies with general management, which has submitted this section of the report to the Statutory Auditors, the Accounts Committee and the Board of Directors, which approved it on March 4, 2014 on the recommendation of its committee.

Applicable reference framework

The Carrefour Group's internal-control and risk-management system is based on the reference framework of the Autorité des Marchés Financiers (AMF), updated on July 22, 2010. This section has been drawn up in accordance with Article L. 225-37 par. 5 of the French Commercial Code.

Definition of the internal-control system

The internal-control system, which comprises a set of resources, patterns of conduct, procedures and actions adapted to the individual characteristics of each Group company:

- contributes to the control of its activities, the efficiency of its operations and the efficient utilization of its resources; and
- enables it to take into consideration, in an appropriate manner, all major risks of an operational, financial or compliance-related nature.

More specifically, the internal-control system is designed to ensure:

- that the Group's economic and financial objectives are achieved in accordance with laws and regulations;
- that instructions and directional guidelines fixed by general management in respect of internal control and risk management are applied;
- that the internal processes are functioning correctly, particularly those contributing to the security of assets;
- that financial information is reliable.

By helping to prevent and control the risk of the Group not achieving its objectives, the internal-control system plays a key role in the management and oversight of its activities. However, as the AMF reference framework underscores, no matter how well designed and properly applied, an internal-control system cannot fully guarantee that the Group's objectives will be achieved.

There are inherent limitations in all internal-control systems, which arise, in particular, from uncertainties in the outside world, the exercise of judgment or problems that may occur due to human failure or simple error.

Scope

The internal-control and risk-management system presented in this section is implemented in the Company and at all its fully consolidated subsidiaries, and is not limited to a set of procedures or merely to accounting and financial processes.

3.6.1.1 Components of internal control

A. Organisation

Customers and consumers lie at the heart of everything the Carrefour Group undertakes. The Company is organized geographically to ensure that the specific needs and interests of local customers and consumers are addressed most effectively and its operations are optimally responsive. Each country serves as a basic link in the Group's organization. The internal-control and risk-management system is based on this organizational principle:

- General Management sets the reference framework for the Group's internal-control and risk-management system. Its role is to coordinate, drive and supervise internal-control and risk-management systems;
- at country level, country executive directors coordinate and steer their own internal-control and risk-management systems.

The Group has set up a formal control environment with a Code of Professional Conduct and determination of the powers, responsibilities and objectives assigned at each level of the organization, according to the principle of the separation of tasks:

- the Code of Professional Conduct is provided to every Group employee. The Code establishes the ethical framework within which all Carrefour employees must conduct their activities on a day-to-day basis;
- the corporate officers of each legal entity have limited powers in some areas that require prior approval by the Board of Directors or the equivalent body in each entity concerned;

- the powers and responsibilities of key employees are defined in delegations of powers and responsibilities established in accordance with hierarchical and functional organizational charts. This structure complies with the principle of the separation of tasks;
- lastly, this structure is conveyed by a management framework that is underpinned by medium-term objectives organized according to country and by the steering of activities orientated in line with annual budget targets and corresponding to individual plans.

***Via* its policies, the Human Resources department:**

- ensures the proper availability level of resources, suitable for current and future business requirements;
- monitors employees' career development and commitment;
- ensures high-quality industrial relations;
- defines the framework for the remuneration policy and corporate benefits and guides the associated commitments;
- helps to create a culture of collective development and performance.

The information systems aim to respond to needs and satisfy requirements regarding information security, reliability, availability and traceability:

- at Group level, the accounting and financial information system is based on reporting and consolidation tools for preparation of the Consolidated Financial Statements and measurement of the Group's operating performance;
- the country executive directors are responsible for their own information systems, and have implemented measures to ensure system security and digital data integrity.

Each process is subject to formal procedures and operational methods for each country, which stipulate ways of carrying out an action or process in accordance with the Group's regulatory framework:

- the Group has established a Group regulatory framework to cover the main risks to its assets. Implementation of this framework is mandatory for all countries;
- the country executive directors have established procedures and operating methods, including control activities required to cover all the strategic, operational and asset risks relating to their businesses. These procedures and operating methods include and extend the key controls set out in the Group regulatory framework.

B. Dissemination of internal information

The Group ensures that relevant information is properly circulated and conveyed to the individuals concerned so that they can perform their duties in accordance with Group standards and procedures.

- the GroupOnline intranet regularly disseminates information on the life of the Group and provides employees with a number of practical tools, including information on the primary standards and procedures with which they must comply;
- the Group regulatory framework has been communicated to all executive directors responsible for disseminating it;
- procedures setting out best practices and the information reporting process are also communicated to the various countries by the Group's main departments;
- the Group's accounting policy is sent to every financial director at the end of each quarter.

Similarly, the countries ensure that relevant information is properly circulated and conveyed to the individuals concerned so that they can perform their duties in accordance with Group standards and procedures.

C. The risk-management system

The risk-management system implemented by the Group relies primarily on identifying, analyzing and addressing risk factors likely to affect people, assets, the environment, the Company's objectives and its reputation.

The Group incorporates risk management into its day-to-day business practices. Risk management is a job shared by all employees with the aim of developing a risk management culture.

In particular, the system aims to:

- create and preserve the Company's value, assets and reputation;
- increase the security of the Company's decision-making and procedures to promote achievement of objectives;
- promote actions consistent with the Company's values;
- mobilize Company employees to adopt a shared vision of the principal risks.

Risk management within the Group is decentralized to the country executive directors, who are tasked with identifying, analyzing and handling the main risks with which they are faced.

They are supported in this by the Group Risk & Compliance department, which coordinates the deployment of a management and mapping tool for major risks whilst developing mapping of operational risks.

The Risk & Compliance department has also worked on country-by-country mapping of health risks, natural risks, risk of crime and terrorism and legal risk, while conducting studies on emerging risks and supporting certain operational departments. It also supports the Purchasing departments in their knowledge and evaluation of supplier risk.

Twenty-three risk factors have been identified by the Group and are presented in the management report. These factors cover five themes: the business environment, strategy and governance, operations, financial risks and financial services.

In operational terms, the Group Risk and Compliance department coordinates and leads a network of Risk Prevention directors present in all Group countries. During 2011, Carrefour communicated a Risk Prevention Charter which defines the scope of action, the role and responsibilities of the country-level Risk Prevention units, and the ethical rules they must follow.

In each country where the Group operates, a Risk Prevention department is responsible for the security of the Company's tangible and intangible assets and ensures the safety of persons present on its sites. It is tasked with implementing the human, organizational and technical resources necessary to manage both accidental and intentional risks (natural disasters, malicious acts, theft etc.).

The prevention policy relies on risk mapping, loss analysis and identification of emerging risks as part of its ongoing oversight and specific studies.

The Risk and Compliance department prepares a consolidated annual report on the risk prevention function at Group level, with benchmarks between management and performance indicators for the function in each country, in terms of loss, workforce, resources and action plans.

A summary of the results is presented annually to general management so that it can supervise the risk-management system, and specifically:

- update the Group risks register;
- update risk maps and the risk assessment and analysis system;
- progress action plans to reduce exposure to risk factors.

For the past several years, the Group's insurance strategy has focused on providing the best possible protection for people and property.

The Group's insurance strategy is primarily based on identifying insurable risks through a regular review of existing and emerging risks, in close collaboration with operational managers, the various Carrefour Group departments involved and outside specialists.

The Group's Insurance department is responsible for covering insurable risks for the entities when national legislation permits it. It is in charge of the subscription and centralized management of insurance policies.

D. Control activities responding to these risks

Control activities are designed to ensure that the necessary measures are taken in order to reduce exposure to three types of risk – strategic, operational and asset – likely to affect the achievement of the Group's objectives. Control activities take place throughout the organization, at every level and in every function, including prevention and detection controls, manual and IT controls and hierarchical controls.

The Group's regulatory framework includes control activities aimed at covering asset risks, which include four risk families:

- accounting and financial risks,
- risks associated with the safety and security of property and people,
- risks to the continuity, integrity, confidentiality and security of information systems,
- contractual obligation, compliance and communication risks.

Control activities are defined and implemented by process managers, coordinated by internal controllers who report to members of the Country Executive Committee and to the country executive director.

Coordination of the internal controllers ensures that control activities are methodologically consistent and that risks are comprehensively covered throughout all processes.

Details of internal-control procedures relating to the preparation and processing of accounting and financial information for the corporate and Consolidated Financial Statements are provided in Section 3.6.2.

E. Guidance and monitoring of the internal-control system

Continuous monitoring

Continuous monitoring is organized so that incidents can be pre-empted or detected as rapidly as possible. The framework plays a long-term daily role in the effective implementation of the internal-control system. Specifically, it establishes corrective action plans and reports to general management on significant malfunctions when necessary.

Periodic monitoring

Periodic monitoring takes place through managers and operatives, internal country controllers and the Group Internal Audit department:

- managers and operatives check that the internal-control and risk-management system is functioning correctly, identify the main risk incidents, draw up action plans and ensure that the control and risk-management system is appropriate for the Company's objectives;
- the internal country controllers periodically check that control activities are being properly implemented and that they are effective against risks;
- the Group Internal Audit department provides the country executive directors and Group general management with the results of their assignments and their recommendations.

In addition, the operational effectiveness of internal control relevant to the preparation of the financial information is subject to audit work by the auditors, which report their conclusions and recommendations to the country executive directors and Group general management.

Each country executive director has established a formal annual self-assessment process:

- which uses standard tools that focus on existing frameworks and are based on an internal-control risk analysis for each activity and on identification of key control points;
- the results of the internal-control self-assessment covering asset risks are centralized periodically at Group Internal Audit level;
- one of the Group Internal Audit department's objectives in implementing actions is the quantitative measurement, through scoring systems, of the divergence between the self-assessment and the level of internal control determined on the basis of its work. Monitoring these divergences allows the quality of the country's internal-control self-assessment to be gauged.

Guidance and supervision of internal control entails internal country controllers' monitoring of action plans relating to the internal-control self-assessment and risk mapping processes and of the recommendations of the Group Internal Audit department. The results of the internal-control self-assessment covering asset risks are centralized periodically at Group Internal Audit level.

The final result of the supervision and guidance system is a letter of affirmation on risk management and internal control signed by the country executive director and the financial director, confirming their appropriation of and responsibility for internal control in terms of reporting and correcting deficiencies.

Group general management supervises the internal-control and risk-management system in particular through the minutes of meetings of the following bodies and departments:

- the Ethics Committee;
- the Group Investment Committee;
- the IT Request Management Committee;
- financial committees that guide the Group's financial policy;
- the Information Systems Governance department;
- the Group Internal Audit department; and
- any other *ad hoc* committee meeting convened according to the needs identified by general management.

Lastly, the performance of the internal-control supervision and guidance system for accounting and financial risks is presented regularly to the Accounts Committee.

3.6.1.2 Entities and individuals involved in internal control

A. At Group level

Group general management is responsible for the quality of the internal-control and risk-management system. It is also tasked with designing, implementing and supervising the internal-control and risk-management system. It initiates any corrective actions necessary to rectify an identified malfunction and to maintain a situation within the limits of acceptable risk. It ensures that these actions are successfully implemented.

General management performs its duties in relation to the internal-control and risk-management system through the following structure:

- the **Group Finance department** is responsible for:
  - maintaining the reliability of financial and accounting information,
  - controlling accounting and financial risks,
  - measuring Group performance and budget control;
- the **Group Legal department** is responsible for:
  - establishing the governance policy of Group subsidiaries,
  - managing the Group's legal risks;
- the **Group Risk & Compliance department** is responsible for:
  - establishing risk prevention policy within the Group,
  - managing risks associated with the safety and security of property and people,
  - coordinating the Group crisis-management system;
- the **Group Property department** is responsible for:
  - establishing the Group's property policy,
  - managing risks relating to building security;
- the **Group Quality department** is responsible for:
  - establishing product quality and safety policy within the Group,
  - managing product safety risks,
  - coordinating crisis management relating to product safety risks;
- the **Group Human Resources department** is responsible for:
  - establishing human resources management policy within the Group,
  - coordinating social risk management;
- the **Group Information Systems Governance department** is responsible for:
  - establishing the information systems management policy within the Group,
  - managing risks relating to the continuity, integrity, confidentiality and security of information systems;
- the **Group Insurance department** is responsible for setting up insurance to cover the Group's insurable assets as effectively as possible and according to available capacity on the market, pursuant to Group insurance policies. It works with the Risks & Compliance department to identify risks and implement prevention procedures.

The Board of Directors reports on the principal risks and uncertainties faced by the Group in the management report.

It takes note of the essential characteristics of the internal-control and risk-management systems communicated in a timely manner by the Accounts Committee and general management. In particular, it acquires an overall understanding of procedures relating to the production and treatment of financial and accounting information.

The role of the **Accounts Committee** set up by the Board of Directors is:

- to assess the effectiveness and quality of the Group's internal control systems and procedures, to interview the internal audit manager, to give an opinion on the organization of the department and to be informed of its program of work;
- to examine, in conjunction with internal control managers, the objectives and intervention and action plans in the area of internal audit, the conclusions of such interventions and the actions, recommendations and follow-up arising from them;
- to examine the methods and results of the internal audit and check that the procedures used help the financial statements to reflect a true and accurate picture of the business in accordance with accounting rules;
- to assess the reliability of the systems and procedures used to produce the financial statements and the validity of the positions taken in respect of presenting significant transactions;
- to examine the methods used to report and present accounting and financial information from the subsidiaries and/or operational units;
- to examine the draft report on internal control procedures.

The **Group Internal Audit** department is tasked with:

- regularly assessing the operation of the internal-control and risk-management systems related to asset risks, by performing the missions included in the annual audit plan,
- making any necessary recommendations to improve these systems,
- helping to develop internal-control tools and frameworks relating to asset risk.

B. At country level

The **country executive director**, whether acting directly or by delegation, is responsible for the establishment, operation and supervision of the internal-control and risk-management system at country level. The country executive director is supported by internal controllers, who are tasked with:

- helping to define the country internal-control system, particularly by ensuring that the Group internal-control framework is properly rolled out;
- ensuring that procedures defined by the country and the Group are properly applied.

3.6.2 DATA RELATING TO INTERNAL ACCOUNTING AND FINANCIAL CONTROL

During 2013, the Group continued to enhance its accounting and financial internal-control system by boosting the role of the functional departments and implementing the Corporate Rules.

3.6.2.1 General organizational principles of internal accounting and financial control

Internal accounting and financial control aims to ensure:

- the compliance of published accounting information with applicable rules (international accounting standards);
- the application of instructions and strategic directions established by the Group;
- the prevention and detection of fraud and accounting and financial irregularities;
- the presentation and reliability of published financial information.

Risks related to production of accounting and financial information can be classified into two categories:

- those related to the accounting of current operations in the country, whose control systems must be set as close as possible to decentralized operations;
- those related to the accounting of non-current operations that may have a significant impact on the Group's financial statements.

The internal-control system described in the following paragraphs incorporates this approach to risk.

Management within each country is responsible for identifying risks that impact the preparation of financial and accounting information and for taking the necessary steps to adapt the internal-control system.

With regard to information that requires special attention given its impact on the Consolidated Financial Statements, the Group Consolidation department requests the necessary explanations and may perform such controls itself, assign an outside auditor to carry out such controls or request the involvement of the Internal Audit department through the Chairman and Chief Executive Officer.

The Group Consolidation department checks the country-level consolidated reporting packages at each quarterly closing. If need be, corrections are made to the reporting packages. In addition, inspections are conducted in each country at least twice per year.

Impairment testing of goodwill is handled by the Consolidation department based on projections prepared by the countries. The Consolidation department also obtains and reviews impairment tests performed by the countries on tangible fixed assets.

3.6.2.2 Management of the accounting and finance organisation

Organisation of the financial function

The financial function is mainly based on a two-level organization:

- the Group Financial Control department defines the IFRS accounting principles applicable to Carrefour and provides leadership and oversight of the production of Consolidated Financial Statements and management reports. This department includes a Consolidation department and a Performance Analysis department:
  - the Consolidation department monitors standards, defines the Group accounting doctrine (IFRS accounting principles applicable to Carrefour), produces and explains the Consolidated Financial Statements and prepares the consolidated accounting and financial information, and is the direct link to the finance departments at country level,
  - the Performance Analysis department aggregates and analyses both prospective and retrospective management reports. It requests explanations from the country-level finance departments and/or the regional finance departments, and alerts General Management to key issues and any potential impact;

- the country-level finance departments are responsible, under the functional supervision of the finance directors for each region, for production and control of the country-level company and Consolidated Financial Statements. They are also responsible for deploying an internal-control system within their scope that is adapted to their specific challenges and risks, taking into account the Group's recommendations and directives. Management control and merchandise management control at country level also fall under their responsibility.

The country/business administrator accounting function is handled by centralized teams in each country, under the supervision of the country-level finance director. These teams belong to the Finance line and are led by the Group Finance department.

The Group executive director for finance appoints the country-level finance directors.

Regional finance directors are mainly charged with improving dissemination of the culture and principles of financial control and ensuring their proper application.

Accounting principles

Group accounting principles are specified in a regularly updated document that is communicated to all those involved in the process.

The IFRS accounting principles applicable to Carrefour are reviewed twice per year, before the close of the half-yearly financial statements and before the balance sheet date. They are defined by the Standards director belong to the Consolidation department and presented to the Statutory Auditors for comment. Significant changes, additions or withdrawals are presented to the Accounts and Internal Audit Committee.

The most recent version is communicated to the country-level finance directors before each consolidation.

The IFRS accounting principles applicable to Carrefour are incumbent upon the country-level Finance departments, which have no leeway in the interpretation or application of such principles. Should queries arise, country-level finance departments are instructed to consult the Consolidation department, which alone can provide interpretations and clarifications.

A meeting of country-level finance directors is held once per year, during which new changes to the IFRS accounting principles applicable to Carrefour and any problems with application that have been encountered since the last meeting are discussed.

The Standards department belong to the Consolidation department to handle technical monitoring of IFRS standards, organize and manage the process of updating Group accounting principles in connection with the countries, analyze technical issues raised within the Group and ensure that Carrefour is represented within professional organizations that deal with accounting standards.

Tools and operating methods

In recent years, the Group has standardized the accounting systems used in the various countries. Specifically, this has led to the implementation of an organizational model that includes the establishment of shared service centers (for the processing and payment of invoices involving merchandise, fixed assets, general expenses and payroll), thus standardizing and documenting procedures in the various countries and ensuring the appropriate separation of tasks. Operating methods are made available to all users.

Each country implements tools to address its specific consolidation needs. A tool was developed at Group level to facilitate transmission of data, controls and consolidation operations.

Accounting and financial information systems are subject to the same requirements as all security systems.

Consolidation process and principal controls

Each country is responsible for consolidating financial statements at its own level. Consolidation at this level is provided by financial teams in each country.

The Group Consolidation department team leads this process and is responsible for producing the Group's Consolidated Financial Statements. Responsibilities have been defined by country, as have cross-functional analysis responsibilities within the Group team. Since 2008, consolidation has occurred in each quarter. Only the half-yearly and annual Consolidated Financial Statements are subject to an external audit and published. The Group uses identical data and regional breakdowns for its management reports and Consolidated Financial Statements.

Subsidiaries prepare their own statutory accounts and Consolidated Financial Statements for their region, and then convert these reports into euros. The finance directors in each country can refer to a list of standard controls prepared by the Group's Consolidation department staff that are to be performed on these Consolidated Financial Statements.

Since 2010, through Group regulations, countries have had access to a benchmark for expected controls during the production of accounting and financial information and the consolidation process. The Consolidation department checks for consistency and performs a reconciliation at the close of each quarter. The reporting system ensures consistent information as a result of these controls.

The main options and accounting estimates are subject to review by the Group and the country-level finance directors, including during meetings for account closing options, organized before account closings at Group and country level in cooperation with external auditors.

Between account closings, country visits by the Consolidation department provide opportunities to improve the process at country level by promoting understanding and dissemination of the Group's accounting principles and addressing specific issues within the various countries. If necessary, inspections can lead to recommendations aimed at improving the country's consolidation procedures.

In 2012, the Consolidation department set up the first "hard-close" process at the end of September so as to anticipate, as far in advance as possible, potentially sensitive subjects relating to account closing. The process also identifies any weaknesses in internal control and the processes associated with assessing costs and income that, due to their nature and amount, have a significant impact on Group performance, so that these can be rectified if necessary before the annual closing. The specific work that the countries are required to carry out, and the Statutory Auditors' reviews, have led in particular to internal control of the supplier cycle, review of the main disputes and risks, and impairment testing of stores and goodwill.

In order to provide an opinion to the Board of Directors on the draft financial statements, the Accounts and Internal Audit Committee reviews the annual and half-yearly financial statements and the findings of the Statutory Auditors' team concerning their work.

With this in mind, the Accounts and Internal Audit Committees meet regularly and as necessary so that the committee can monitor the process of preparing the accounting and financial information and ensure that the principal accounting options applied are pertinent.

Oversight of the internal-control system

Oversight of the internal-control system is mainly based on:

- a self-assessment process for the application and oversight of the main regulations defined by the Group concerning internal accounting and financial controls. Action plans, defined at country level where necessary and subject to monitoring;
- in-country actions by the Group Internal Audit department. The internal audit plan incorporates missions to review internal accounting and financial controls.

Oversight also incorporates the assessment of information provided by the Statutory Auditors as part of their in-country operations. Since 2010, the country-level finance directors systematically provide the Consolidation department with summaries of actions and letters of recommendation from the Statutory Auditors. It oversees implementation of its recommendations.

The entire process is regularly presented to the Accounts and Internal Audit Committee. When significant shortcomings are detected in a country's internal-control system, the committee will have the region and country-level finance directors present developments in their action plans on a quarterly basis.

At each statement, the Group Internal Audit department receives letters of affirmation, signed by the country executive director and country finance director, certifying that the consolidation reporting packages are fair and were prepared in accordance with the IFRS accounting principles applied by Carrefour.

3.6.2.3 Control over financial communications

Role and mission of financial communications

The objective of financial communications is to provide information:

- on a continuous basis: quality information must be provided regularly over time. This is essential to the Group's credibility and to ensuring shareholder loyalty;
- that conveys a clear, consistent message: communications must allow investors to gain a precise, accurate understanding of the Company's value and management's capacity to boost value even further. Investors must be properly informed in order to make decisions;
- while maintaining the principle of shareholder equality with regard to information: any financial information that might have an impact on market prices must be made public *via* a single, centralized source at Group level.

Organization of financial communications

Financial announcements address a diverse audience, primarily comprised of institutional investors, individuals and employees, *via* four channels:

- the Shareholder Relations department is responsible for informing the general public (individual shareholders);
- the Investor Relations department, Finance department and the Chairman and Chief Executive Officer are the sole contacts for analysts and institutional investors;
- the Human Resources department, with support from the Communications department, manages information intended for employees;
- the Communications department manages press relations.

In practice, financial messages are prepared through close collaboration between the Finance and Communications departments.

They are delivered as required by law (via an annual Shareholders' Meeting) and according to the regulations of the French Financial Markets Authority (periodic publications, press releases). Furthermore, beyond its legal obligations, Carrefour employs a wide array of media for its financial communications. The Group may utilize the press, the Internet, direct telephone contact, individual meetings and special forums.

Procedures for controlling financial communications

The Finance department is the exclusive source of financial information.

Internal controls regarding the financial communications process focus on compliance with the principle of shareholder equality, among other issues. All press releases and significant announcements are prepared by mutual agreement between the Financial Communications department, which is part of the Finance department, and the Group Communications department.

The segregation of roles and responsibilities allows for strict independence between managers, sensitive departments (e.g. Mergers and Acquisitions) and the Financial Communications department.

Financial communications policy

The finance director defines and implements the policy on disclosing financial results to the markets. The Carrefour Group discloses its sales (including tax) each quarter, and reports all of its results on a half-yearly basis. Each disclosure is first presented to the Board of Directors.

In contrast to previous years, at the beginning of the 2012 fiscal year the Group did not issue guidance on its underlying earnings target. However, throughout the fiscal year the Finance department checks that the underlying earnings target provided by the analyst consensus remains achievable and, where applicable, issues a revision when budget forecasts reveal a significant discrepancy.

3.7 Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code on the report of the Chairman of the Board of Directors

Year-ended December 31, 2013

This is a free translation into English of a report issued in French prepared in accordance with Article L. 225-235 of French Company law on the report prepared by the Chairman of the Board of Directors and is provided solely for the convenience of English-speaking users.

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

To the shareholders,

In our capacity as Statutory Auditors of Carrefour SA, and in accordance with Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and providing the other disclosures required by Article L. 225-37 of the French Commercial Code, particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you our observations on the information contained in the Chairman's report regarding the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report regarding the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we may have identified in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information regarding the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board, in accordance with Article L. 225-37 of the French Commercial Code.

Other disclosures

We hereby attest that the report of the Chairman of the Board of Directors includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, March 18, 2014

French original signed by

MAZARS		*KPMG audit Department of KPMG S.A.*	*Deloitte & Associés*	
Patrick de Cambourg	*Pierre Sardet*	*Éric Ropert*	*Arnaud de Planta*	*Francisco Sanchez*

4

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2013

4.1 Sales and earnings performance

4.1.1 MAIN EARNINGS INDICATORS

(In € millions)	2013	2012*	% change	% change at constant exchange rates
Net sales	74,888	75,673	(1.0)%	2.0%
Recurring operating income	**2,238**	**2,124**	**5.3%**	**9.8%**
Non-recurring operating income and expenses, net	144	(660)	na	na
Finance costs and other financial income and expenses, net	(722)	(883)	(18.3)%	(13.7)%
Income tax expense	(631)	(380)	65.9%	73.0%
Net income from continuing operations - Group share	949	150		
Net income from discontinued operations - Group share	314	1,109		
Net income - Group share	**1,263**	**1,259**		
Free cash flow (including non-recurring items)	**26**	**765**		
Net debt at 31 December	**4,117**	**4,320**		

* *2012 data have been restated to reflect (i) the reclassification of operations as "Discontinued operations" as from January 1, 2012, in accordance with IFRS 5, and (ii) the changes in standards and presentation described in Note 1 to the Consolidated Financial Statements.*

The Group's 2013 confirm a growth momentum with strong growth in Group earnings at constant exchange rates:

- sales increased by 2.0% at constant exchange rates, with improvement in all formats in France, a significant recovery in the second half in Europe, a remarkable increase in Latin America, and faster growth in Asia.
- recurring operating income came in at €2,238 million, a 9.8% gain at constant exchange rates; Europe (including France) posted growth of 11.3% while recurring operating income in emerging markets (Latin America and Asia) was up 8.5%.
- non-recurring items represented net income of €144 million, contrasting sharply with the €660 million net expense reported in 2012. The main item of non-recurring income was the gain realized on the sale of the Group's interest in the joint venture with Majid Al Futtaim Holding.
- finance costs and other financial income and expenses represented a net expense of €722 million, a €161 million improvement that was mainly due to lower finance costs and one-off finance charges compared with the previous year.
- income tax expense amounted to €631 million, representing an effective tax rate of 38%.
- net income from continuing operations (Group share) stood at €949 million, a six fold increase over 2012.
- discontinued operations contributed net income of €314 million, corresponding mainly to the capital gain realized on the sale of operations in Indonesia and the Group's share of the results for the period in Turkey.
- taking into account all of these items, the Group ended the year with net income (Group share) of €1,263 million, versus €1,259 million in 2012.
- free cash flow stood at €26 million in 2013 compared with €765 million in 2012, after taking into account significantly higher capital spending for the year, with net outflows up €147 million, and one-off payments totaling €1,064 million in settlement in several old tax disputes.

4.1.2 ANALYSIS OF THE MAIN INCOME STATEMENT ITEMS

Net sales by region

The Group's operating segments consist of the countries in which it does business, combined by region, and "Global functions", corresponding to the holding companies and other administrative, finance and marketing support entities.

(In € millions)	2013	2012	% change	% change at constant exchange rates
France	35,438	35,341	0.3%	0.3%
Rest of Europe	19,220	19,786	(2.9)%	(2.9)%
Latin America	13,786	14,174	(2.7)%	13.0%
Asia	6,443	6,373	1.1%	2.6%
TOTAL	**74,888**	**75,673**	**(1.0)%**	**2.0%**

Net sales before loyalty program costs totaled €74,888 million, up 2% at constant exchange rates.

Performance by region can be explained as follows:

- in France, the various activities saw enhanced attractiveness and returned to ex-petrol organic sales growth in all formats;
- in the Rest of Europe, sales declined by 2.9% at constant exchange rates, sales improved markedly in the second half, in particular in Spain. Spain thus continued it recovery and posted quarterly like for like growth in the fourth quarter for the first time since 2008 while in Italy the environment remained difficult;
- Latin America posted very strong sales growth, rising by a strong 13% in local currency on an already high comparable basis in 2012. The negative currency effect led to a decrease at current exchange rates of 2.7%;
- in Asia, sales rose by 2.6% at constant exchange rates posting faster growth as compared to 2012. At current exchange rates, sales were up by 1.1%, amid a slowdown in consumption in the fourth quarter.

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Net sales by region – contribution to the consolidated total

In %	2013 (1)	2012
France	45.9%	46.7%
Rest of Europe	24.9%	26.1%
Latin America	20.7%	18.7%
Asia	8.5%	8.4%
TOTAL	**100.0%**	**100.0%**

(1) At constant exchange rates.

At constant exchange rates, the contribution of emerging markets (Latin America and Asia) to consolidated net sales continued to rise, representing 29.2% in 2013 versus 27.1% in 2012.

Recurring operating income by region

(In € millions)	2013	2012	% change	% change at constant exchange rates
France	1,198	922	29.9%	29.9%
Rest of Europe	388	503	(22.8)%	(22.9)%
Latin America	627	608	3.2%	18.6%
Asia	131	179	(27.0)%	(25.8)%
Global functions	(106)	(87)	22.1%	22.4%
TOTAL	**2,238**	**2,124**	**5.3%**	**9.8%**

Recurring operating income amounted to €2,238 million, up 9.8% at constant exchange rates and representing 3.0% of sales, compared with 2.8% in 2012.

The increase reflected:

- a higher gross margin, representing 22.7% of sales versus 22.2% in 2012;
- tight control of general and administrative expenses (including asset costs), with the increase contained at a below-inflation 1.1%;

In France, recurring operating income at €1,198 million recorded very strong growth of 30% or +80 basis points in operating margin to 3.4% of sales. All formats contributed to this performance which constitutes the third consecutive half of year-on-year growth. This increase is attributable to:

- improved gross margin as a result of an improved balance between everyday low prices, promotions and loyalty programs and lower shrinkage;
- good control of operating costs.

In the Rest of Europe, over the year, gross margin increased with constant attention to price positioning. Growth in operating costs was contained. Recurring operating income stood at €388 million. Profitability improved in the second half with an increase in operating margin of 10 basis points to 3.5% of sales, demonstrating the effectiveness of the operating model.

Recurring operating income in Latin America came to €627 million, an increase of 18.6% at constant exchange rates. Carrefour posted excellent performance in Brazil in all formats: Hypermarkets continued to improve their performance while Atacadão consolidated its leadership, with expansion bringing its store network to almost 100 outlets at year end. Argentina performed pretty well in a context of government-mandated price freeze and increasing wages

In Asia, recurring operating income came to €131 million versus €179 million in 2012. Gross margin was stable as a percentage of sales, while selling expenses were impacted by wage inflation and by business expansion costs in China, where the Group opened 20 new hypermarkets in 2013.

Depreciation and amortization

Depreciation and amortization amounted to €1,432 million in 2013. This represented 1.9% of sales, unchanged from 2012.

Non-recurring income and expenses, net

This classification is applied to certain material items of income and expense that are unusual in terms of their nature and frequency, such as impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for in prior periods, based on information that came to the Group's attention during the reporting year.

Non-recurring items represented net income of €144 million in 2013, comprising €566 million in income and €422 million in expenses.

The detailed breakdown is as follows:

(in € millions)	**2013**	**2012**
Net gains on sales of assets	425	234
Restructuring costs	(52)	(287)
Other non-recurring items	(101)	(374)
Non-recurring income and expenses net before asset impairments and write-offs	**272**	**(427)**
Asset impairments and write-offs	(128)	(233)
Impairments and write-offs of goodwill	*(16)*	*(18)*
Impairments and write-offs of property and equipment	*(112)*	*(215)*
Non-recurring income and expenses, net	**144**	**(660)**
Of which, non-recurring income	*566*	*286*
Of which, non recurring expenses	*(422)*	*(946)*

Gains on disposals of assets in 2013 mainly concerned the sale of the Group's 25% interest in Majid Al Futtaim Hypermarkets.

A description of non-recurring income and expenses is provided in Note 11 to the Consolidated Financial Statements.

Operating income

The Group reported operating income of €2,382 million in 2013 compared with €1,465 million the prior year, an improvement of €917 million.

Finance costs and other financial income and expenses, net

Finance costs and other financial income and expenses represented a net expense of €722 million, corresponding to 1% of sales versus 1.2% in 2012.

(In € millions)	**2013**	**2012**
Finance costs, net	(428)	(488)
Other financial income and expenses, net	(294)	(395)
FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET	**(722)**	**(883)**

Finance costs, net decreased by €60 million following the redemption of bonds at relatively high rates of interest in 2013 and their refinancing at rates below 2%.

Income taxes

Income taxes amounted to €631 million in 2013 compared with €380 million the year before. The effective tax rate was 38%.

Net income from companies accounted for by the equity method

Net income from companies accounted for by the equity method totaled €30 million versus €72 million in 2012. The decrease primarily reflects the sale of the Group's interest in Majid Al Futtaim Hypermarkets, which was previously accounted for by the equity method.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interests amounted to €101 million in 2013 compared with €83 million in the previous year.

Net income from continuing operations – Group share

The Group reported net income from continuing operations of €949 million in 2013, up from €150 million in 2012.

Net income from discontinued operations – Group share

Discontinued operations generated net income of €314 million in 2013, compared with net income of €1,109 million in 2012. The 2013 figure includes:

- the gain on the sale of the Group's operations in Indonesia;
- the Group's share of results for the period in Turkey, along with the costs incurred for the reorganization of the local partnership with Sabanci, which was completed on July 25, 2013 (see paragraph 4.2).

Net income from discontinued operations in 2012 mainly comprised:

- gains on disposal of the Group's operations in Colombia and Malaysia and results generated in these countries and in Indonesia in 2012, for a total of €1,343 million;
- the €207 million loss on the reorganization of the partnership in Greece completed in August 2012.

4.2. Financial position

4.2.1 SHAREHOLDERS' EQUITY

At December 31, 2013, shareholders' equity stood at €8,597 million, compared with €8,047 million at the previous year-end. The €550 million increase reflected:

- net income for the period of €1,364 million;
- dividend payments of €499 million, of which €398 million paid to Carrefour shareholders (including €290 million paid in shares) and €101 million to minority shareholders of subsidiaries;
- the buyout of non-controlling interests in France, leading to a €112 million net reduction in total shareholders' equity;
- the removal from the balance sheet of non-controlling interests in Indonesia, leading to a €72 million net reduction in total shareholders' equity;
- the removal from the balance sheet of non-controlling interests in Turkey, leading to a €21 million net increase in total shareholders' equity;
- the €455 million negative exchange difference from translating foreign operations.

4.2.2 NET DEBT

In 2013, the Group continued to strengthen its balance sheet: Net debt declined by €203 million to €4,117 million from €4,320 million at December 31, 2012. The net debt to equity ratio stood at 47.9% at December 31, 2013, compared with 53.7% a year earlier.

A €1.4 billion bond buyback operation in June 2013 helped to lower total debt, as well as the average cost of debt.

Net debt breaks down as follows:

(in € millions)	**2013**	**2012**
Bonds	7,462	8,992
Other borrowings	1,356	1,516
Commercial paper	-	-
Finance lease liabilities	388	420
Total borrowings before derivative instruments recorded in liabilities	**9,206**	**10,928**
Derivative instruments recorded in liabilities	27	318
Total long and short term borrowings	**9,233**	**11,246**
Of which, long term borrowings	*7,550*	*8,983*
Of which, short term borrowings	*1,683*	*2,263*
Other current financial assets	359	352
Cash and cash equivalents	4,757	6,573
Total current financial assets	**5,116**	**6,925**
NET DEBT	**4,117**	**4,320**

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)	2013	2012
Due within one year	1,683	2,263
Due in 1 to 2 years	1,242	1,773
Due in 2 to 5 years	2,955	4,067
Due beyond 5 years	3,326	2,824
TOTAL	**9,206**	**10,928**

In 2013, the Group issued €1 billion worth of 1.75% bonds due 2019.

At December 31, 2013, its liquidity position was strengthened by the availability of €4.15 billion in committed syndicated lines of credit with no drawing restrictions expiring in 2016 and 2018.

4.2.3 CASH FLOWS FOR THE YEAR AND CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2013

Cash and cash equivalents totaled €4,757 million at December 31, 2013, compared with €6,573 million at December 31, 2012, a decrease of €1,816 million that primarily reflects action by the Group to pay down debt in 2013.

The reduction in net debt amounted to €203 million in 2013 versus €2,591 million in 2012, breaking down as follows:

(In € millions)	2013	2012
Cash flow from operations	3,044	3,073
Change in trade working capital requirement	76	145
Investments	(1,671)	(1,524)
Other	(359)	(405)
Free cash flow excluding non-recurring items	**1,091**	**1,289**
Non-recurring cash outflows	(1,064)	(524)
Free cash flow (including non-recurring items)	**26**	**765**
Purchases and sales of securities	485	(50)
Cash dividends/reinvested dividends	(206)	(251)
Finance costs, net	(428)	(488)
Changes in the scope of consolidation and impact of discontinued operations	752	2,419
Other	(426)	196
Decrease in net debt	**203**	**2,591**

Free cash flow stood at €26 million in 2013, compared with €765 million in 2012, after taking into account significantly higher capital expenditure (with the net spend up €147 million) and one-off cash payments totalling €1,064 million following settlement of several old tax disputes.

Purchases and sales of securities represented a net cash inflow of €485 million in 2013, compared with a net outflow of €50 million in 2012. The favorable change primarily reflects the sale of the Group's interest in Majid Al Futtaim Hypermarkets in 2013 (€526 million proceeds) on the one hand and the 2012 acquisition of Guyenne & Gascogne on the other.

Changes in the scope of consolidation and discontinued operations had a positive impact of €752 million in 2013, that was mainly due to the sale of Indonesian operations during the year and the loss of control of the subsidiary in Turkey.

This compares to a positive €2,419 million in 2012, corresponding primarily to the sale of operations in Colombia and Malaysia.

4.2.4 FINANCING AND LIQUID RESOURCES

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

- promoting conservative financing strategies in order to ensure that the Group has a sufficiently strong credit rating and can raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market by conducting regular EMTN and bond issues, mainly in euros, in order to guarantee a balanced maturity profile. The Group's issuance capacity under its Euro Medium Term Notes (EMTN) program totals €12 billion;
- using the €5 billion commercial paper program listed on NYSE Euronext Paris;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2013, the Group had three undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of €4.15 billion. Group policy consists of keeping these facilities on stand-by, as backing for issues under the commercial paper program. The loan agreements for the syndicated lines of credit include the usual commitments and default clauses, including pari passu, negative pledge, change of control and cross-default clauses and a clause restricting sales of substantial assets. They do not, however, include any rating trigger, although the pricing grid may be adjusted up or down to reflect changes in the long-term credit rating. None of the agreements contains a material adverse change clause.

The Group considers that its liquidity position was strong at December 31, 2013 since, at that date, it had €4.15 billion in committed syndicated lines of credit with no drawing restrictions, expiring in 2016, 2017 and 2018. In addition, it had sufficient cash reserves at that date to meet its debt repayment obligations in the coming year.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 4 years and 3 months.

At December 31, 2013, Carrefour was rated BBB/A-2, outlook positive by S&P, while Carrefour Banque's S&P rating at that date was BBB+/A-2, outlook stable.

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4.2.5 RESTRICTIONS ON THE USE OF CAPITAL RESOURCES

At December 31, 2013, there were no restrictions that could materially affect the availability of the cash and cash equivalent balances of foreign subsidiaries.

4.2.6 EXPECTED SOURCES OF FUNDING

To meet its commitments, Carrefour can use its free cash flow and raise debt capital using its EMTN and commercial paper programs, as well as its credit lines.

4.3 Outlook for 2014

Refocused on the markets in which it holds leading positions and with a strengthened financial structure, Carrefour is staying the course in a low-growth environment, marked by currency volatility.

Mid-way through its three-year plan, Carrefour will focus in 2014 on the following operational priorities:

- continue action plans in all countries aiming at continuous improvement of its offer and price image to enhance the shopping experience, notably in its three largest markets, France, Brazil and Spain;
- accelerate multi-channel roll-out:
  - revamp and convergence of our websites in France, gradual broadening of our offer,
  - continued development of click & collect;
- implement new structural projects including:
  - revamp of the supply chain in France,
  - IT rationalization;
- enhance the attractiveness of our sites in France, Spain and Italy by capitalizing on the creation of a shopping mall company;
- accelerate store remodelings and relaunch multi-format expansion:
  - investments of between €2.4bn and €2.5bn in 2014,
  - intensification of the remodeling plan,
  - continued long-term growth in emerging markets, particularly in China and Brazil;
- maintain strict financial discipline.

4.4 Other information

4.4.1 ACCOUNTING PRINCIPLES

The accounting and calculation methods used to prepare the Consolidated Financial Statements for 2013 are the same as those used for the 2012 Consolidated Financial Statements, except as explained below:

- Amendments to IAS 19 – *Employee Benefits*. The main effects of retrospectively applying IAS 19R result from the elimination of the corridor method and the fact that it is no longer possible to defer recognition of past service costs. They consisted primarily of a reduction in shareholders' equity (€172 million at January 1, 2012 and €314 million at December 31, 2012, net of the deferred tax credit), due for the most part to an increase in provisions for pensions and length-of-service awards payable to employees on retirement (€266 million at January 1, 2012 and €475 million at December 31, 2012).
- IFRS 13 – *Fair Value Measurement*. This standard provides a single IFRS framework for measuring fair value that is applicable to all IFRSs that require or permit fair value measurements or disclosures. Its application had no material impact on the Group's published Consolidated Financial Statements.
- Amendment to IAS 1 – *Presentation of Other Comprehensive Income*, which notably requires items that may be reclassified subsequently to profit or loss to be presented separately from items that will not be reclassified.

The other new or amended standards and interpretations applicable in the European Union as of January 1, 2013 do not have a material impact on the Consolidated Financial Statements or do not concern the Group.

4.4.2 SIGNIFICANT EVENTS OF THE PERIOD

Reorganization of the partnership in Turkey

On April 30, 2013, Carrefour announced that it had reached an agreement with its Turkish partner Sabanci Holding to reorganize the governance of their joint venture, CarrefourSA.

Under the terms of the agreement, Sabanci Holding will become the majority shareholder by acquiring an additional 12% of the capital of CarrefourSA from Carrefour Group for a total consideration of TRY 141 million (approximately €60 million), while Carrefour will retain a 46.2% stake, allowing it to exercise significant influence over the joint venture.

Following the lifting of all the conditions precedent, including approval of CarrefourSA's new bylaws by Turkey's securities regulator (CMB) on July 2, 2013, the sale of one part of Carrefour's stake in CarrefourSA was completed on July 25, 2013.

In accordance with IAS 27, as the transaction will result in the loss of control of CarrefourSA, it has been treated in the Consolidated Financial Statements as the sale of the total pre-transaction interest (58.2%) followed by the purchase of the post-transaction interest (46.2%), accounted for at fair value by the equity method.

After taking into account the €81 million in negative cumulative exchange differences recycled to the income statement, the loss of control led to the recognition of a €41 million loss in the income statement, on the line "Income/(loss) from discontinued operations".

In accordance with IFRS 5, the following reclassifications have been made in the financial statements at December 31, 2013:

- CarrefourSA's results up to the date when control was lost have been presented under "Net income from discontinued operations" with the portion attributable to non-controlling interests shown separately in accordance with IAS 27. To permit period-on-period comparisons, CarrefourSA's 2012 results have been presented on the same basis;
- in the statement of cash flows, all of the Turkish entity's cash flows for 2013 are presented on the lines "Impact of discontinued operations", with 2012 cash flows reclassified accordingly.

Reorganization of the partnership with Majid Al Futtaim

On May 22, 2013, Carrefour announced that it was selling its 25% stake in Majid Al Futtaim Hypermarkets to its partner, Majid Al Futtaim Holding, for €530 million. At the same time, the exclusive partnership agreement with the Carrefour Group is being rolled over until 2025 and extended to include new formats and new countries.

The transaction was completed on June 23, 2013, after being approved by the relevant authorities, leading to the recognition of a €426 million disposal gain in non-recurring income. Majid Al Futtaim Hypermarkets was accounted for by the equity method up to the completion date.

Bond buybacks

On June 5, 2013, Carrefour announced that it was launching a €1,350 million bond buyback program. The three issues concerned were as follows:

- €1,500 million 5.125% issue due October 2014;
- €1,000 million 5.375% issue due June 2015;
- €1,100 million 4.375% issue due November 2016.

The offer closed on June 12 and on June 18, the Group bought back €1,293.7 million worth of bonds (excluding accrued interest), as follows:

- €601 million worth of 5.125% bonds due October 2014;
- €356.1 million worth of 5.375% bonds due June 2015;
- €336.6 million worth of 4.375% bonds due November 2016.

The cost of the buyback program, reported in financial expense, amounted to €119 million.

Divestment of operations in Indonesia

At the end of November 2012, Carrefour announced the sale of its 60% stake in Carrefour Indonesia to its local partner, CT Corp, which has become Carrefour's exclusive franchisee in this country. The sale was agreed at a price of €525 million.

The transaction was completed on January 16, 2013 and the €396 million capital gain is therefore reported in the 2013 income statement, on the line "Net income from discontinued operations".

Payment of the 2012 dividend in shares

At the Annual General Meeting held on April 23, 2013, shareholders decided to set the 2012 dividend at €0.58 per share with an option to receive the dividend in shares.

The issue price of the new shares was set at €19.62 per share, representing 95% of the average of the opening prices quoted on NYSE Euronext Paris during the 20 trading days preceding the date of the Annual General Meeting, less the net amount of the dividend of €0.58 per share and rounded up to the nearest euro cent.

The option period was open from May 2 to 23, 2013. At the end of this period, shareholders owning 72.06% of Carrefour's shares had elected to reinvest their 2012 dividends.

June 7, 2013 was set as the date for:

- settlement/delivery of the 14,769,539 new shares corresponding to reinvested dividends, leading to a total capital increase of €290 million;
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of €108 million.

Creation of a company for shopping malls adjoining the Group's hypermarkets in Europe

On December 16, 2013, Carrefour announced that it had signed a memorandum of understanding with Klépierre for the purchase of 127 shopping malls.

The project will lead to the creation of a company that will include 172 shopping malls originating from:

- firstly, the acquisition from Klepierre for €2.0 billion of 127 sites in France, Spain and Italy with gross annual rental income of around €135 million;
- secondly, the contribution by Carrefour of 45 shopping malls in France with a value of €0.7 billion and gross annual rental income of around €45 million.

The company will be financed through €1.8 billion in equity, 42% held by Carrefour with the remainder held by institutional investors, as well as through €900 million in debt.

The parties reached a final agreement on January 24, 2014. The transaction is still subject to the approval to the relevant regulatory authorities. It will be submitted for consultation to employee representative bodies and should close in the first half of 2014.

At December 31, 2013, the properties at the 45 sites concerned were reclassified as held for sale, in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.

In 2014, in application of the consolidation standards applicable as from that year (IFRS 10, IFRS 11 and IAS 28R), the new company will be accounted for by the equity method as it will be jointly controlled by Carrefour and its co-investors.

4.4.3 MAIN RELATED PARTY TRANSACTIONS

The main related party transactions are disclosed in Note 41 to the Consolidated Financial Statements.

4.4.4 SUBSEQUENT EVENTS

No events have occurred since the year-end that would have a material impact on the Consolidated Financial Statements.

4.5 Parent Company financial review

4.5.1 ACTIVITIES AND RESULTS

As the Carrefour Group's holding company, Carrefour SA manages a portfolio of shares in French and foreign subsidiaries and affiliates.

The Company's main source of revenue - reported under «Other income» in the income statement – consists of costs rebilled to other Group entities. In 2013, other income amounted to €554 million.

Financial income, net amounted to €1,198 million in 2013 compared with €1,029 million in 2012. The €169 million increase can be explained as follows:

- Financial provision charges rose by a net €196 million, reflecting:
  - €283 million in net additions to provisions for impairment of shares in subsidiaries and affiliates versus net reversals of €165 million in 2012 (negative impact of €448 million),
  - An increase in net reversals of provisions for impairment of treasury stock, due to the rise in Carrefour's share price between 2012 and 2013 (positive impact of €99 million),
  - A decrease in net charges to provisions for other financial risks (€153 million positive impact);
- Dividend income from subsidiaries was higher, with a positive impact of €343 million;
- Interest expense on intra-group and external borrowings decreased year-on-year, with a positive impact of €22 million.

Non-recurring items represented net income of €604 million in 2013 consisted mainly of gains and losses on disposals of shares in subsidiaries and affiliates and costs of buyback and retirement of bonds.

- **Buyback and retirement of bonds**

  On June 5, 2013, Carrefour announced that it was launching a €1,350 million bond buyback program. The three issues concerned were as follows:
  - €1,500 million 5.125% issue due October 2014,
  - €1,000 million 5.375% issue due June 2015,
  - €1,100 million 4.375% issue due November 2016;

  The offer closed on June 12 and, on June 18, the Group bought back €1,293.7 million worth of bonds (excluding accrued interest), as follows:
  - €601 million worth of 5.125% bonds due October 2014,
  - €356,1 million worth of 5.375% bonds due June 2015,
  - €336.6 million worth of 4.375% bonds due November 2016.

  The €119 million cost of the transaction has been recognized in non-recurring expense from revenue transactions.
- **Disposals of shares in subsidiaries and affiliates**

In 2013, Carrefour carried out several disposals (see section II Subsidiaries and Affiliates below), the net impact of which has been recognized in non-recurring income and expense from capital transaction.

Net income for the year amounted to €1,803,754,407.70.

Accounts payable balances at December 31, 2013 and 2012 break down as follows by due date (disclosure made in accordance with Article L.441-6-1 of France's Commercial Code).

Amounts in millions of euros

Invoices not yet received and booked as trade payables are not broken down in this schedule.

Carrefour: due date of trade payables (in € millions)	12/31/2013	12/31/2012
Accounts payable due in less than one month	95.1	214.4
Accounts payable due in one to two months	1.0	0.1
TOTAL	**96.0**	**214.5**

4.5.2 SUBSIDIARIES AND AFFILIATES

In 2013, Carrefour acquired Carrefour Hypermarchés shares representing 22.7% of the capital and valued at €583 million. On November 30, 2013, 47 hypermarket businesses in France were transferred to Carrefour Hypermarchés in exchange for shares. The businesses are operated by direct or indirect subsidiaries of Carrefour under business leases. They were transferred at their net book value of €583 million. The new Carrefour Hypermarchés shares received in payment for these assets were recorded in Carrefour's balance sheet for the same amount, under "Investments".

In 2013, Carrefour carried out several disposals, the net impact of which has been recognized in non-recurring income and expense. These transactions included the sale of:

- 39% of PT Carrefour Indonesia (Indonesia) to CT Corp (Indonesia);
- 19.1% of MAF Hypermarket (United Arab Emirates) to MAF Holding (United Arab Emirates);
- 14.5% of Logidis (France) to Carrefour France;
- 28.6% of Interdis (France) to Carrefour France.

4.5.3 INCOME APPROPRIATION

We propose to allocate and distribute earnings for the fiscal year as follows:

Net income for the year	€1,803,754,407.70
Allocation to the legal reserve	€-1,960,452.25
Retained earnings brought forward from prior year	€3,565,810.42
Income available for distribution	€1,805,359,765.87
2013 dividends	€448,870,199.04
To be paid out of:	
Distributable income, for	€448,870,199.04
Balance to be credited to retained earnings	€1,356,489,566.83

The amount of retained earnings after tax for fiscal year 2012 was increased owing to 2012 dividends not paid out on treasury shares.

It is specified that the total dividend of €448,870,199.04, which represents a dividend of €0.62 per share, before payroll taxes and non final withholding tax of 21% provided for in Article 117 quater of the French General Tax Code, qualifies, for individuals who are French tax residents, for the tax relief equal to 40% of the amount of the dividend in accordance with section 2° of paragraph 3 of Article 158 of the French General Tax Code.

We propose offering each shareholder the option of a dividend payment:

- in cash; or
- in new Company shares.

The new shares, if the option is exercised, will be issued at a price equal to 95% of the average opening prices listed during the twenty stock market trading sessions on Euronext Paris prior to the date of this shareholders' general meeting, less the amount of the dividend that is the subject of this resolution and rounded up to the nearest euro cent. Such issued shares will immediately be entitled to dividends as of January 1, 2014 and will be part of the share capital of the Company alongside other shares.

Shareholders may opt for payment of the dividend in cash or in new shares from April 24, 2014 to May 15, 2014 inclusive, by sending their request to the financial intermediaries that are authorized to pay the dividend or, for registered shareholders listed in the issuer-registered accounts held by the Company, to its authorized agent (CACEIS Corporate Trust 14, rue Rouget de Lisle – 92862 Issy-les-Moulineaux Cedex 09).

For shareholders who have not exercised their option by May 15, 2014, the dividend will only be paid in cash.

For shareholders who have not opted for a payment in shares, the dividend will be paid in cash on May 28, 2014 after the expiration of the option period. For shareholders who have opted for a dividend payment in shares, the settlement and delivery of shares will take place on the same date.

It is recalled in accordance with the law, that the dividends paid on each share for the three preceding fiscal years and the income eligible for tax relief under Section 2° of paragraph 3 of Article 158 of the French General Tax Code per share, were as follows:

Fiscal year	Gross dividend paid	Dividends eligible for tax relief of 40%
2010	€1.08	€1.08
2011	€0.52	€0.52
2012	€0.58	€0.58

In 2011, the distributed earnings shown in this table do not include the distribution of Dia shares in the form of a dividend-in-kind on July 5, 2011, amounting to €2,310 million.

4.5.4 AGREEMENTS REFERRED TO IN ARTICLE L. 225-38 ET SEQ. OF THE FRENCH COMMERCIAL CODE

We inform you that two agreements governed by Articles L. 225-38 et seq. of the French Commercial Code were authorised by the Board of Directors during the past year and at the very beginning of fiscal year 2014, as set out in the Statutory Auditors' special report in accordance with Article L.225-40 of said Code, which must mention any agreements authorised during the fiscal year and which have continued during the fiscal year.

4.5.5 RESEARCH AND DEVELOPMENT

The Company does not implement a research and development policy.

4.5.6 COMPANY EARNINGS PERFORMANCE IN THE LAST FIVE FISCAL YEARS

(in € millions)	**2013**	2012	2011	2010	2009
I – Capital at year-end					
Equity capital	1,810	1,773	1,698	1,698	1,762
Issue and merger premiums	15,672	15,419	15,094	15,094	15,953
Number of existing ordinary shares	723,984,192	709,214,653	679,336,000	679,336,000	704,902,716
II – Results of operations for the fiscal year					
Income before tax, employee profit-sharing and depreciation, amortization and provisions	1,758	473	582	1,521	470
Income tax	222	375	404	368	258
Employee profit-sharing payable for the fiscal year					
Income after tax and employee profit-sharing and depreciation, amortization and provisions	1,804	5	(1,077)	2,150	818
Distribute income (1)	449	411	363	734	761
III – Net income per share					
Income after tax and employee profit-sharing but before depreciation, amortization and provisions	2.73	1.20	1.45	2.78	1.03
Income after tax, employee profit-sharing and depreciation, amortization and provisions	2.49	0.01	(1.59)	3.16	1.17
Net dividend allocated to each share (1)	0.62	0.58	0.52	1.08	1.08
IV – Employee					
Average number of employees during the fiscal year	9	9	12	8	12
Amount of payroll for the fiscal year	15	19	20	25	16
Amount paid as employee benefits for the fiscal year (social security, social services)	5	6	6	7	5

(1) For 2013, this has been set by the Board of Directors and will be submitted to the Ordinary Shareholders' Meeting for approval.

In 2011, the distributed earnings shown in this table do not include the distribution of Dia shares in the form of a dividend-in-kind on July 5, 2011, amounting to €2,310 million.

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CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2013

The 2012 comparative information presented in this report has been restated to reflect the reclassification of certain operations in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, and the retrospective application of IAS 19R – *Employee Benefits*. These restatements are described in Note 4.

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

5.1 Consolidated income statement

(in € millions)	Notes	2013	2012[1]	% change
Net sales	*6*	74,888	75,673	(1.0%)
Loyalty program costs		(588)	(653)	(9.9%)
Net sales net of loyalty program costs		**74,299**	**75,021**	**(1.0%)**
Other revenue	*7*	2,375	2,309	2.9%
Total revenue		**76,675**	**77,330**	**(0.8%)**
Cost of sales	*8*	(59,828)	(60,659)	(1.4%)
Gross margin from recurring operations		**16,847**	**16,671**	**1.1%**
Sales, general and administrative expenses	*9*	(13,178)	(13,028)	1.1%
Depreciation, amortization and provisions	*10*	(1,432)	(1,518)	(5.7%)
Recurring operating income		**2,238**	**2,124**	**5.3%**
Non-recurring income and expenses, net	*11*	144	(660)	-
Operating income		**2,382**	**1,465**	**62.6%**
Finance costs and other financial income and expenses, net	*12*	(722)	(883)	(18.3%)
Finance costs, net		*(428)*	*(488)*	*(12.4%)*
Other financial income and expenses, net		*(294)*	*(395)*	*(25.5%)*
Income before taxes		**1,660**	**581**	**185.5%**
Income tax expense	*13*	(631)	(380)	65.9%
Net income from companies accounted for by the equity method		30	72	(58.8%)
Net income from continuing operations		**1,058**	**273**	**287.7%**
Net income from discontinued operations	*14*	306	1,069	(71.4%)
Net income for the year		**1,364**	**1,342**	**1.7%**
Group share		**1,263**	**1,259**	**0.3%**
of which net income from continuing operations		949	150	531.7%
of which net income from discontinued operations		314	1,109	(71.6%)
Attributable to non-controlling interests		**101**	**83**	**21.6%**

(1) Restated, see Note 4.

Basic earnings/(loss) per share *(in €)*	2013	2012[1]	% change
Earnings/(loss) from continuing operations per share	1.37	0.22	na
Earnings from discontinued operations per share	0.45	1.62	na
Basic earnings per share – Group share	1.82	1.84	(1.4%)

Diluted earnings/(loss) per share *(in €)*	2013	2012	% change
Diluted earnings/(loss) from continuing operations per share	1.37	0.22	na
Diluted earnings from discontinued operations per share	0.45	1.62	na
Diluted earnings per share – Group share	1.82	1.84	(1.4%)

(1) Restated.
Calculation details are provided in Note 15.

5.2 Consolidated statement of comprehensive income

(in € millions)	2013	2012 (1)
Net income for the year	1,364	1,342
Effective portion of changes in the fair value of cash flow hedges (2)	39	6
Changes in the fair value of available-for-sale financial assets (2)	5	7
Exchange differences on translating foreign operations (3)	(455)	(192)
Items that may be reclassified subsequently to profit or loss	**(411)**	**(180)**
Unrecognized actuarial gains and losses on defined benefit plans (2)	25	(168)
Items that will not be reclassified to profit or loss	**25**	**(168)**
Other comprehensive income	**(386)**	**(348)**
Total comprehensive income	979	994
Group share	914	923
Attributable to non-controlling interests	64	72

(1) Restated, see Note 4.
(2) Presented net of the tax effect (see Note 16 for details).
(3) The change in exchange differences on translating foreign operations mainly reflects the decline in the Brazilian and Argentine currencies.

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5.3 Consolidated statement of financial position

Assets

(in € millions)	Notes	12/31/2013	12/31/2012 [1]
Goodwill	*17*	8,277	8,608
Other intangible assets	*17*	767	801
Property and equipment	*18*	11,109	11,509
Investment property	*19*	313	513
Investments in companies accounted for by the equity method	*20*	496	384
Other non-current financial assets	*20*	1,146	1,125
Consumer credit granted by the financial services companies – long term	*33*	2,381	2,360
Deferred tax assets	*21*	931	919
Non-current assets		**25,419**	**26,219**
Inventories	*22*	5,738	5,658
Trade receivables	*23*	2,213	2,144
Consumer credit granted by the financial services companies – short-term	*33*	3,221	3,286
Other current financial assets	*24*	359	352
Tax receivables		715	520
Other assets	*25*	841	789
Cash and cash equivalents	*26*	4,757	6,573
Assets held for sale [2]		**301**	**465**
Current assets		**18,145**	**19,787**
TOTAL ASSETS		**43,564**	**46,006**

(1) Restated, see Note 4.
(2) Assets held for sale and related liabilities correspond:
- *at December 31, 2012, to the assets and liabilities associated with operations in Indonesia and Singapore, and certain assets in France and Italy;*
- *at December 31, 2013, essentially to the assets concerned by the real estate transaction described in Note 3.6.*

Shareholders’ equity and liabilities

(in € millions)	Notes	12/31/2013	12/312012 (1)
Share capital	*27*	1,810	1,773
Consolidated reserves and income for the year		6,034	5,408
Shareholders’ equity – Group share		**7,844**	**7,181**
Shareholders’ equity attributable to non-controlling interests		754	866
Total shareholders' equity		**8,597**	**8,047**
Long-term borrowings	*32*	7,550	8,983
Provisions	*29*	3,618	4,475
Consumer credit financing – long-term	*33*	1,765	1,966
Deferred tax liabilities	*21*	521	580
Non-current liabilities		**13,454**	**16,003**
Short-term borrowings	*32*	1,683	2,263
Suppliers and other creditors	*34*	12,854	12,925
Consumer credit financing – short-term	*33*	3,145	3,032
Tax payables		1,045	1,040
Other payables	*35*	2,763	2,422
Liabilities related to assets held for sale (2)		**24**	**273**
Current liabilities		**21,513**	**21,955**
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES		**43,564**	**46,006**

(1) Restated, see Note 4.
(2) Assets held for sale and related liabilities correspond:
- *at December 31, 2012, to the assets and liabilities associated with operations in Indonesia and Singapore, and certain assets in France and Italy;*
- *at December 31, 2013, essentially to the assets concerned by the real estate transaction described in Note 3.6.*

5.4 Consolidated statement of cash flows

(in € millions)	2013	2012 (1)
Income before taxes	1,660	581
Cash flows from operating activities		
Taxes	(1,039)	(543)
Depreciation and amortization expense	1,483	1,580
Capital (gains)/losses on sales of assets	(384)	(187)
Change in provisions and impairment	(140)	695
Finance costs, net	428	488
Dividends received from companies accounted for by the equity method	30	30
Impact of discontinued operations	1	65
Cash flow from operations	**2,039**	**2,708**
Change in working capital requirement (2)	(284)	(29)
Impact of discontinued operations	(27)	(226)
Net cash from operating activities (excluding financial services companies)	**1,728**	**2,453**
Change in consumer credit granted by the financial services companies	(52)	7
Impact of discontinued operations	0	0
Net cash from operating activities	**1,675**	**2,459**
Cash flows from investing activities		
Acquisitions of property and equipment and intangible assets	(2,159)	(1,504)
Acquisitions of financial assets (3)	(157)	(34)
Acquisitions of subsidiaries (4)	(33)	(175)
Proceeds from the disposal of subsidiaries (5)	526	154
Proceeds from the disposal of property and equipment and intangible assets	117	232
Proceeds from the disposal of investments in non-consolidated companies	16	5
Change in amounts receivable from and due to suppliers of fixed assets	371	(171)
Investments net of disposals	(1,319)	(1,493)
Other cash flows from investing activities	2	33
Impact of discontinued operations (6)	462	1,797
Net cash from/(used in) investing activities	**(855)**	**337**
Cash flows from financing activities		
Proceeds from share issues to non-controlling interests	3	6
Acquisitions and disposals of investments without any change of control	(11)	(9)
Dividends paid by Carrefour (parent company)	(108)	(137)
Dividends paid by consolidated companies to non-controlling interests	(101)	(121)
Change in treasury stock and other equity instruments	0	0
Change in current financial assets	(47)	687
Issuance of bonds	1,000	1,250
Repayments of bonds	(2,519)	(996)
Net interests paid	(487)	(499)
Other changes in borrowings	(274)	(241)
Impact of discontinued operations	54	119
Net cash from/(used in) financing activities	(2,489)	60
Net change in cash and cash equivalents before the effect of changes in exchange rates	**(1,669)**	**2,856**
Effect of changes in exchange rates	(147)	(132)
Net change in cash and cash equivalents	**(1,816)**	**2,724**
Cash and cash equivalents at beginning of year	**6,573**	**3,849**
Cash and cash equivalents at end of year	**4,757**	**6,573**

(1) Restated, see Note 4.
(2) See Note 38 for details.
(3) The change in this item is due to the introduction of new regulations governing shopping cards in China, which led to the exclusion from cash and cash equivalents of compulsory bank deposits corresponding to part of the shopping card receivables.
(4) At December 31, 2012, this item included the impact of the Guyenne & Gascogne tender offer (cost of additional shares giving the Group control of the business) for €96 million.
(5) Disposals of subsidiaries correspond in 2013 to the sale of Majid Al Futtaim Hypermarkets shares for €526 million and in 2012 to the sale of Altis shares for €153 million.
(6) Including, in 2012, the proceeds from the sale of operations in Colombia and Malaysia, for a total of €2,053 million. In 2013, this item mainly includes the proceeds from the sale of operations in Indonesia.

5.5 Consolidated statement of changes in shareholders' equity

(in € millions)	Share capital	Translation reserve	Fair value reserve (1)	Other consolidated reserves and net income for the year	Shareholders' equity – Group share	Non-controlling interests	Total shareholders' equity
Shareholers' equity at December 31, 2011		**458**		**4,521**	**6,617**	**1,009**	**7,627**
Application of IAS 19R				(166)	(166)	(5)	(172)
Shareholders' equity at January 1, 2012	**1,698**	**458**	**(61)**	**4,355**	**6,451**	**1,004**	**7,455**
Net income for the year (2)				1,259	1,259	83	1,342
Other comprehensive income after tax (2)		(365)	12	(165)	(518)	(11)	(529)
Total comprehensive income	**0**	**(365)**	**12**	**1,094**	**741**	**72**	**813**
Share-based payments				9	9		9
Treasury stock (net of tax)	0				0		0
2011 divident payment (3)	41			(178)	(137)	(121)	(257)
Change in capital and additional paid-in capital (3)	33			155	188	6	194
Effect of changes in scope of consolidation and other movements (5)				(72)	(72)	(95)	(167)
Shareholders' equity at December 31, 2012	**1,773**	**93**	**(49)**	**5,364**	**7,181**	**866**	**8,047**
Net income for the year				1,263	1,263	101	1,364
Other comprehensive income after tax		(407)	37	22	(349)	(37)	(386)
Total comprehensive income	**0**	**(407)**	**37**	**1,285**	**914**	**64**	**979**
Share-based payments				2	2		2
Treasury stock (net of tax)				0	0		0
2012 dividend payment (6)	37			(145)	(108)	(101)	(209)
Change in capital and additional paid-in capital					0	3	3
Effect of changes in scope of consolidation and other movements (7)				(146)	(146)	(79)	(225)
Shareholders' equity at December 31, 2013	**1,810**	**(314)**	**(13)**	**6,360**	**7,844**	**754**	**8,597**

(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) Restated to take into account the effect of the change of method resulting from application of IAS 19R (see Note 4.2)

(3) The 2011 dividend totaling €348 million was paid in cash for €137 million and in new shares for €211 million (corresponding to the aggregate par value of the new shares for €41 million and premiums for €170 million).

(4) The cash offer for Guyenne & Gascogne with a stock alternative led to the issue of 13.3 million new shares for a total of €188 million including premiums.

(5) This line includes the effect of:
- *the buyout of non-controlling interests in Sogara and Centros Comerciales Carrefour in connection with the Guyenne & Gascogne acquisition, for a negative €263 million;*
- *the buyout of the Group's partner in Brazil, followed by the sale of an interest in this business to Itaù Unibanco, for a positive €112 million.*

(6) The 2012 dividend totaling €398 million was paid in cash for €108 million and in new shares for €290 million (corresponding to the aggregate par value of the new shares for €37 million and premiums for €253 million).

(7) Changes in scope of consolidation and other movements correspond primarily to the buyout of non-controlling interests in Indonesia (€72 million) and in France (€112 million).

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5.6 Notes to the Consolidated Financial Statements

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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, 2013 were approved for publication by the Board of Directors on March 4, 2014. They will be submitted to shareholders for final approval at the Annual General Meeting on April 15, 2014.

Carrefour (the "Company") is domiciled in France. The Consolidated Financial Statements for the year ended December 31, 2013 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 2013 Consolidated Financial Statements have been prepared in compliance with the international accounting standards adopted for use in the European Union as of December 31, 2013 and applicable at that date, with 2012 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, 2013, the standards and interpretations adopted for use in the European Union were the same as those published by the IASB and applicable at that date, except for:

- IAS 39, which had been only partly adopted; the unadopted provisions of IAS 39 have no impact on the Group's Consolidated Financial Statements;
- IFRS 10 – *Consolidated Financial Statements,* IFRS 11 – *Joint Arrangements,* IFRS 12 – *Disclosure of Interests in Other Entities,* IAS 27R – *Separate Financial Statements* and IAS 28R – *Investments in Associates and Joint Ventures.* These new and revised standards have been adopted for use in the European Union for annual periods beginning on or after January 1, 2014. The Group has decided not to early adopt them and will therefore apply them as from that date. These new and revised standards will not have any material impact on the Consolidated Financial Statements.

1.2 IFRSS AND INTERPRETATIONS APPLIED BY THE GROUP

The accounting and calculation methods used to prepare the 2013 Consolidated Financial Statements are the same as those used in 2012, except for:

- amendments to IAS 19 – *Employee Benefits*. One of the main amendments eliminates the use of the corridor method previously applied by the Group. Under IAS 19R, changes in actuarial gains and losses are recognized systematically in "Other comprehensive income" and past service costs are recognized in full in profit or loss. The impact of retrospectively applying IAS 19R to comparative information is presented in Notes 4.2 and 4.4;
- IFRS 13 – *Fair Value Measurement*. This standard provides a single IFRS framework for measuring fair value that is applicable to all IFRSs that require or permit fair value measurements or disclosures. Its application had no material impact on the Group's published Consolidated Financial Statements;
- amendment to IAS 1 – *Presentation of Other Comprehensive Income*, which notably requires items that may be reclassified subsequently to profit or loss to be presented separately from items that will not be reclassified;
- amendment to IAS 12 – *Deferred Tax: Recovery of Underlying Assets;*
- amendment to IFRS 7 – *Disclosures: Offsetting Financial Assets and Financial Liabilities;*
- 2009-2011 annual improvements.

The Group decided not to early adopt the following standards and interpretations that were not applicable as of January 1, 2013:

Standards 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*), their amended transition guidance, and the resulting revisions to IAS 27 and IAS 28 (applicable for annual periods beginning on or after January 1, 2014).

  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;
- amendment to IAS 32 – *Offsetting Financial Assets and Financial Liabilities.*

Standards not yet adopted for use in the European Union:

- IFRS 9 – *Financial Instruments: Classification and Measurement of Assets and Liabilities;*
- IFRIC 21 – *Levies, an Interpretation on the accounting for levies imposed by governments;*
- 2010-2012 and 2011-2013 annual improvements.

The possible impact on the Consolidated Financial Statements of applying these new and amended standards is currently being assessed.

1.3 USE OF ESTIMATES

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF CONSOLIDATION

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

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

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

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

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

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

2.2 SEGMENT INFORMATION

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

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

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

Effective January 1, 2012, the income and expenses of certain support entities are allocated to the various countries proportionately to the services provided to each, with any unallocated revenue and expenses reported under "Global functions". In prior periods, these entities were allocated to the geographical segment corresponding to the country where they were located.

2.3 BUSINESS COMBINATIONS

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

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

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

- transaction costs are 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 27R.

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 or for which control was lost during the year, the Group's share of the entity's profit or loss for the period up to the transaction date is recognized in the consolidated income statement.

2.4 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

The Consolidated Financial Statements are presented in euros.

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

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

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

No Group companies operated in a hyperinflationary economy in either 2012 or 2013.

2.5 TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

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

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

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

2.6 INTANGIBLE ASSETS AND PROPERTY AND EQUIPMENT

2.6.1 Goodwill

In accordance with IAS 36 – *Impairment of Assets*, goodwill recognized on business combinations is not amortized but is tested for impairment every year, at December 31. Additional tests are performed at interim period-ends when there is an indication that it may be impaired.

The main impairment indicators used by the Group are as follows:

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

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

Impairment methods are described in Note 2.6.4 «Impairment tests».

2.6.2 Other intangible assets

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

2.6.3 Property and equipment

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

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

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

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

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

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

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

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

Finance leases are accounted for as follows:

- the leased assets are recognized in the statement of financial position at fair value or, if lower, the present value of the minimum lease payments. They are depreciated over their useful life, in the same way as assets owned outright, or, if shorter, over the lease term;
- the liability for the future lease payments is recognized in the statement of financial position under liabilities;
- lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

2.6.4 Impairment tests

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

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

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

2.6.4.1 Impairment of intangible assets other than goodwill and property and equipment

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

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

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

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

2.6.4.2 Impairment of goodwill

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

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

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

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

Value in use is considered as corresponding to the sum of discounted future cash flows for a period generally not exceeding five years, plus a terminal value calculated by projecting data for the final year to perpetuity at a perpetual growth rate. A specific discount rate by country is used for the calculation. Future cash flows are estimated based on the 3-year business plan drawn up by country management and approved by Group management.

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

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

2.7 FINANCIAL ASSETS AND LIABILITIES (EXCLUDING BANKING ACTIVITIES)

2.7.1 Non-derivative financial assets

2.7.1.1 Accounting policy

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

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

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

Financial assets at fair value through profit or loss

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

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

Loans and receivables

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

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

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

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

Held-to-maturity investments

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

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

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

The Group did not hold any assets classified as held-to-maturity at December 31, 2013 or December 31, 2012.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets that do not meet the criteria for classification in any of the other three categories. They consist mainly of shares in non-consolidated companies.

Available-for-sale financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income, under "Changes in the fair value of available-for-sale financial assets". When the assets are sold, the gains and losses accumulated in shareholders' equity are reclassified to the income statement.

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

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

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

2.7.1.2 Non-derivative financial assets held by the Group

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

Non-current financial assets

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

Trade receivables

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

Current financial assets

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

Cash and cash equivalents

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

Cash includes cash on hand and demand deposits.

2.7.2 Non-derivative financial liabilities

2.7.2.1 Accounting policy

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

2.7.2.2 Non-derivative financial liabilities held by the Group

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

Borrowings

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

Suppliers and other creditors

This line corresponds to trade payables.

Other payables

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

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

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

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

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

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

NCI puts written since January 1, 2010

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

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

2.7.3 Derivative financial instruments

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

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

2.7.3.1 Derivatives designated as hedging instruments

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

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

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

Cash flow hedges

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

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

Fair value hedges

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

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

2.7.3.2 Other derivative instruments

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

2.7.4 Fair value calculation method

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

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

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

Fair value measurements of derivative financial instruments incorporate counterparty risk in the case of instruments with a positive fair value, and own credit risk for instruments with a negative fair value. Credit risk is measured using the mathematical models commonly used by market analysts. At December 31, 2013, the effect of incorporating these two types of risk was not material.

2.8 BANKING ACTIVITIES

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

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

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

2.9 INVESTMENT PROPERTY

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

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 performed using two methods, the discounted cash flows method and the yield method. Valuers generally also compare the results of applying these methods to market values per square meter and to recent transaction values.

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

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

2.10 INVENTORIES

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

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

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

2.11 PROVISIONS

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

2.12 EMPLOYEE BENEFITS

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

a) Defined contribution plans

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

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

b) Defined benefit and long-term benefit plans

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

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

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

c) Share-based payments

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

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

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

2.13 INCOME TAX EXPENSE

Income tax expense includes current taxes and deferred taxes.

Deferred taxes are calculated on all temporary differences between the carrying amount of assets and liabilities and their tax basis (except in the specific cases referred to in IAS 12).

They are measured at the tax rates that are expected to apply to the period when the asset will be realized or the liability will be settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

The recoverability of deferred tax assets is assessed separately for each tax entity, based on business plan estimates of future taxable profits and the amount of deferred tax liabilities at the period-end. A valuation allowance is recorded to write down deferred tax assets whose recovery is not considered probable.

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

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2.14 TREASURY STOCK

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

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

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

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

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

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

2.16 NET SALES NET OF LOYALTY PROGRAM COSTS

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

In accordance with IFRIC 13 – *Customer Loyalty Programmes*, 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 (Autorité des Normes Comptables recommendation 2013-03 dated November 7, 2013), non-recurring income and expenses are reported on a separate line of the income statement. Non-recurring items are defined as "items that are limited in number, clearly identifiable and non-recurring that have a material impact on consolidated results".

This classification is applied to certain material items of income and expense that are unusual in terms of their nature and frequency, such as impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for or that arose in prior periods, based on information that came to the Group's attention during the reporting year.

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

2.21 EARNINGS PER SHARE

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

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

NOTE 3 SIGNIFICANT EVENTS OF THE YEAR

3.1 REORGANIZATION OF THE PARTNERSHIP IN TURKEY

On April 30, 2013, Carrefour announced that it had reached an agreement with its Turkish partner Sabanci Holding to reorganize the governance of their joint venture, CarrefourSA.

Under the terms of the agreement, Sabanci Holding will become the majority shareholder by acquiring an additional 12% of the capital of CarrefourSA from Carrefour Group for a total consideration of TRY 141 million (approximately €60 million), while Carrefour will retain a 46.2% stake, allowing it to exercise significant influence over the joint venture.

Following the lifting of all the conditions precedent, including approval of CarrefourSA's new bylaws by Turkey's securities regulator (CMB) on July 2, 2013, the sale of part of Carrefour's stake in CarrefourSA was completed on July 25, 2013.

In accordance with IAS 27, as the transaction resulted in the loss of control of CarrefourSA, it has been treated in the Consolidated Financial Statements as the sale of the total pre-transaction interest (58.2%) followed by the purchase of the post-transaction interest (46.2%), accounted for at fair value by the equity method.

After taking into account the €81 million in negative cumulative exchange differences recycled to the income statement, the loss of control led to the recognition of a loss of approximately €41 million in the income statement, on the line "Net income from discontinued operations".

In accordance with IFRS 5, the following reclassifications have been made in the financial statements at December 31, 2013:

- CarrefourSA's results up to the date when control was lost have been presented under "Net income from discontinued operations" with the portion attributable to non-controlling interests shown separately in accordance with IAS 27. To permit period-on-period comparisons, CarrefourSA's 2012 results have been presented on the same basis;
- in the statement of cash flows, all of the Turkish entity's cash flows for 2013 are presented on the lines "Impact of discontinued operations", with 2012 cash flows reclassified accordingly.

3.2 REORGANIZATION OF THE PARTNERSHIP WITH MAJID AL FUTTAIM

On May 22, 2013, Carrefour announced that it was selling its 25% stake in Majid Al Futtaim Hypermarkets to its partner, Majid Al Futtaim Holding, for €530 million. At the same time, the exclusive partnership agreement with the Carrefour Group is being rolled over until 2025 and extended to include new formats and new countries.

The transaction was completed on June 23, 2013, after being approved by the relevant authorities, leading to the recognition of a €426 million disposal gain in non-recurring income. Majid Al Futtaim Hypermarkets was accounted for by the equity method up to the completion date.

3.3 BOND BUYBACKS

On June 5, 2013, Carrefour announced that it was launching a €1,350 million bond buyback program. The three issues concerned were as follows:

- €1,500 million 5.125% issue due October 2014;
- €1,000 million 5.375% issue due June 2015;
- €1,100 million 4.375% issue due November 2016.

The offer closed on June 12 and on June 18, the Group bought back €1,293.7 million worth of bonds (excluding accrued interest), as follows:

- €601 million worth of 5.125% bonds due October 2014;
- €356.1 million worth of 5.375% bonds due June 2015;
- €336.6 million worth of 4.375% bonds due November 2016.

The cost of the buyback program, reported in financial expense, amounted to €119 million.

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3.4 DISPOSAL OF OPERATIONS IN INDONESIA

At the end of November 2012, Carrefour announced the sale of its 60% stake in Carrefour Indonesia to its local partner, CT Corp, which has become Carrefour's exclusive franchisee in this country. The sale was agreed at a price of €525 million.

The transaction was completed on January 16, 2013 and the €396 million capital gain has therefore been reported in the 2013 income statement, on the line "Net income from discontinued operations".

3.5 2012 DIVIDEND REINVESTMENT OPTION

At the Annual General Meeting held on April 23, 2013, shareholders decided to set the 2012 dividend at €0.58 per share with an option to receive the dividend in shares.

The issue price of the new shares was set at €19.62 per share, representing 95% of the average of the opening prices quoted on NYSE Euronext Paris during the 20 trading days preceding the date of the Annual General Meeting, less the net amount of the dividend of €0.58 per share and rounded up to the nearest euro cent.

The option period was open from May 2 to 23, 2013. At the end of this period, shareholders owning 72.06% of Carrefour's shares had elected to reinvest their 2012 dividends.

June 7, 2013 was set as the date for:

- settlement/delivery of the 14,769,539 new shares corresponding to reinvested dividends, leading to a total capital increase of €290 million;
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of €108 million.

3.6 CREATION OF A COMPANY FOR SHOPPING MALLS ADJOINING THE GROUP'S HYPERMARKETS IN EUROPE

On December 16, 2013, Carrefour announced that it had signed a memorandum of understanding with Klépierre for the purchase of 127 shopping malls.

The project will lead to the creation of a company that will include 172 shopping malls originating from:

- firstly, the acquisition from Klepierre for €2.0 billion of 127 sites in France, Spain and Italy with gross annual rental income of around €135 million;
- secondly, the contribution by Carrefour of 45 shopping malls in France with a value of €0.7 billion and gross annual rental income of around €45 million.

The company will be financed through €1.8 billion in equity, 42% held by Carrefour with the remainder held by institutional investors, as well as through €900 million in debt.

The parties reached a final agreement on January 24, 2014. The transaction is still subject to the approval of the relevant regulatory authorities. It will be submitted for consultation to employee representative bodies and should close in the first half of 2014.

At December 31, 2013, the properties at the 45 sites concerned were reclassified as held for sale, in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations.*

In 2014, in application of the consolidation standards applicable as from that year (IFRS 10, IFRS 11 and IAS 28R), the new company will be accounted for by the equity method as it will be jointly controlled by Carrefour and its co-investors.

NOTE 4 RESTATEMENT OF COMPARATIVE INFORMATION

4.1 REORGANISATION OF OPERATIONS

Details of the reorganization of operations in Turkey and its impact on the Consolidated Financial Statements at December 31, 2013 are presented in Note 3.1.

In India, the Group has entered into discussions with a potential partner.

Key consolidated figures for entities classified as held for sale in 2013 and 2012 in accordance with IFRS 5 are as follows:

(in € millions)	2013 (1)	2012
Net sales	620	1,115
Gross margin from recurring operations	145	266
Recurring operating loss	(20)	(6)
Operating loss	(35)	(9)
Loss before taxes	(36)	(12)
Income taxes	3	0
Net loss	(34)	(12)

(1) The 2013 amounts include results in Turkey up to July 25, 2013, the date on which control was lost.

4.2 EFFECT OF APPLYING IAS 19R

The amendments to IAS 19 – *Employee Benefits* are applicable for annual periods beginning on or after January 1, 2013 and, in accordance with IAS 19R's transitional provisions, retrospectively to all periods presented. Restated financial statements and notes have therefore been prepared at December 31, 2012 and for the year then ended.

The main effects of retrospectively applying IAS 19R resulted from the elimination of the corridor method and the fact that it is no longer possible to defer recognition of past service costs. They consisted primarily of a reduction in shareholders' equity (€172 million at January 1, 2012 and €314 million at December 31, 2012, net of the deferred tax credit), due for the most part to an increase in provisions for pensions and length-of-service awards payable to employees on retirement (€266 million at January 1, 2012 and €475 million at December 31, 2012).

4.3 RECLASSIFICATION IN THE CONSOLIDATED STATEMENT OF CASH FLOWS

Up to now, finance cost, net was reported under "Cash flows from operating activities". IAS 7 (paragraph 33) offers the alternative of classifying the components of finance cost, net as financing cash flows, in the same way as the issuance and repayment of bonds and other changes in borrowings.

The Group considers that this presentation is more appropriate in view of the nature of these cash flows. Consequently, finance cost, net has been reclassified as "Cash flows from financing activities" in the statement of cash flows for both 2013 and 2012.

4.4 IMPACT ON THE 2012 FINANCIAL STATEMENTS

4.4.1 Impact on the 2012 income statement and 2012 statement of cash flows

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

(in € millions)	2012 reported	IFRS 5 reclassifications	IAS 19R	2012 restated
Net sales	76,789	(1,115)	0	75,673
Loyalty program costs	(662)	10	0	(653)
Net sales net of loyalty program costs	**76,127**	**(1,106)**	**0**	**75,021**
Other revenue	2,333	(24)	0	2,309
Total revenue	**78,460**	**(1,130)**	**0**	**77,330**
Cost of sales	(61,523)	864	0	(60,659)
Gross margin from recurring operations	**16,937**	**(266)**	**0**	**16,671**
Sales, general and administrative expenses	(13,249)	242	(22)	(13,028)
Depreciation, amortization and provisions	(1,548)	30	0	(1,518)
Recurring operating income	**2,140**	**6**	**(22)**	**2,124**
Non-recurring income and expenses, net	(707)	2	45	(660)
Operating income	**1,434**	**9**	**23**	**1,465**
Finance costs and other financial income and expenses, net	(882)	4	(5)	(883)
Income before taxes	**552**	**12**	**18**	**581**
Income tax expense	(388)	(0)	8	(380)
Net income from companies accounted for by the equity method	72	0	0	72
Net income from continuing operations	**235**	**12**	**26**	**273**
Net income from discontinued operations	1,081	(12)	0	1,069
Net income for the year	**1,316**	**0**	**26**	**1,342**
Group share	**1,233**	**0**	**26**	**1,259**
of which net income from continuing operations	113	11	26	150
of which net income from discontinued operations	1,120	(11)	0	1,109
Attributable to non-controlling interests	**83**	**0**	**(0)**	**83**
Net income for the year	**1,316**	**0**	**26**	**1,342**
Effective portion of changes in the fair value of cash flow hedges	6			6
Changes in the fair value of available-for-sale financial assets	7			7
Exchange differences on translating foreign operations	(192)			(192)
Items that may be reclassified subsequently to profit or loss	**(180)**	**0**	**0**	**(180)**
Unrecognized actuarial gains and losses on defined benefit plans	0		(168)	(168)
Items that will not be reclassified to profit or loss	**0**	**0**	**(168)**	**(168)**
TOTAL COMPREHENSIVE INCOME	**1,136**	**0**	**(142)**	**994**
Group share	1,061		(139)	923
Attributable to non-controlling interests	75		(3)	72

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012

(in € millions)	12/31/2012 reported	IFRS 5 reclassifications	IAS 19R	12/31/2012 restated
Income before taxes	**552**	**12**	**18**	**581**
Cash flows from operating activities				
Taxes	(543)	0	0	(543)
Depreciation and amortization expense	1,610	(30)	0	1,580
Capital (gains)/losses on sales of assets	(186)	(1)	0	(187)
Change in provisions and impairment	719	(1)	(24)	695
Finance costs, net	486	2	0	488
Dividends received from companies accounted for by the equity method	30	0	0	30
Impact of discontinued operations	48	17	0	65
Cash flow from operations	**2,714**	**0**	**(6)**	**2,708**
Change in working capital requirement	(42)	7	6	(29)
Impact of discontinued operations	(219)	(7)	0	(226)
Net cash from operating activities (excluding financial services companies)	**2,453**	**0**	**0**	**2,453**
Change in consumer credit granted by the financial services companies	7	0	0	7
Impact of discontinued operations	0	0	0	0
Net cash from operating activities	**2,459**	**0**	**0**	**2,459**
Cash flows from investing activities				
Acquisitions of property and equipment and intangible assets	(1,547)	43	0	(1,504)
Acquisitions of financial assets	(34)	0	0	(34)
Acquisitions of subsidiaries	(175)	0	0	(175)
Proceeds from the disposal of subsidiaries	154	0	0	154
Proceeds from the disposal of property and equipment and intangible assets	234	(1)	0	232
Proceeds from the disposal of investments in non-consolidated companies	5	0	0	5
Change in amounts receivable from and due to suppliers of fixed assets	(166)	(4)	0	(171)
Investments net of disposals	**(1,530)**	**38**	**0**	**(1,493)**
Other cash flows from investing activities	34	(1)	0	33
Impact of discontinued operations	1,833	(36)	0	1,797
Net cash from investing activities	**337**	**0**	**0**	**337**
Cash flows from financing activities				
Proceeds from share issues	6	0	0	6
Acquisitions and disposals of investments without any change of control	(9)	0	0	(9)
Dividends paid by Carrefour (parent company)	(137)	0	0	(137)
Dividends paid by consolidated companies to non-controlling interests	(121)	0	0	(121)
Change in treasury stock and other equity instruments	0	0	0	0
Change in current financial assets	687	0	0	687
Issuance of bonds	1,250	0	0	1,250
Repayments of bonds	(996)	0	0	(996)
Net interests paid	(497)	(2)	0	(499)
Other changes in borrowings	(245)	4	0	(241)
Impact of discontinued operations	122	(2)	0	119
Net cash from financing activities	**60**	**0**	**0**	**60**
Net change in cash and cash equivalents before the effect of changes in exchange rates	2,856	0	0	2,856
Effect of changes in exchange rates	(132)	0	0	(132)
Net change in cash and cash equivalents	**2,724**	**0**	**0**	**2,724**
Cash and cash equivalents at beginning of year	**3,849**			**3,849**
Cash and cash equivalents at end of year	**6,573**			**6,573**

4.4.2 Effect on consolidated financial position at December 31, 2012

Assets *(in € millions)*	12/31/2012 reported	IAS 19R	12/31/2012 restated
Goodwill	8,608		8,608
Other intangible assets	801		801
Property and equipment	11,509		11,509
Investment property	513		513
Investments in companies accounted for by the equity method	384		384
Other non-current financial assets	1,125		1,125
Consumer credit granted by the financial services companies – long term	2,360		2,360
Deferred tax assets	752	167	919
Non-current assets	**26,052**	**167**	**26,219**
Inventories	5,658		5,658
Trade receivables	2,144		2,144
Consumer credit granted by the financial services companies – short-term	3,286		3,286
Other current financial assets	352		352
Tax receivables	520		520
Other assets	795	(6)	789
Cash and cash equivalents	6,573		6,573
Assets held for sale	465		465
Current assets	**19,793**	**(6)**	**19,787**
TOTAL ASSETS	**45,844**	**161**	**46,006**
Shareholders' equity and liabilities			
Share capital	1,773		1,773
Consolidated reserves and income for the year	5,714	(305)	5,408
Shareholders' equity – Group share	**7,487**	**(305)**	**7,181**
Shareholders' equity attributable to non-controlling interests	874	(8)	866
Total shareholders' equity	**8,361**	**(314)**	**8,047**
Long-term borrowings	8,983		8,983
Provisions	4,000	475	4,475
Consumer credit financing – long-term	1,966		1,966
Deferred tax liabilities	580		580
Non-current liabilities	**15,528**	**475**	**16,003**
Short-term borrowings	2,263		2,263
Suppliers and other creditors	12,925		12,925
Consumer credit financing – short-term	3,032		3,032
Tax payables	1,040		1,040
Other payables	2,422		2,422
Liabilities related to assets held for sale	273		273
Current liabilities	**21,955**	**0**	**21,955**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**45,844**	**161**	**46,006**

4.4.3 Effect on consolidated financial position at January 1, 2012

Assets *(in € millions)*	12/31/2011 reported	IAS 19R	01/01/2012 restated
Goodwill	8,740		8,740
Other intangible assets	966		966
Property and equipment	13,771		13,771
Investment property	507		507
Investments in companies accounted for by the equity method	280		280
Other non-current financial assets	1,433		1,433
Consumer credit granted by the financial services companies – long term	2,236		2,236
Deferred tax assets	745	94	839
Non-current assets	**28,676**	**94**	**28,771**
Inventories	6,848		6,848
Trade receivables	2,782		2,782
Consumer credit granted by the financial services companies – short-term	3,384		3,384
Other current financial assets	911		911
Tax receivables	468		468
Other assets	969		969
Cash and cash equivalents	3,849		3,849
Assets held for sale	44		44
Current assets	**19,254**	**0**	**19,254**
TOTAL ASSETS	**47,931**	**94**	**48,025**
Shareholders' equity and liabilities *(in € millions)*			
Share capital	1,698		1,698
Consolidated reserves and income for the year	4,919	(166)	4,753
Shareholders' equity – Group share	**6,617**	**(166)**	**6,451**
Shareholders' equity attributable to non-controlling interests	1,009	(5)	1,004
Total shareholders' equity	**7,627**	**(172)**	**7,455**
Long-term borrowings	9,513		9,513
Provisions	3,680	266	3,945
Consumer credit financing – long-term	419		419
Deferred tax liabilities	586		586
Non-current liabilities	**14,198**	**266**	**14,464**
Short-term borrowings	2,159		2,159
Suppliers and other creditors	15,362		15,362
Consumer credit financing – short-term	4,482		4,482
Tax payables	1,319		1,319
Other payables	2,785		2,785
Liabilities related to assets held for sale	0		0
Current liabilities	**26,106**	**0**	**26,106**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**47,931**	**94**	**48,025**

NOTE 5 SEGMENT INFORMATION

The Group's operating segments consist of the countries in which it does business, combined by region, and "Global functions" corresponding to the holding companies and other support entities.

5.1 SEGMENT RESULTS

2013 *(in € millions)*	Total	France	Europe	Latin America	Asia	Global Functions
Net sales	74,888	35,438	19,220	13,786	6,443	
Other revenue	2,375	968	555	520	267	65
Recurring operating income	**2,238**	**1,198**	**388**	**627**	**131**	**(106)**
Operating income	**2,382**					
Finance costs and other financial income and expenses, net	(722)					
Income before taxes	**1,660**					
NET INCOME FOR THE YEAR	**1,364**					
Capital expenditure [1]	2,159	997	409	457	261	35
Depreciation and amortization expense	(1,426)	(622)	(393)	(187)	(184)	(39)

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

2012 *(in € millions)*	Total	France	Europe	Latin America	Asia	Global Functions
Net sales	75,673	35,341	19,786	14,174	6,373	
Other revenue	2,309	911	539	528	262	69
Recurring operating income	**2,124**	**922**	**503**	**608**	**179**	**(87)**
Operating income	**1,465**					
Finance costs and other financial income and expenses, net	(883)					
Income before taxes	**581**					
NET INCOME FOR THE YEAR	**1,342**					
Capital expenditure [1]	1,504	602	309	308	251	35
Depreciation and amortization expense	(1,494)	(620)	(428)	(219)	(185)	(43)

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

5.2 SEGMENT ASSETS AND LIABILITIES

December 31, 2013 *(in € millions)*	Total	France	Europe	Latin America	Asia	Global functions
Assets						
Goodwill	8,277	4,394	3,082	705	95	1
Other intangible assets	767	307	288	90	9	73
Property and equipment	11,109	4,357	3,485	2,082	1,151	34
Investment property	313	8	207	43	54	
Other segment assets (2)	15,311	6,962	4,226	2,695	907	521
Total segment assets	**35,777**	**16,028**	**11,288**	**5,616**	**2,216**	**629**
Unallocated assets	7,990					
Total assets	**43,766**					
Liabilities (excluding equity)						
Segment liabilities (3)	21,774	10,782	4,913	3,295	2,227	558
Unallocated liabilities	13,395					
TOTAL	**35,169**					

(2) Other segment assets consist of inventories, trade receivables, consumer credit granted by the financial services companies and other receivables.
(3) Segment liabilities comprise suppliers and other creditors, consumer credit financing and other payables.

December 31, 2012 *(in € millions)*	Total	France	Europe	Latin America	Asia	Global functions
ACTIF						
Goodwill	8,608	4,337	3,256	880	99	35
Other intangible assets	801	314	289	118	8	73
Property and equipment	11,509	4,203	3,820	2,306	1,142	37
Investment property	513	145	280	33	54	
Other segment assets (2)	14,756	6,424	4,188	2,884	817	444
Total segment assets	**36,187**	**15,422**	**11,833**	**6,222**	**2,120**	**590**
Unallocated assets	9,819					
Total assets	**46,006**					
Liabilities (excluding equity)						
Segment liabilities (3)	21,385	9,998	5,236	3,578	2,083	490
Unallocated liabilities	16,574					
TOTAL	**37,958**					

(2) Other segment assets consist of inventories, trade receivables, consumer credit granted by the financial services companies and other receivables.
(3) Segment liabilities comprise suppliers and other creditors, consumer credit financing and other payables.

NOTE 6 NET SALES

Excluding the currency effect, 2013 net sales amounted to €77,214 million versus €75,673 million the previous year, an increase of 2.0%.

Changes in exchange rates reduced net sales by €2,326 million in 2013, reflecting negative effects of €2,232 million in the Latin America segment and €96 million in Asia, partly offset by a positive effect of €2 million in the Rest of Europe segment.

(in € millions)	2013	2012	% change
Net sales	74,888	75,673	-1.0%

NET SALES BY COUNTRY

(in € millions)	2013	2012
France	**35,438**	**35,341**
Rest of Europe	**19,220**	**19,786**
Spain	7,798	7,975
Italy	4,771	5,103
Belgium	3,968	3,913
Poland	1,677	1,809
Romania	1,006	986
Latin America	**13,786**	**14,174**
Brazil	10,855	11,273
Argentina	2,930	2,901
Asia	**6,443**	**6,373**
China	4,990	4,838
Taiwan	1,453	1,535

NOTE 7 OTHER REVENUE BY NATURE

(in € millions)	2013	2012	% change
Financing fees and commissions [1]	1,384	1,331	4.0%
Rental revenue	247	245	0.5%
Revenue from sub-leases	235	232	1.1%
Other revenue	510	500	2.0%
TOTAL	**2,375**	**2,309**	**2.9%**

(1) Revenue generated by the financial services companies.

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

NOTE 8 COST OF SALES

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

NOTE 9 SALES, GENERAL AND ADMINISTRATIVE EXPENSES

(in € millions)	**2013**	2012	% change
Employee benefits expense	(7,679)	(7,475)	2.7%
Property rentals	(905)	(893)	1.4%
Maintenance and repair costs	(697)	(693)	0.6%
Fees	(771)	(788)	(2.1%)
Advertising expense	(856)	(887)	(3.4%)
Taxes other than on income	(545)	(512)	6.5%
Energy and electricity	(631)	(642)	(1.7%)
Other	(1,093)	(1,139)	(4.1%)
TOTAL	**(13,178)**	**(13,028)**	**1.1%**

NOTE 10 DEPRECIATION AND AMORTIZATION

(in € millions)	**2013**	2012	% change
Depreciation	(1,199)	(1,245)	(3.7%)
Amortization	(180)	(202)	(10.9%)
Depreciation – finance leases	(30)	(33)	(7.4%)
Depreciation – investment property	(17)	(15)	8.4%
Provision expense, net	(6)	(24)	(73.5%)
TOTAL	**(1,432)**	**(1,518)**	**(5.7%)**

NOTE 11 NON-RECURRING INCOME AND EXPENSES

Non-recurring income and expenses correspond to certain material items that are unusual in terms of their nature and frequency, such as impairment charges, restructuring costs and provision charges recorded to reflect revised estimates of risks provided for or that arose in prior periods, based on information that came to the Group's attention during the reporting year.

(in € millions)	2013	2012
Net gains on sales of assets	425	234
Restructuring costs	(52)	(287)
Other non-recurring income and expenses	(101)	(374)
Non-recurring income and expenses, net before asset impairments and write-offs	**272**	**(427)**
Asset impairments and write-offs	(128)	(233)
Impairments and write-offs of goodwill	*(16)*	*(18)*
Impairments and write-offs of property and equipment	*(112)*	*(215)*
NON-RECURRING INCOME AND EXPENSES, NET	**144**	**(660)**
of which:		
Non-recurring income	*566*	*286*
Non-recurring expense	*(422)*	*(946)*

11.1 NET GAINS ON SALES OF ASSETS

In 2013, the Group sold its 25% interest in Majid Al Futtaim Hypermarkets, realizing a capital gain of €426 million.

In 2012, the Group sold its 50% interest in Altis (and its subsidiaries) to Eroski, realizing a pre-tax gain of €111 million. Other asset sales during the period, mainly in France, generated total gains of €123 million.

11.2 RESTRUCTURING COSTS

The final cost of the voluntary separation plan carried out between January and July 2013 to reduce support staff numbers in France was less than the related provision, as a higher-than-expected number of employees was transferred within the organization.

Restructuring costs recorded in 2012 mainly concerned reorganization plans in Europe, including the voluntary separation plan announced during the year to reduce support staff numbers in France.

11.3 OTHER NON-RECURRING INCOME AND EXPENSES

In 2013, the Group revised its estimates of the potential costs associated with certain risks provided for in prior periods, based on information that came to the Group's attention during the year.

Other non-recurring income and expenses for 2012 included various special taxes introduced in France's amended Finance Act for a total of €51 million, including a €36 million retroactive levy on the value of gasoline inventories held in the fourth quarter of 2011.

11.4 IMPAIRMENT LOSSES AND ASSET WRITE-OFFS

Impairment losses of €60 million were recorded in 2013, mainly in Spain and Italy, and assets totaling €43 million were written off.

In 2012, an €18 million impairment loss was recorded on Polish goodwill following the decision to close the Group's stores in that country to which the goodwill was allocated.

Impairment losses recorded on property and equipment in 2012 totaled €155 million. The write-downs mainly concerned Spain, Italy and France and reflected the fall in value of certain assets used in environments that were severely affected by the economic crisis.

NOTE 12 FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

This item breaks down as follows:

(in € millions)	2013	2012
Interest income from loans and cash equivalents	**49**	**49**
Interest income from bank deposits	40	46
Interest income from loans	10	3
Finance costs	**(476)**	**(537)**
Interest expense on financial liabilities measured at amortized cost, adjusted for income and expenses from interest rate instruments	(446)	(500)
Interest expense on finance lease liabilities	(30)	(32)
Change in fair value of interest rate instruments held for trading	0	(5)
Ineffective portion of fair value hedges of borrowings	0	0
Finance costs, net	**(428)**	**(488)**
Other financial income and expenses, net	**(294)**	**(395)**
Actualisation cost on defined employee benefit debt	(39)	(50)
Interest income on pension plan assets	6	9
Financial transaction tax	(41)	(43)
Late interest due in connection with tax reassessments and employee-related litigation	(70)	(84)
Dividends received on available-for-sale financial assets	1	6
Proceeds from the sale of available-for-sale financial assets measured at fair value through equity	16	14
Cost of sold available-for-sale financial assets measured at fair value through equity	(12)	(7)
Exchange gains and losses	(20)	(9)
Cost of bond buybacks (see Note 3.3)	(119)	0
Impact of withdrawal from a financing structure and declassification of the related hedging instruments [(1)]	0	(216)
Other	(16)	(15)
Finance costs and other financial income and expenses, net	**(722)**	**(884)**
Financial expenses	*(794)*	*(961)*
Financial income	*72*	*78*

(1) Non-recurring cost arising from the Group's interest rate position management (early termination of a structured finance arrangement and reclassification of interest rate hedging instruments previously eligible for hedge accounting, in connection with the Group's indebtedness reduction).

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NOTE 13 INCOME TAX EXPENSE

(in € millions)	**2013**	2012
Income tax payable (including provisions)	(723)	(543)
Deferred taxes	92	163
TOTAL INCOME TAX EXPENSES	**(631)**	**(380)**

In 2013, income tax expense included a €30 million one-off charge arising from the settlement of an old tax dispute in Brazil following an amnesty. The Group also revised its deferred tax positions based on its new results forecasts.

In 2012, income tax expense included the €114 million positive impact of recognizing deferred tax assets for prior years' tax losses in Belgium and Argentina due to the improved likelihood of these assets being recovered. In Italy, the publication in 2012 of enabling legislation for a 2011 tax law led to the conversion into tax credits of previously unrecognized deferred tax assets, with a €79 million positive impact on income tax expense for the year.

13.1 TAX PROOF

Theoretical income tax for 2013, calculated by multiplying consolidated income before tax by the standard French corporate income tax rate (including the 10.7% «contribution exceptionnelle» surtax applicable until December 30, 2015), represented an expense of €631 million, compared with actual net income tax expense of €631 million. These two amounts can be reconciled as follows:

(in € millions)	**2013**	2012
Income before taxes	1,660	581
Standard French corporate income tax rate	*38.0%*	*36.10%*
Theoretical income tax	(631)	(210)
Tax effect of untaxed income and income taxed at a different rate (1)	236	114
Taxes with no tax base (provisions recorded solely for tax purposes, withholding taxes, etc.) (2)	(221)	(179)
Impact of non-deductible impairment *losses* on goodwill	(5)	(7)
Tax effect of other permanent differences	4	(45)
Valuation allowances on deferred tax assets (3)	(69)	(51)
Deferred tax assets not recognized during the year	(123)	(252)
Deferred tax assets recognized in prior years (3)	233	195
Other	(54)	58
TOTAL INCOME TAX EXPENSE	**(631)**	**(380)**
Effective tax rate	38.0%	65.4%

(1) In 2013, this item corresponds, for €131 million, to a capital gain taxed at a reduce rate and, for the balance, to the taxation of income generated outside France at rates that are below the French statutory rate.

(2) The reported amount of taxes with no tax base includes provisions for tax risks. 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 €69 million in 2013 (2012: €55 million).

(3) Valuation allowances recorded on deferred tax assets mainly concerned Italy in 2013 (€69 million) and Brazil in 2012 (€44 million).

(4) Deferred tax assets recognized in on prior years' tax losses primarily concerned Spain and Belgium in 2013 and Belgium, Argentina and Italy in 2012.

NOTE 14 NET INCOME FROM DISCONTINUED OPERATIONS

(in € millions)	2013	2012
Net income from discontinued operations – Group share	314	1,109
Net income from discontinued operations attributable to non-controlling interests	(8)	(40)
TOTAL	**306**	**1,069**

In 2013, net income from discontinued operations mainly reflected the €396 million profit on sale of the Group's interest in Carrefour Indonesia, partly offset by the €65 million loss recognized on the loss of control of the Turkish subsidiary.

Net income from discontinued operations in 2012 included:

- the result from operations in Greece for the period up to the date of sale and the impact of Carrefour Greece reorganization measures, for a total of €(262) million;
- the net gain on disposal of operations in Colombia, plus the result generated by the business in the period up to the disposal date, plus cumulative currency translation adjustments related to these operations recognized in the income statement, for a total of €1,267 million;
- the net gain on disposal of operations in Malaysia, plus the result generated by the business in the period up to the disposal date, plus cumulative currency translation adjustments related to these operations recognized in the income statement, for a total of €46 million;
- the income from operations in Indonesia during the period.

NOTE 15 EARNINGS PER SHARE (GROUP SHARE)

Basic earnings per share	2013	2012
Net income from continuing operations	949	150
Net income from discontinued operations	314	1,109
Net income for the year	1,263	1,259
Weighted average number of shares outstanding (1)	694,878,802	682,639,812
Basic earnings from continuing operations per share *(in €)*	**1.37**	**0.22**
Basic earnings from discontinued operations per share *(in €)*	**0.45**	**1.62**
Basic earnings per share *(in €)*	**1.82**	**1.84**

(1) In accordance with IAS 33, the weighted average number of shares used to calculate 2012 earnings per share was adjusted to take into account 2012 dividends paid in shares on June 7, 2013.

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

Diluted earnings per share	2013	2012
Net income from continuing operations	949	150
Net income from discontinued operations	314	1,109
Net income for the year	1,263	1,259
Weighted average number of shares outstanding, before dilution	694,878,802	682,639,812
Potential dilutive shares	0	408,928
Stock grants	*0*	*408,928*
Stock options	*0*	*0*
Diluted weighted average number of shares outstanding	694,878,802	683,048,740
Diluted earnings from continuing operations per share *(in €)*	**1.37**	**0.22**
Diluted earnings from discontinued operations per share *(in €)*	**0.45**	**1.62**
Diluted earnings per share *(in €)*	**1.82**	**1.84**

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 2013 and 2012 and were therefore not dilutive. No stock grants were outstanding at December 31, 2013 (see Note 28.2).

NOTE 16 OTHER COMPREHENSIVE INCOME

	December 2013			December 2012		
(in € millions)	**Pre-tax**	**Tax**	**Net**	Pre-tax	Tax	Net
Group share						
Effective portion of changes in the fair value of cash flow hedges	39	(11)	28	19	(8)	11
Changes in the fair value of available-for-sale financial assets	7	1	8	2	(2)	1
Exchange differences on translating foreign operations	(407)		(407)	(184)		(184)
Items that may be reclassified subsequently to profit or loss	**(360)**	**(11)**	**(371)**	**(163)**	**(9)**	**(172)**
Unrecognized actuarial gains and losses on defined benefit plans	27	(5)	22	(228)	63	(165)
Items that will not be reclassified to profit or loss	**27**	**(5)**	**22**	**(228)**	**63**	**(165)**
TOTAL COMPREHENSIVE INCOME - GROUP SHARE	**(333)**	**(15)**	**(349)**	**(391)**	**54**	**(337)**
Non-controlling interests						
Effective portion of changes in the fair value of cash flow hedges	17	(5)	11	(8)	3	(6)
Changes in the fair value of available-for-sale financial assets	(5)	2	(3)	10	(3)	6
Exchange differences on translating foreign operations	(48)		(48)	(9)		(9)
Items that may be reclassified subsequently to profit or loss	**(36)**	**(4)**	**(40)**	**(8)**	**(1)**	**(8)**
Unrecognized actuarial gains and losses on defined benefit plans	5	(2)	3	(4)	1	(3)
Items that will not be reclassified to profit or loss	**5**	**(2)**	**3**	**(4)**	**1**	**(3)**
TOTAL COMPREHENSIVE INCOME - NON-CONTROLLING INTERESTS	**(31)**	**(6)**	**(37)**	**(12)**	**1**	**(11)**

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)	**12/31/2013**	12/31/2012
Goodwill, net	8,277	8,608
Other intangible assets	767	801
INTANGIBLE ASSETS, NET	**9,044**	**9,409**

17.1 CHANGES IN GOODWILL

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

The €331 million decrease in net goodwill in 2013 was due mainly to the loss of control of operations in Turkey (see Note 3.1) and to the currency effect in Brazil and Argentina.

(in € millions)	Net goodwill at 12/31/2012	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	Net goodwill at 12/31/2013
France	4,371	31			(8)		4,394
Italy	898				0		899
Belgium	955	3					959
Spain	862						862
Brazil	745			(11)		(127)	606
Poland	253	5				(5)	253
Turkey	176				(176)		0
Argentina	136				0	(38)	98
Other countries	211					(5)	206
TOTAL	**8,608**	**39**	**0**	**(11)**	**(184)**	**(174)**	**8,277**

In 2012, the total carrying amount of goodwill was reduced by €132 million, due mainly to the disposal of operations in Colombia and Malaysia (€99 million), the reclassification as "Assets held for sale" of goodwill on operations in Indonesia (€31 million) and the impact of changes in exchange rates in Brazil.

(in € millions)	Net goodwill at 12/31/2011	Acquisitions	Disposals	Impairment	Other movements [(1)]	Translation adjustment	Net goodwill at 12/31/2012
France	4,292	85	(7)				4,371
Italy	898						898
Belgium	948	1			6		955
Spain	810				52		862
Brazil	923				(80)	(99)	745
Poland	248			(18)		23	253
Turkey	143				29	5	176
Argentina	134	21				(19)	136
Other countries	343				(129)	(2)	211
TOTAL	**8,740**	**107**	**(7)**	**(18)**	**(122)**	**(92)**	**8,608**

(1) Corresponding mainly to the effect of changes in scope of consolidation (deconsolidation of operations in Colombia and Malaysia).

17.2 OTHER INTANGIBLE ASSETS

(in € millions)	**12/31/2013**	**12/31/2012**
Other intangible assets, at cost	2,911	2,864
Amortization	(2,035)	(1,959)
Impairment	(244)	(234)
Intangible assets in progress	134	131
Other intangible assets, net	**767**	**801**

(in € millions)	Cost	Amortization and impairment	Net
At December 31, 2011	**3,166**	**(2,200)**	**966**
Acquisitions	165	0	165
Disposals	(150)	129	(21)
Translation adjustment	(54)	36	(17)
Amortization	0	(206)	(206)
Impairment	0	(24)	(24)
Changes in scope of consolidation, transfers and other movements	(132)	71	(61)
At December 31, 2012	**2,995**	**(2,194)**	**801**
Acquisitions	211		211
Disposals	(65)	33	(32)
Translation adjustment	(82)	61	(21)
Amortization		(185)	(185)
Impairment		(15)	(15)
Changes in scope of consolidation, transfers and other movements	(15)	23	8
At December 31, 2013	**3,044**	**(2,277)**	**767**

17.3 IMPAIRMENT OF GOODWILL AND SENSITIVITY ANALYSIS

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

The impairment tests performed on goodwill and other intangible assets in 2012 in accordance with IAS 36 did not lead to the recognition of any impairment losses on these assets.

The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) applied for impairment testing purposes in 2013 and 2012 are presented below by CGU:

	2013		2012	
Country	**After-tax discount rate**	**Perpetual growth rate**	After-tax discount rate	Perpetual growth rate
France	6.2%	2.0%	5.3%	1.5%
Spain	7.6%	2.0%	7.0%	1.5%
Italy	7.3%	1.8%	7.1%	1.5%
Belgium	6.4%	2.0%	5.1%	1.5%
Poland	7.8%	2.3%	6.7%	1.5%
Turkey	na	na	11.4%	4.5%
Romania	9.2%	2.3%	8.3%	1.5%
Brazil	10.3%	3.5%	7.9%	2.0%
Argentina	20.7%	6.2%	21.0%	9.0%
China	9.2%	3.0%	6.5%	2.0%
Taiwan	6.9%	2.0%	5.4%	2.0%

17.3.1 CGUs for which the recoverable amount of goodwill was close to the carrying amount

The tests carried out at December 31, 2013 did not reveal any impairments of goodwill. For the Italy CGU, the recoverable amount of goodwill was found to be close to – but still greater than – the carrying amount.

Sensitivity analyses were performed to determine the changes in the main assumptions that would lead to an impairment loss being recognized. The amounts shown below correspond to the difference between the recoverable amount and the carrying amount; the minus sign denotes scenarios that would lead to the recognition of an impairment loss for the amount indicated.

ITALY

		Sensitivity to changes in WACC and perpetual growth rate				
		WACC (%)				
		-0.50%	-0.25%	0.00%	0.25%	0.50%
Perpetual growth (%)	-0.50%	110	23	-57	-130	-198
	-0.25%	193	98	11	-68	-141
	0.00%	284	180	86	-0	-79
	0.25%	385	270	167	74	-12
	0.50%	497	370	257	154	62

		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%	-299	-263	-226	-187	-148
	-0.25%	-152	-111	-70	-28	16
	0.00%	-4	40	86	132	180
	0.25%	144	192	241	292	344
	0.50%	291	343	397	451	507

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

17.3.2 Other countries

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

NOTE 18 PROPERTY AND EQUIPMENT

Property and equipment correspond mainly to the retail space managed by the Group.

(in € millions)	12/31/2013	12/31/2012
Land	2,380	2,518
Buildings	8,856	9,298
Equipment, fixtures and fittings	13,173	13,567
Other	423	424
Assets under construction	583	408
Finance leases – land	449	450
Finance leases – buildings	1,177	1,213
Finance leases – equipment, fixtures and fittings	83	88
Finance leases – other	0	(0)
Property and equipment at cost	**27,124**	**27,965**
Depreciation	(14,552)	(14,962)
Depreciation of assets under finance leases	(919)	(936)
Impairment	(544)	(558)
PROPERTY AND EQUIPMENT, NET	**11,109**	**11,509**

18.1 CHANGES IN PROPERTY AND EQUIPMENT

(in € millions)	Cost	Depreciation and impairment	Net
At December 31, 2011	**30,867**	**(17,096)**	**13,771**
Acquisitions	1,262	0	1,262
Disposals	(1,010)	897	(113)
Depreciation	0	(1,317)	(1,317)
Impairment	0	(122)	(122)
Translation adjustment	(371)	148	(223)
Changes in scope of consolidation, transfers and other movements (1)	(2,782)	1,034	(1,748)
At December 31, 2012	**27,965**	**(16,456)**	**11,509**
Acquisitions	1,882		1,882
Disposals	(1,144)	1,028	(116)
Depreciation		(1,266)	(1,266)
Impairment		(52)	(52)
Translation adjustment	(966)	456	(510)
Changes in scope of consolidation, transfers and other movements (2)	(612)	275	(337)
At December 31, 2013	**27,124**	**(16,015)**	**11,109**

(1) The net decrease of €1,748 million was primarily due to the disposal of operations in Colombia, Greece and Malaysia, and the reclassification as “Assets held for sale” of the property and equipment associated with operations in Indonesia.
(2) The net decrease of €317 million was due for the most part to the loss of control of operations in Turkey.

18.2 LEASES

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

18.3 LEASE COMMITMENTS AT DECEMBER 31, 2013

Finance leases *(in € millions)*	**Total**	**Within one year**	**In one to five years**	**Beyond five years**
Minimum future lease payments	736	60	206	471
Discounted present value	447	56	163	228

Operating leases *(in € millions)*	**Total**	**Within one year**	**In one to five years**	**Beyond five years**
Minimum future lease payments	3,217	886	1,446	885
Discounted present value	2,551	826	1,136	587

18.4 LEASE FINANCIAL IMPACT RELATED TO 2013

Finance leases *(in € millions)*	**Total**
Minimum revenue receivable from sub-leases	11
Minimum lease payments made during the period	52
Contingent rentals	14
Revenue from sub-leases	16

Operating leases *(in € millions)*	**Total**
Minimum revenue receivable from sub-leases	26
Minimum lease payments made during the period	913
Contingent rentals	34
Revenue from sub-leases	274

18.5 LEASE COMMITMENTS AT DECEMBER 31, 2012

Finance leases *(in € millions)*	**Total**	**Within one year**	**In one to five years**	**Beyond five years**
Minimum future lease payments	786	66	213	507
Discounted present value	486	62	172	252

Operating leases *(in € millions)*	**Total**	**Within one year**	**In one to five years**	**Beyond five years**
Minimum future lease payments	4,116	948	1,888	1,280
Discounted present value	3,119	885	1,479	755

18.6 LEASE FINANCIAL IMPACT RELATED TO 2012

Finance leases *(in € millions)*	**Total**
Minimum revenue receivable from sub-leases	11
Minimum lease payments made during the period	58
Contingent rentals	18
Revenue from sub-leases	17

Operating leases *(in € millions)*	**Total**
Minimum revenue receivable from sub-leases	40
Minimum lease payments made during the period	929
Contingent rentals	55
Revenue from sub-leases	276

NOTE 19 INVESTMENT PROPERTY

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

(in € millions)	12/31/2013	12/31/2012
Investment property at cost	501	766
Depreciation and impairment	(188)	(253)
TOTAL	**313**	**513**

19.1 CHANGES IN INVESTMENT PROPERTY

At December 31, 2011	**507**
Depreciation for the period	(39)
Translation adjustment	10
Acquisitions for the period	81
Disposals for the period	(4)
Transfers	27
Other movements (1)	(70)
At December 31, 2012	**513**
Depreciation for the period	(28)
Translation adjustment	(11)
Acquisitions for the period	112
Disposals for the period	(0)
Transfers (2)	(162)
Other movements (3)	(111)
At December 31, 2013	**313**

(1) Deconsolidation of operations in Malaysia and Colombia.
(2) Including investment property concerned by the real estate transaction described in Note 3.6 reclassified as "Assets held for sale"
(3) Effect of the loss of control of operations in Turkey following reorganization of the local partnership (see Note 3.1).

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totaled €60.5 million in 2013 (2012: €94.6 million). Operating costs directly attributable to the properties amounted to €5.5 million (2012: €13.1 million).

The estimated fair value of investment property was €833 million at December 31, 2013 (December 31, 2012: €1,356 million).

The decreases in carrying amount and fair value between these two dates were due for the most part to the Group's loss of control of its Turkish subsidiary and to the reclassification at December 31, 2013 of investment property concerned by the real estate transaction described in Note 3.6 as "Assets held for sale".

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, 2011	**280**
Translation adjustment	(2)
Equity in net income	72
Dividends received	(27)
Other (1)	61
At December 31, 2012	**384**
Translation adjustment	(29)
Equity in net income	30
Dividends received	(30)
Other (2)	141
At December 31, 2013	**496**

(1) Including a €68 million increase following the use of the equity method to account for 90 new entities in France previously accounted for at cost, and a €22 million decrease following the disposal of operations in Greece (Balkans joint venture).
(2) The year-on-year change is mainly due to the use of the equity method to account for Carrefour SA following reorganization of the partnership with Sabanci Holding in Turkey (see Note 3.1).

The main 2013 financial indicators for companies accounted for by the equity method are presented below:

		On a 100% basis, including consolidation adjustments (1)				
(in € millions)	**% interest**	**Total assets**	**Shareholders' equity**	**Non-current assets**	**Net sales**	**Net income/ (loss)**
Total						
Of which:						
▪ Carrefour SA (Turkey) (2)	46%	602	327	391	481	(9)
▪ Provencia SA	50%	376	213	191	790	24
▪ Iper Orio	50%	99	26	83	127	(7)
▪ Mestdagh	25%	204	85	63	591	(7)
▪ As Cancelas S.XXI,S.L.	50%	90	46	86	8	1
▪ Costasol	34%	61	31	47	74	1
▪ Iliturgitana de Hyper, S.L.	34%	46	16	21	103	0
▪ Ploesti Shopping City S.R.L.	50%	31	1	66	6	(5)
▪ Other companies (3)		694	271	461	1,287	31

(1) Source: financial statements available when the Group's Consolidated Financial Statements were drawn up.
(2) The "net sales" and "net income" figures for Carrefour SA concern the period from the date of first-time application of the equity method.
(3) Corresponding to a total of 141 companies, none of which is individually material.

20.2 OTHER NON-CURRENT FINANCIAL ASSETS

(in € millions)	12/31/2013	12/31/2012
Investments in non-consolidated companies	60	66
Long-term loans	4	1
Other [(1)]	1,081	1,058
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,146**	**1,125**

(1) Mainly deposits and other long-term receivables.

NOTE 21 DEFERRED TAXES

The Group had a net deferred tax asset of €411 million at December 31, 2013, an increase of €72 million compared with the previous year-end.

(in € millions)	12/31/2013	12/31/2012	Change
Deferred tax assets	931	919	12
Deferred tax liabilities	(521)	(580)	60
NET DEFERRED TAX ASSET	**411**	**339**	**72**

The following table shows the main sources of deferred taxes:

(in € millions)	12/31/2012	Change			12/31/2013
		Income statement	Shareholders' equity (other comprehensive income)	Changes in consolidation scope, translation adjustment, other	
Tax loss carryforwards	1,194	52	0	(375)	870
Property and equipment	476	(35)	(0)	(96)	344
Non-deductible provisions	912	53	(14)	(100)	851
Goodwill amortization allowed for tax purposes	60	14	0	99	173
Other intangible assets	5	0	0	0	5
Inventories	135	16	0	(16)	135
Financial instruments	70	(24)	(17)	(1)	28
Other temporary differences	513	(59)	0	11	464
Deferred tax assets before netting	**3,365**	**15**	**(32)**	**(478)**	**2,871**
Effect of netting deferred tax assets and liabilities	(466)	0	0	(29)	(495)
Deferred tax assets net of deferred tax liabilities	**2,899**	**15**	**(32)**	**(507)**	**2,375**
Valuation allowances on deferred tax assets	(1,980)	124	(1)	413	(1,444)
Net deferred tax assets	**919**	**139**	**(32)**	**(94)**	**931**
Property and equipment	(375)	(21)	0	78	(318)
Untaxed provisions	(235)	(10)	0	(3)	(248)
Goodwill amortization allowed for tax purposes	(206)	(12)	0	36	(182)
Other intangible assets	(10)	1	0	1	(8)
Inventories	(26)	(10)	0	0	(36)
Financial instruments	(16)	(23)	2	4	(32)
Other temporary differences	(178)	34	(0)	(47)	(192)
Deferred tax liabilities before netting	**(1,046)**	**(40)**	**2**	**68**	**(1,016)**
Effect of netting deferred tax assets and liabilities	466	0	0	29	495
Deferred tax liabilities net of deferred tax assets	**(580)**	**(40)**	**2**	**97**	**(520)**
NET DEFERRED TAXES	**339**	**99**	**(30)**	**3**	**411**

21.1 UNRECOGNIZED DEFERRED TAX ASSETS

Unrecognized deferred tax assets amounted to €1,444 million at December 31, 2013 (December 31, 2012: €1,980 million), including €743 million related to tax loss carryforwards (December 31, 2012: €1,028 million) and €701 million on temporary differences (December 31, 2012: €952 million).

NOTE 22 INVENTORIES

(in € millions)	**12/31/2013**	12/31/2012
Inventories at cost	5,978	5,933
Depreciation	(240)	(275)
INVENTORIES, NET	**5,738**	**5,658**

NOTE 23 TRADE RECEIVABLES

(in € millions)	12/31/2013	12/31/2012
Trade receivables	1,330	1,302
Depreciation	(203)	(209)
Trade receivables, net	**1,127**	**1,093**
Receivables from suppliers	1,086	1,051
TOTAL	**2,213**	**2,144**

Trade receivables correspond for the most part to amounts due by franchisees, for delivered goods and franchise fees.

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

NOTE 24 OTHER CURRENT FINANCIAL ASSETS

(in € millions)	12/31/2013	12/31/2012
Available-for-sale financial assets	51	238
Derivative instruments	137	46
Deposits with maturities of more than three months (1)	170	61
Other	1	8
TOTAL	**359**	**352**

(1) New regulations governing shopping cards in China that came into effect on January 1, 2013, require part of the shopping card float to be placed in a dedicated, interest-bearing bank account controlled by the Group. At December 31, 2013, these deposits amounted to €130 million.

NOTE 25 OTHER ASSETS

(in € millions)	12/31/2013	12/31/2012
Employee advances	18	18
Short-term loans	69	52
Proceeds receivable from disposals of non-current assets	14	42
Prepaid expenses	297	307
Other operating receivables, net	443	370
TOTAL	**841**	**789**

NOTE 26 CASH AND CASH EQUIVALENTS

(in € millions)	12/31/2013	12/31/2012
Cash equivalents	3,019	4,881
Cash	1,738	1,693
TOTAL	**4,757**	**6,573**

There are no restrictions (as defined in IAS 7) that could materially affect the availability of the cash and cash equivalent balances of foreign subsidiaries.

NOTE 27 SHAREHOLDERS' EQUITY

27.1 CAPITAL MANAGEMENT

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

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

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

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

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

27.2 SHARE CAPITAL

At December 31, 2013, the share capital was made up of 723,984,192 ordinary shares with a par value of €2.5 each, all fully paid.

(in thousands of shares)	2013	2012
Outstanding at January 1	709,215	679,336
Issued for cash	-	-
Issued upon exercise of stock options	-	-
Issued in connection with the Guyenne & Gascogne acquisition	-	13,331
Issued in payment of dividends	14,770	16,547
Cancelled shares	-	-
Outstanding at December 31	**723,984**	**709,215**

27.3 TREASURY STOCK

At December 31, 2013, a total of 22,806,284 shares were held in treasury (December 31, 2012: 23,192,733 shares).

	12/31/2013	12/31/2012	Change
Shares held directly	5,761,500	6,147,949	(386,449)
Shares held indirectly via an equity *swap*	17,044,784	17,044,784	0
Treasury stock	**22,806,284**	**23,192,733**	**(386,449)**

27.3.1 Shares held directly

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

27.3.2 Shares held indirectly via an equity swap

In 2009, the Group reorganized the portfolio of treasury shares and instruments held to meet its obligations under the stock option and stock grant plans. On June 15, 2009, a total of 18,638,439 shares were sold out of treasury at a price of €28.725 per share, generating total proceeds of €535 million, and 18,638,439 shares were bought back at the same price per share of €28.725 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.

At December 31, 2013, Carrefour was committed to buying back 17,044,784 shares under the equity swap for a total of €429 million recorded as a financial liability.

	Number of shares	Financial liability *(in € millions)*
Shares held *indirectly* via *an equity* swap at December 31, 2013	17,044,784	429
Forward purchases		
May 15, 2014	3,939,973	99
July 7, 2015	4,455,754	112
June 15, 2016	8,449,280	213
July 16, 2017	199,777	5

5

27.4 DIVIDENDS

The 2012 ordinary dividend of €0.58 per share was paid on June 7, 2013 as follows:

- 14,769,539 new shares were issued and delivered in settlement of reinvested dividends, increasing the share capital by a total of €290 million;
- €108 million was paid in cash to shareholders who had not chosen to reinvest their dividends.

NOTE 28 SHARE-BASED PAYMENTS

The total cost of share-based payment plans amounted to €2 million in 2013, recorded under "Payroll costs" in recurring operating income (2012: €9 million). In accordance with IFRS 2, the cost net of the tax effect was recognized by crediting shareholders' equity.

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

The demerger of the hard discount business on July 5, 2011, carried out by distributing Dia shares, had the effect of automatically reducing the Carrefour share price. This in turn lowered the exercise price of the stock options and stock grants and increased the number of options or shares awarded to each grantee (see Registration Document updated filed with the AMF on May 18, 2011). The figures presented in this Note are therefore adjusted figures unless otherwise specified.

28.1 STOCK OPTION PLANS

No new plans were set up in 2013 or 2012.

The following table provides **details of the stock option plans** that were in progress at December 31, 2013 or expired during the year.

	Grant date (1)	Number of options granted (2)	Life of the options	Number of grantees	Exercise period (3)	Number of options outstanding (4)	Exercise price in € (2)
2006 Presence Plan	April 25, 2006	7,580,898	7 years	2144	April 25, 2008 to April 24, 2013	0	38.5
2007 Presence Plan	May 15, 2007	4,354,667	7 years	502	May 15, 2009 to May 14, 2014	3,792,357	49.45
2008 Presence Plan I	June 6, 2008	4,545,183	7 years	505	June 6, 2010 to June 5, 2015	3,568,284	39.68
2008 Presence Plan II	July 7, 2008	17,109	7 years	1	July 7, 2010 to July 6, 2015	17,109	39.68
2009 Plan Performance	June 17, 2009	1,252,994	7 years	57	June 17, 2011 to June 16, 2016	431,088	29.55
2009 Presence Plan	June 17, 2009	6,974,861	7 years	2571	June 17, 2011 to June 16, 2016	5,502,482	29.55
2010 Performance Plan	May 4, 2010	1,439,017	7 years	56	May 4, 2012 to May 3, 2017	517,610	29.91
2010 Presence Plan II	July 16, 2010	1,941,610	7 years	507	July 17, 2012 to July 16, 2017	1,474,163	29.91
TOTAL						**15,303,093**	

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

Concerning the exercise date, specific rules apply in the event of the grantee's death.
(4) The number of options outstanding includes both options exercisable at December 31, 2013 and options that were not yet exercisable at that date.

All of the options are exercisable for existing Carrefour shares.

There are two types of plans:

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

Movements in stock options in 2013 were as follows:

Options outstanding at December 31, 2012	**22,124,070**
- *of which, exercisable options*	19,746,685
Options granted in 2013 (1)	0
Options exercised in 2013 (2)	0
Options cancelled or that expired in 2013	(6,820,977)
- *of which, expired options* (3)	*(6,714,436)*
- *of which, cancelled options - Presence Plans*	*(88,076)*
- *of which, cancelled options - Performance Plans*	*(18,465)*
Options outstanding at December 31, 2013	**15,303,093**
- *of which, exercisable options*	*14,857,011*

(1) The Remunerations Committee decided not to grant any stock options in 2013.
(2) No options were exercised in 2013 because they were out of the money.
(3) The 2006 plan expired in April 2013 and the 6,714,436 options not exercised at that date were cancelled.

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

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

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

Fair value of the options at the grant date	**2006 Presence Plan**	**2007 Presence Plan**	**2008 Presence Plan I**
Exercise price *(in €)*	43.91	56.40	45.26
Reference share price in € on the grant date	44.82	52.23	32.8
Volatility *(in %)*	24.70%	25.54%	32.25%
Dividend growth *(in %)*	14.87%	12.96%	2.25%
Interest rate *(in %)*	4.07%	4.50%	4.80%
Fair value of the options (in €)	**12.77**	**10.92**	**7.31**
2013 amortization *(in %)*	0%	0%	0%
Accumulated amortization at December 31, 2013 *(in %)*	100%	100%	100%

Fair value of the options at the grant date	2008 Presence Plan II	2009 Presence & Performance Plans	2010 Presence II & Performance Plans
Exercise price *(in €)*	45.26	33.7	34.11
Reference share price in € on the grant date	43.94	31.54	35.26
Volatility *(in %)*	33.15%	43.35%	22.85%
Dividend growth *(in %)*	2.34%	(34.95)%	3.33%
Interest rate (in %)	4.80%	3.30%	(1)
Fair value of the options *(in €)*	**14.74**	**12.67**	**5.96**
2013 amortization *(in %)*	0%	3%	10%
Accumulated amortization at December 31, 2013 *(in %)*	100%	100%	96%

(1) Reuters page on the pricing date

28.2 STOCK GRANTS

No new stock grant plans were set up in 2013.

Details of the stock grant plans in progress at December 31, 2013 or that expired during the year are presented below:

	Grant date (1)	Transfer date	Number of shares granted	Number of grantees	Reference share price (spot) in € (2)	Number of shares delivered in 2013	Number of shares attributable at December 31, 2013
2010 Presence Plan I	July 16, 2010	July 16, 2013	517,743	513	34.59	370,480	0
2011 Presence Plan	May 31, 2011	May 31, 2013	15,969	1	26.89	15,969	0
TOTAL						**386,449**	**0**

(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 2013 were as follows:

Number of stock grant rights at December 31, 2012	408,928
Stock grant rights attributed in 2012	
Shares delivered to grantees	(386,449)
Stock grant rights cancelled in 2012	(22,479)
▪ *of which, cancelled rights – Presence Plans*	*(22,479)*
▪ *of which, cancelled rights – Performance Plans*	
Number of stock grant rights at December 31, 2013	**-**

NOTE 29 PROVISIONS

(in € millions)	12/31/2012	Translation adjustment	Increases	Discounting adjustment	Reversals of surplus provisions	Utilizations	Other	12/31/2013
Post-employment benefit obligations – Note 30	1,256	(2)	93	(32)	(2)	(31)	(10)	1,272
Claims and litigation	2,584	(220)	539	0	(142)	(924)	(22)	1,814
Tax reassessments [(1)]	*1,915*	*(156)*	*259*	*0*	*(71)*	*(790)*	*(81)*	*1,075*
Disputes with current and former employees	*389*	*(44)*	*191*	*0*	*(45)*	*(83)*	*14*	*423*
Legal disputes	*280*	*(20)*	*89*	*0*	*(26)*	*(51)*	*44*	*316*
Restructuring	185	(3)	56	0	(60)	(65)	6	120
Other [(2)]	451	(3)	84	0	(50)	(46)	(22)	413
TOTAL	**4,475**	**(228)**	**772**	**(32)**	**(254)**	**(1,066)**	**(49)**	**3,618**

(1) Provisions for tax claims decreased by a net €840 million in 2013, reflecting translation adjustments, changes in the scope of consolidation, revised estimates of the potential cost associated with certain tax risks, and the reversal of certain provisions following payments in settlement of several old tax disputes.
(2) Other provisions primarily concern technical risks associated mainly with the insurance business, store closure costs and onerous contracts.

Group companies are involved in a certain number of claims and legal proceedings in the normal course of business. They are also subject to tax audits that may result in reassessments. The main claims and legal proceedings are described in Note 31. In each case, the risk is assessed by Group management and their advisors.

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

At December 31, 2013, the claims and legal proceedings in which the Group was involved were covered by provisions totalling €1,814 million (December 31, 2012: €2,584 million). 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 in particular 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. The impact at January 1, 2012 of applying IAS 19R included incorporating new retirement age assumptions taking into account the consequences of France's 2008 Act on the modernization of the job market.

In 2009, the Group set up a supplementary pension plan. The main terms of this defined benefit plan are as follows:

- plan participants must have completed at least three years' service at the time of retirement, their annual compensation must be greater than 16 times the annual ceiling for Social Security contributions and they must still be employed by the Group at the time of retirement;
- plan participants hired at age 45 or over are credited with up to 10 years' service as follows: age 45 = 0 year; age 46 = 1 year; age 47 = 2 years, etc.;
- years of service taken into account for the calculation of plan benefits are capped at 20 years;
- benefits are calculated as 1.5% of the "reference compensation" per year of service. The reference compensation corresponds to the average of the last three years' salary and bonus or 60 times the annual ceiling for Social Security contributions whichever is lower;
- 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;
- the annual benefit is capped at 25% of the participant's compensation for the last full year of service;
- upon the participant's death, a reversionary pension is payable to the surviving spouse in an amount equal to 50% of the original benefit.

Belgian plans

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

Until the end of 2014, the prepension scheme provides for the payment of unemployment benefits during the period from the retirement age proposed in the collective bargaining agreement (58, or 52 for employees concerned by the downsizing plan set up in 2010) and the legal retirement age (65). Carrefour is committed to topping up the benefits paid by the Belgian State, so that the individuals concerned receive 95% of their final net salary.

New legislation that came into effect in Belgium on January 1, 2012 has pushed back the retirement age and increased the number of years that will have to be worked to qualify for the scheme as from January 1, 2015. Under the collective bargaining agreement applicable to Carrefour, employees will be eligible for prepension benefits from the age of 60 provided they have worked for 40 years, versus age 58 and 38 years' work previously.

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

Italian plans

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

30.2 NET EXPENSE FOR THE PERIOD

Expense recognized in the income statement *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Service cost [1]	60	(38)	0	7	30
Interest cost (discount effect)	30	15	2	1	48
Return on plan assets	(5)	(4)	0	(0)	(10)
Other items	2	0	0	0	2
Expense (income) for 2012	**87**	**(28)**	**2**	**8**	**70**
Service cost [1]	60	7	0	(0)	67
Interest cost (discount effect)	27	10	1	1	39
Return on plan assets	(3)	(3)	0	(0)	(6)
Other items	0	(0)	0	0	(0)
Expense (income) for 2013	**84**	**15**	**1**	**0**	**100**

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

2012 *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Current service cost	44	6	0	7	58
Past service cost (plan amendments and curtailments)	16	(45)			(28)
Settlements and other					0
TOTAL SERVICE COST	**60**	**(38)**	**0**	**7**	**30**

2013 *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Current service cost	59	6	0	2	67
Past service cost (plan amendments and curtailments)	7	0	0	0	7
Settlements and other	(5)	1	0	(2)	(6)
TOTAL SERVICE COST	**60**	**7**	**0**	**(0)**	**67**

The net expense for 2013, in the amount of €100 million, is recorded in employee benefits expense for €67 million and in financial expense for €33 million.

30.3 CHANGE IN THE PROVISION

Balance sheet movements *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Provision at December 31, 2011	**315**	**272**	**133**	**60**	**777**
Adjustment (IAS 19R)	254	(15)	17	9	266
Provision at January 1, 2012	**569**	**257**	**150**	**70**	**1,043**
Movements recorded in the income statement	87	(28)	2	8	70
Benefits paid directly by the employer	6	0	0	(29)	(23)
Effect of changes in scope of consolidation	(5)	(22)	(12)	(2)	(41)
Change in actuarial gains and losses	178	42	4	8	232
Other	(22)	0	0	(4)	(26)
Provision at December 31, 2012	**813**	**249**	**145**	**50**	**1,256**
Movements recorded in the income statement	84	15	1	0	100
Benefits paid directly by the employer	(6)	(21)	(8)	(0)	(36)
Effect of changes in scope of consolidation	(4)	0	0	(10)	(15)
Change in actuarial gains and losses (1)	(28)	(16)	13	(1)	(32)
Other	(0)	0	(0)	(2)	(3)
Provision at December 31, 2013	**859**	**227**	**150**	**37**	**1,272**

(1) This line breaks down as follows:

(in € millions)	*France*	*Belgium*	*Italy*	*Other countries*	*Group total*
Actuarial (gain)/loss due to experience	*4*	*(6)*	*2*	*2*	*1*
Actuarial (gain)/loss due to demographic assumption changes	*(7)*	*0*	*(2)*	*(0)*	*(9)*
Actuarial (gain)/loss due to financial assumption changes	*(24)*	*(5)*	*13*	*(2)*	*(18)*
Return on Plan Assets (Greater) / Less than Discount Rate	*(1)*	*(4)*	*0*	*0*	*(5)*
CHANGES IN ACTUARIAL GAINS AND LOSSES	*(28)*	*(16)*	*13*	*(1)*	*(32)*

30.4 PLAN ASSETS

Change in the fair value of plan assets *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Fair value at December 31, 2011	**119**	**89**	**0**	**6**	**214**
Effect of changes in scope of consolidation	(0)	0	0	0	(0)
Expected return on plan assets	5	4	0	0	9
Benefits paid out of plan assets	(15)	(11)	0	(1)	(27)
Actuarial gain/(loss)	5	7	0	(0)	12
Other	20	4	0	1	25
Fair value at December 31, 2012	**134**	**93**	**0**	**6**	**233**
Effect of changes in scope of consolidation	0	0	0	0	0
Expected return on plan assets	3	3	0	0	6
Benefits paid out of plan assets	(30)	(13)	0	(0)	(43)
Actuarial gain/(loss)	1	4	0	0	5
Other	0	5	0	(1)	4
Fair value at December 31, 2013	**108**	**92**	**0**	**4**	**204**

Plan assets break down as follows by asset class:

	December 31, 2013			December 31, 2012		
	Bonds	**Equities**	**Real estate and other**	Bonds	Equities	Real estate and other
France	79%	20%	1%	81%	17%	3%
Belgium	70%	20%	10%	80%	18%	2%

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

30.5 MEASUREMENT OF THE DEFINED BENEFIT OBLIGATION

Obligation *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Provision	813	249	145	50	1,256
Fair value of plan assets	134	93	0	6	233
Defined Benefit Obligation (DBO) at December 31, 2012	**947**	**342**	**145**	**56**	**1,488**
Provision	859	227	150	37	1,272
Fair value of plan assets	108	92	0	4	204
Defined Benefit Obligation (DBO) at December 31, 2013	**966**	**319**	**150**	**41**	**1,475**

30.6 ACTUARIAL ASSUMPTIONS AND SENSITIVITY ANALYSIS

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

	2013	**2012**
Retirement age	60-65	60-65
Rate of future salary increases	2.0% to 3.0%	1.5% to 5.0%
Payroll tax rate	7% to 45%	7% to 45%
Inflation rate	2%	1,5% to 2%
Discount rate	2.7% to 3.2%	2.2% to 2.9%

Projected benefit obligations were calculated using a discount rate of 3.20% (2012: 2.98%) for the French and Belgian plans and 2.70% (2012: 2.90%) for the Italian plan. These rates are based on an index of AA-rated corporate bonds with maturities similar to the estimated duration of the defined benefit obligation.

The average duration of the defined benefit obligation under French, Belgian and Italian plans is 12.5 years, 9.8 years and 8 years respectively.

Sensitivity tests show that a 25-bps increase in the discount rate would have a negative impact of around €39 million on the defined benefit obligation under the French, Belgian and Italian plans.

The tests also show that a 25-bps increase in the inflation rate would have a positive impact of around €34 million on the defined benefit obligation under the French, Belgian and Italian plans.

NOTE 31 CLAIMS AND LITIGATION

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

31.1 TAX REASSESSMENTS

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

In Brazil, Carrefour is subject to tax audits covering, in particular, the tax on the distribution of goods and services (ICMS), related tax credits (determination of the amounts claimable and documentation of the claims), and federal contributions to the social integration program and to the financing of the social security system (Pis-Cofins). The Group has challenged most of the reassessments, particularly the constitutionality of certain legislative provisions on which they are based. The estimated risk in each case is reviewed regularly with Carrefour Brazil's advisors and an appropriate provision is recorded.

In France, proposed reassessments notified by the tax authorities to the parent company, Carrefour SA, on a stand-alone basis represented a principal amount of €191 million at December 31, 2013. These reassessments, which have been contested by Carrefour, concern the years 2003 to 2010.

In 2008 and 2009, certain French companies in the Group were notified of proposed reassessments of output VAT for the years 2003 to 2008, totalling €313 million. Carrefour has contested these reassessments and lodged an appeal before the administrative court. However, as the appeal process does not have a suspensory effect, the tax claimed for the years 2003 to 2008 has been settled.

In Argentina, the tax authorities have notified Carrefour of ARS 500 million (approximately €56 million) in reassessments for the period 1996-2004 on the grounds that the Group had failed to include certain categories of supplier rebates in the calculation of sales tax. The Group has contested the tax authorities' interpretation.

In France, up until 2003, Carrefour paid a rendering levy (*taxe d'équarrissage*) on its meat purchases. In 2003, the Court of Justice of the European Union ruled that this levy, which was paid over by the French State to abattoirs, constituted State aid awarded in breach of EU rules. As a result of this ruling, the rendering levy paid for the years 1997 to 2003 was refunded to the Group. In 2004, however, the French tax authorities reversed their decision and instructed the Group to repay the refunded amounts for the years 2001 to 2003, totalling €145 million. Although this amount was paid by Carrefour in 2012, the Group has contested the validity of the claim and the case is currently pending before the tax courts.

31.2 DISPUTES WITH CURRENT AND FORMER EMPLOYEES

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

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

31.3 LEGAL AND COMMERCIAL DISPUTES

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

On October 1, 2012, a report on the price increases applied by major retailers for "household and personal care" products was handed to the Belgian competition authorities. The report alleges that between 2002 and 2007, the leading retailers coordinated price increases for these products with the help of the products' suppliers. The matter is currently under review by the Belgian competition authorities, who will decide whether competition law has been breached and, if so, the amount of the fine.

NOTE 32 LONG AND SHORT-TERM BORROWINGS

32.1 NET DEBT

32.1.1 Net debt calculation

Net debt at December 31, 2013 amounted to €4,117 million, a decrease of €203 million from December 31, 2012. This amount breaks down as follows:

(in € millions)	**12/31/2013**	**12/31/2012**
Bonds and notes	7,462	8,992
Other borrowings	1,356	1,516
Commercial paper	-	-
Finance lease liabilities	388	420
TOTAL BORROWINGS BEFORE DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES	**9,206**	**10,928**
Derivative instruments recorded in liabilities	27	318
TOTAL LONG AND SHORT-TERM BORROWINGS (1)	**9,233**	**11,246**
Of which, long-term borrowings	*7,550*	*8,983*
Of which, short-term borrowings	*1,683*	*2,263*
Other current financial assets	359	352
Cash and cash equivalents	4,757	6,573
TOTAL CURRENT FINANCIAL ASSETS (2)	**5,116**	**6,925**
NET DEBT = (1) – (2)	**4,117**	**4,320**

32.1.2 Bonds and notes

(in € millions)		12/31/2012	Issues	Repayments	Other movements	12/31/2013
Public placements	**Maturity**	**8,650**	**1,000**	**(2,494)**		**7,156**
Euro Bond Fixed rate, EUR, 8 years 3.625%	2013	750		(750)		
EMTNs, EUR, 5 years, 6.625%	2013	700		(700)		
Euro Bond Fixed rate, EUR, 7 years, 5.125%	2014	1,250		(601)		649
EMTNs, EUR, 5 years, 5.125%	2014	250				250
Euro Bond Fixed rate, EUR, 7 years, 5.375%	2015	1,000		(356)		644
Euro Bond Fixed rate, EUR, 10 years, 3.825%	2015	50				50
Euro Bond Fixed rate, EUR, 10 years, 3.8%	2015	50				50
Euro Bond Fixed rate, EUR, 10 years, 4.375%	2016	600		(337)		263
EMTNs, EUR, 4 years, 4.375%	2016	500				500
Proceeds allocated to consumer credit refinancing	2016	(250)		250		
EMTNs, EUR, 8 years, 4.678%	2017	250				250
EMTN, EUR, 5 years, 1.875%	2017	1,000				1,000
Euro Bond Fixed rate, EUR, 7 years, 5.25%	2018	500				500
EMTNs, EUR, 6 years, 1.75%	2019		1,000			1,000
EMTNs, EUR, 10 years, 4.00%	2020	1,000				1,000
EMTNs, EUR, 11 years, 3.875%	2021	1,000				1,000
Private placements		**304**		**(25)**		**279**
Adjustment to fair value hedges of fixed rate borrowings		**38**			**(12)**	**26**
TOTAL BONDS AND NOTES		**8,992**	**1,000**	**(2,519)**	**(12)**	**7,462**

32.1.3 Other borrowings

(in € millions)	12/31/2013	12/31/ 2012
Equity swap liability	429	429
Brazilian borrowings	149	467
Other borrowings	367	293
Accrued interest [(1)]	97	158
Other items	314	169
TOTAL	**1,356**	**1,516**

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

Part of Carrefour Brazil's bank borrowings (€40 million at December 31, 2013 and €153 million at December 31, 2012) is subject to the following two covenants:

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

These covenants were complied with at June 30, 2013. Calculation of the ratios at December 31, 2013 will be completed in April 2014; based on the information available when the Consolidated Financial Statements were drawn up, they will also be complied with at that date.

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

32.2.1 Analysis by interest rate

	12/31/ 2013		12/31/2012	
(in € millions)	before hedging	after hedging	before hedging	after hedging
Fixed rate borrowings	8,483	8,161	10,210	9,960
Variable rate borrowings	696	1,045	680	967
TOTAL	**9,179**	**9,206**	**10,890**	**10,928**

32.2.2 Analysis by currency

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

(in € millions)	12/31/2013	12/31/2012
Euro	8,802	10,211
Brazilian real	157	499
Chinese yuan	79	65
Turkish lira		13
Taiwan dollar	78	95
Argentine peso	46	1
Polish zloty	36	37
Romanian leu	6	7
TOTAL	**9,206**	**10,928**

Euro-denominated borrowings represented 96% of total borrowings at December 31, 2013 (December 31, 2012: 93%).

32.2.3 Analysis by maturity

(in € millions)	12/31/2013	12/31/2012
Due within one year	1,683	2,263
Due in 1 to 2 years	1,242	1,773
Due in 3 to 5 years	2,955	4,067
Due beyond 5 years	3,326	2,824
TOTAL	**9,206**	**10,928**

NOTE 33 CONSUMER CREDIT FINANCING

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

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

In light of the size and significant nature of the amounts involved, consumer credit is reported on a separate line of the Group's consolidated statement of financial position, in current assets (for the short-term portion) and non-currents assets (for the long-term portion) and consumer credit financing is reported separately in current liabilities and non-current liabilities.

At December 31, 2013, consumer credit totaled €5,602 million (December 31, 2012: €5,646 million), as follows:

(in € millions)	12/31/2013	12/31/2012
Payment card receivables	3,834	3,867
Loans	2,063	2,020
Consumer credit (on purchases made in Carrefour stores)	191	172
Other financing	305	326
Provisions	(796)	(750)
Other	5	10
TOTAL CONSUMER CREDIT GRANTED BY THE FINANCIAL SERVICES COMPANIES	**5,602**	**5,646**
Short-term financing	*3,221*	*3,285*
Long-term financing	*2,381*	*2,360*

The related consumer credit financing amounted to €4,909 million at December 31, 2013, as follows:

(in € millions)	12/31/2013	12/31/2012
Debt securities (retail certificates of deposit, medium-term notes)	1,292	1,238
Bank borrowings	507	850
Bonds and notes (1)	897	1,009
Customer passbook savings deposits	580	655
Securitizations (2)	900	500
Consumer credit portfolios sold to banks	348	363
Other	385	382
TOTAL	**4,909**	**4,997**
Short-term borrowings	*3,145*	*3,032*
Long-term borrowings	*1,765*	*1,966*

(1) In 2013:
- *Carrefour Banque €300 million 3-year bond issue at 3-month Euribor + 85 bps carried out on April 16;*
- *buyback and retirement on December 16 of €150 million worth of bonds included in the €710 million issue carried out in 2012.*

In 2012:
- *€600 million 3-year, 2.875% notes issue carried out by Carrefour Banque on September 25, and €110 million tap issue carried out on November 9;*
- *€250 million allocated to Carrefour Banque out of the proceeds of a Carrefour SA notes issue (see Note 32).*

(2) In 2013: Master Credit Cards Pass reloadable securitization program with compartments launched by Carrefour Banque in November. Asset pool: €560 million. Proceeds from the securitization: €400 million.
In 2012: FCT Copernic 2012-1 compartment of the FCT Copernic reloadable securitization fund launched by Carrefour Banque. Asset pool: €855 million. Proceeds from the securitization: €500 million (class A1 notes).
The two securitization funds are fully consolidated in the Group's accounts.

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NOTE 34 FINANCIAL INSTRUMENTS

AT 12/31/2013

(in € millions)	Carrying amount	Breakdown by category: Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other	Financial liabilities at amortized cost (1)	Debt hedged by fair value hedges	Derivative instruments	Fair value
Investments in non-consolidated companies	60		60					60
Other long-term investments	1,086		225	860				1,096
Other non-current financial assets	**1,146**		**285**	**860**				**1,146**
Consumer credit granted by the financial services companies	5,602			5,597			5	5,602
Trade receivables	2,213			2,213				2,213
Other current financial assets	359		51	171			137	359
Other assets (1)	545			545				545
Cash and cash equivalents	4,757	4,757						4,757
Assets	**14,621**	**4,757**	**336**	**9,385**			**142**	**14,621**
Total long- and short-term borrowings	9,233				8,679	526	27	9,592
Total consumer credit financing	4,911				4,542	369		4,911
Suppliers and other creditors	12,854			12,854				12,854
Other payables (2)	2,763			2,686				2,686
Liabilities	**29,759**			**15,539**	**13,221**	**895**	**27**	**30,042**

(1) Excluding prepaid expenses.
(2) Excluding deferred revenue.

AT 12/31/2012

(in € millions)	Carrying amount	Breakdown by category: Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other	Financial liabilities at amortized cost (1)	Debt hedged by fair value hedges	Derivative instruments	Fair value
Investments in non-consolidated companies	66		66					66
Other long-term investments	1,059		219	840				1,059
Other non-current financial assets	**1,125**		**285**	**840**				**1,125**
Consumer credit granted by the financial services companies	5,646			5,635			11	5,646
Trade receivables	2,144			2,144				2,144
Other current financial assets	352		238	69			46	352
Other assets (1)	482			482				482
Cash and cash equivalents	6,573	6,573						6,573
Assets	**16,322**	**6,573**	**522**	**9,170**			**57**	**16,322**
Total long- and short-term borrowings	11,246				10,390	538	318	11,910
Total consumer credit financing	4,998				4,470	528		4,998
Suppliers and other creditors	12,925			12,925				12,925
Other payables (2)	2,358			2,358				2,358
Liabilities	**31,526**			**15,283**	**14,860**	**1,066**	**318**	**32,191**

(1) Excluding prepaid expenses.
(2) Excluding deferred revenue.

34.1 ANALYSIS OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

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

- level 1: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2: models that use inputs that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. price-based data);
- level 3: inputs that are intrinsic to the asset or liability and are not based on observable market data for the asset or liability.

12/31/2013 *(in € millions)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in non-consolidated companies			60	60
Other long-term investments	225			225
Available-for-sale financial assets		51		51
Derivative instruments recorded in current financial assets		137		137
Cash and cash equivalents	4,757			4,757
Derivative instruments recorded in liabilities		(18)	(9)	(27)

12/31/2012 *(in € millions)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in non-consolidated companies			66	66
Other long-term investments	219			219
Available-for-sale financial assets		238		238
Derivative instruments recorded in current financial assets		46		46
Cash and cash equivalents	6,573			6,573
Derivative instruments recorded in liabilities		(95)	(221)	(316)

The decline in value of derivative instruments recorded in liabilities and valued using level 3 inputs was mainly due to the expiration of the non-controlling interest (NCI) put granted to the minority shareholders of the Group's Turkish subsidiary in connection with the reorganization of its partnership in that country.

No assets or liabilities were reclassified between the various levels between December 31, 2010 and 2013.

NOTE 35 OTHER PAYABLES

(in € millions)	**12/31/2013**	**12/31/2012**
Accrued employee benefits expense	1,696	1,633
Due to suppliers of non-current assets	739	457
Deferred revenue	77	65
Other payables	251	268
TOTAL	**2,763**	**2,422**

NOTE 36 RISK MANAGEMENT

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

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

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

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

36.1 LIQUIDITY RISK

36.1.1 Retail business

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

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

A Liquidity Committee meets at monthly intervals to check that the Group's financing needs are covered by its available resources. The meetings are attended by the Group's Chief Financial Officer and by a representative of Carrefour Banque.

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

- promoting conservative financing strategies in order to ensure that the Group's credit rating allows it to raise funds on the bond and commercial paper markets;
- maintaining a presence in the debt market through regular debt issuance programs, mainly in euros, in order to create a balanced maturity profile. The Group's issuance capacity under its Euro Medium-Term Notes (EMTN) program totals €12 billion. Since 2007, the loan agreements for the EMTN program include a soft change of control clause that would be triggered in the event that a change of control led to Carrefour losing its investment grade rating. In this case, the notes would not become immediately repayable but the interest rate would increase;
- using the €5 billion commercial paper program on NYSE Euronext Paris, described in a prospectus filed with the Banque de France;
- maintaining undrawn medium-term bank facilities that can be drawn down at any time according to the Group's needs. At December 31, 2013, the Group had three undrawn syndicated lines of credit obtained from a pool of leading banks for a total of €4,149 million. Group policy consists of keeping these facilities on stand-by to support the commercial paper program. The loan agreements for the syndicated lines of credit include the usual commitments and default clauses, including *pari passu*, negative pledge, change of control and cross-default clauses and a clause restricting substantial sales of assets. They do not include any rating trigger, although they do allow for the pricing grid to be adjusted up or down to reflect changes in the long-term credit rating. None of the agreements contains a material adverse change clause.

The Group considers that its liquidity position was strong at December 31, 2013 since, at that date, it had €4.15 billion in committed syndicated lines of credit with no drawing restrictions, expiring in 2016, 2017 and 2018, and sufficient cash reserves to meet its medium- and long-term debt repayment obligations for the coming year.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 4 years and 3 months.

36.1.2 Bancassurance business

Carrefour Banque's liquidity risk is monitored within the framework of a senior management-approved liquidity strategy that is part of the Group's overall strategy.

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

Liquidity risk management objectives are to:

- ensure that refinancing needs are met, based on monthly assessments of projected cash surpluses or shortfalls performed by comparing static or dynamic forecasts of committed financing facilities with dynamic lending forecasts;

- gradually achieve compliance with the new Basel III liquidity ratios;
- diversify refinancing sources to include bank loans, bond issues, securitization programs, money market issues and customer deposits. During 2013, Carrefour Banque carried out two major public placements to support the financing and development of its businesses:
  - €300 million was raised through a 3-year variable rate bond issue carried out in April;
  - €400 million was raised through the November launch of a reloadable securitization program. The program's master trust structure will allow Carrefour Banque to dynamically manage asset-backed securities series issued by the securitization fund.

These two operations, which together raised €700 million, contribute to the objective of complying with Basel III liquidity ratios by significantly extending the original life of the Bank's debt and closely matching the maturities of loans and borrowings.

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

12/31/2013 *(in € millions)*	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Borrowings hedged by fair value hedges	500	572	23	549	0
Borrowings hedged by cash flow hedges	251	252	0	251	0
Fixed rate borrowings	7,637	8,624	1,927	3,550	3,147
Unhedged borrowings	429	441	105	336	0
Finance lease liabilities	388	745	68	206	471
Derivative instruments	27	37	10	10	17
Total long and short-term borrowings	**9,233**	**10,671**	**2,133**	**4,903**	**3,635**
Suppliers and other creditors	12,854	12,854	12,854		
Consumer credit financing	4,911	4,911	3,145	1,765	
Other payables	2,763	2,763	2,763		
TOTAL	**29,759**	**31,198**	**20,895**	**6,668**	**3,635**

12/31/2012 *(in € millions)*	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	Beyond 5 years
Borrowings hedged by fair value hedges	538	593	22	570	
Borrowings hedged by cash flow hedges	251	252	1	252	
Fixed rate borrowings	9,290	10,077	2,722	4,608	2,747
Unhedged borrowings	429	431	1	431	
Finance lease liabilities	420	786	66	213	507
Derivative instruments	317	278	30	26	222
Total long and short-term borrowings	**11,245**	**12,417**	**2,842**	**6,100**	**3,476**
Suppliers and other creditors	12,925	12,925	12,925		
Consumer credit financing	4,998	4,998	3,032	1,966	
Other payables	2,358	2,358	2,358		
TOTAL	**31,526**	**32,698**	**21,157**	**8,066**	**3,476**

36.2 INTEREST RATE RISK

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

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

Long-term borrowings are generally at fixed rates of interest and do not therefore give rise to any exposure to rising interest rates.

Various financial instruments are nonetheless used to hedge borrowings against the risk of changes in interest rates. These are mainly basic swaps and options. Hedge accounting is applied in all cases where the required criteria are met.

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

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

	50-bps decline		50-bps increase	
(- = loss; + = gain) (in € millions)	Impact on shareholders' equity	Impact on income statement	Impact on shareholders' equity	Impact on income statement
Investments		(3.2) [1]		9.0
Variable rate borrowings		2.1		(2.1)
Borrowings hedged by fair value hedges		(8.1)		8.0
Swaps qualified as fair value hedges		7.9		(7.8)
Swaps qualified as cash flow hedges	(1.1)		1.1	
Options classified as cash flow hedges	(0.2)	(14.6)	4.2	15.8
Options classified as held for trading		3.5		0.9
TOTAL EFFECT	**(1.3)**	**(12.4)**	**5.3**	**23.8**

(1) Rate subject to a 0% floor.

36.3 CURRENCY RISK

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

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

Effect of an increase/decrease in exchange rates on instruments accounted for as cash flow hedges:

	10% decline		10% increase	
(in € millions)	Impact on shareholders' equity	Impact on income statement	Impact on shareholders' equity	Impact on income statement
USD/EUR Cash Flow hedging position	(30.8)	-	30.8	-
RON/EUR Cash Flow hedging position	1.3	-	(1.3)	-
HKD / EUR Cash Flow hedging position	0.3	-	(0.3)	-
SGD / EUR Cash Flow hedging position	(0.3)	-	0.3	-

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

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

The translation risk on foreign operations outside the euro zone mainly concerns the Brazilian real and Argentine pesos. For example, changes in the average exchange rates used in 2013 compared with those for 2012 reduced consolidated net sales by €2,326 million or 3.1% and operating income by €73 million or 3.1%.

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

36.4 CREDIT RISK

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

Exposure to credit risk *(in € millions)*	**12/31/2013**	12/31/2012
Investments in non-consolidated companies	60	66
Other long-term investments	1,086	1,059
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,146**	**1,125**
Consumer credit granted by the financial services companies	5,602	5,646
Trade receivables	2,213	2,144
Other current financial assets	359	352
Other assets	545	482
Cash and cash equivalents	4,757	6,573
MAXIMUM EXPOSURE TO CREDIT RISK	**14,641**	**16,322**

36.4.1 Retail business

1) Trade receivables

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

CHANGES IN DEPRECIATION ON TRADE RECEIVABLES

December 31, 2011	**(240)**
Increases	(116)
Reversals	106
Other movements	41
December 31, 2012	**(209)**
Increases	(41)
Reversals	43
Other movements	4
December 31, 2013	**(203)**

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At December 31, 2013, trade receivables net of depreciation amounted to €1,127 million (see Note 23). At that date, past due receivables amounted to a net €120 million, with receivables over 90 days past due representing 2.1% of total trade receivables net of impairment. No additional depreciation has been recognized for these receivables as the Group considers that the risk of non-recovery is very limited.

2) Investments

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

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

Investments made at the country level are approved by Corporate Treasury and Financing.

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

36.4.2 Bancassurance business

1) Credit risk management

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

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

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

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

2) Provisions for non-performing consumer loans

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

Provision models are developed in accordance with local banking regulations in each country, according to a two-step process:

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

In a certain number of countries, specific provisions are also recorded for certain types of exposures, to comply with local central bank guidelines.

ANALYSIS OF DUE AND PAST DUE CONSUMER LOANS

	12/31/2013	Amounts due and past-due at the period-end				
(in € millions)		Amounts not yet due at the period-end	0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	5,602	5,387	92	30	17	75

	12/31/2012	Amounts due and past-due at the period-end				
(in € millions)		Amounts not yet due at the period-end	0 to 3 months	3 to 6 months	6 months to 1 year	More than one year
Consumer credit granted by the financial services companies	5,646	5,146	352	46	28	73

ANALYSIS OF CONSUMER LOANS BY MATURITY

12/31/2013 *(in € millions)*	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	2,875	1,010	1,663	202
Belgium	196	176	20	
Spain	1,313	932	174	206
Italy	180	87	61	32
Argentina	145	142	3	
Brazil	892	874	18	
TOTAL	**5,602**	**3,221**	**1,940**	**441**

12/31/2012 *(in € millions)*	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	3,020	1,178	1,656	185
Belgium	198	176	22	0
Spain	1,243	860	187	196
Italy	173	85	55	33
Argentina	136	129	8	0
Brazil	876	858	18	0
TOTAL	**5,646**	**3,286**	**1,945**	**415**

36.5 EQUITY RISK

Equity risk corresponds to the potential impact of changes in the Carrefour share price on its share-based payment commitments and on treasury stock.

Group policy is to avoid taking positions on its own shares or those of other companies, except in response to particular circumstances or needs.

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

At December 31, 2013, shares and options held directly or indirectly by the Group covered its total commitments under outstanding stock option and stock grant plans.

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

NOTE 37 CONTINGENT LIABILITIES

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

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

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

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

NOTE 38 CHANGE IN WORKING CAPITAL REQUIREMENT

(in € millions)	12/31/013	12/31/2012	Change
Change in inventory	(135)	687	(822)
Change in trade receivables	(34)	79	(113)
Change in trade payables	(31)	(764)	733
Change in loyalty program liabilities and other	276	142	134
Change in trade working capital requirement	**76**	**145**	**(69)**
Change in other receivables and payables	(361)	(174)	(187)
Change in working capital requirement	**(284)**	**(29)**	**(255)**

NOTE 39 OFF-BALANCE SHEET COMMITMENTS

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

	12/31/2013	By maturity			12/31/2012 (1)
Commitments given *(in € millions)*		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**8,258**	**4,835**	**2,603**	**820**	**9,159**
Financial services companies	*7,150*	*4,659*	*2,483*	*8*	*7,526*
Other companies	*1,107*	*176*	*120*	*811*	*1,633*
Related to operations/real estate/expansion, etc.	**1,942**	**1,047**	**747**	**148**	**2,407**
Related to sales of securities	**169**	**39**	**63**	**67**	**313**
Related to leases	**3,217**	**886**	**1,446**	**885**	**4,116**
TOTAL	**15,586**	**6,806**	**4,860**	**1,920**	**15,996**

(1) Including €486 million concerning entities classified as discontinued operations in accordance with IFRS 5.

	12/31/2013	By maturity			12/31/2012 (1)
Commitments received *(in € millions)*		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions	**6,752**	**1,535**	**5,177**	**40**	**7,216**
Financial services companies	1,656	698	958	0	1,848
Other companies	5,096	837	4,219	40	5,368
Related to operations/real estate/expansion, etc.	**882**	**174**	**444**	**264**	**740**
Related to sales of securities	**303**	**188**	**79**	**36**	**298**
Related to leases	**830**	**293**	**385**	**152**	**990**
TOTAL	**8,766**	**2,191**	**6,085**	**491**	**9,245**

(1) Including €151 million concerning entities classified as discontinued operations in accordance with IFRS 5.

Off-balance sheet commitments related to cash transactions include:

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

Off-balance sheet commitments related to operations include:

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

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

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

Off-balance sheet commitments related to leases:

At December 31, 2013, 692 hypermarket properties and 530 supermarket properties were owned outright out of a total consolidated store base of 1,168 hypermarkets and 1,274 supermarkets.

Rent on store properties not owned by the Group totaled €905 million in 2013 (see Note 9).

Of total future minimum rentals, 24% are due within one year, 42% in one to five years and 34% beyond five years.

Future minimum rentals under operating leases – determined based on the Group's maximum commitment in terms of both duration and amount for each of the property leases in progress at the period-end – amounted to €3,217 million, or €2,551 million 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 €247 million in 2013. 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 €830 million, or €678 million after discounting.

NOTE 40 EMPLOYEE INFORMATION

	12/31/2013	12/31/2012 (1)
Average number of Group employees	351,463	349,776
Number of Group employees at the period-end	363,989	357,342

(1) To permit meaningful comparisons, employee numbers for 2012 have been restated to take into account the loss of control of operations in Turkey and the reclassification of the Indian subsidiary as a discontinued operation in accordance with IFRS 5.

NOTE 41 RELATED PARTIES

41.1 RELATED PARTY TRANSACTIONS

The following table presents the main related party transactions carried out in 2013 with companies over which the Group exercised significant influence or joint control at December 31, 2013.

(in € millions)	Carrefour SA	Provencia	Mestdagh
Net sales (sales of goods)	0	556	125
Franchise fees	1	8	7
Receivables at December 31	2	36	12

41.2 OTHER RELATED PARTY TRANSACTIONS

Massy building leased off-plan from the Colony Group

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

NOTE 42 MANAGEMENT COMPENSATION

The following table shows the compensation paid by the Group to serving members of the Management team and the Board of Directors during 2013 and 2012. Comparative information for 2012 has been restated on the same basis.

(in € millions)	2013	2012
Compensation for the period	4.3	5.5
Prior year bonus	4.7	3.4
Benefits in kind (accommodation and company car)	0.2	0.1
Total compensation paid during the period	**9.2**	**9.0**
Employer payroll taxes	3.2	4.2
Termination benefits	0.4	3.8

Other management benefit plans are as follows:

- defined benefit pension plan described in Note 30;
- stock option and stock grant plans. At December 31, 2013, serving members of Group management held 142,575 stock options (at December 31, 2012, serving members of Group management held 511,845 stock options and 4,107 stock grant rights).

Directors' attendance fees paid to members of the Board of Directors amounted to €0.8 million in 2013 (2012: €0.8 million).

NOTE 43 SUBSEQUENT EVENTS

No events have occurred since the year-end that would have a material impact on the Consolidated Financial Statements.

NOTE 44 FEES PAID TO THE AUDITORS

	2013				2012			
(in € millions)	Deloitte & Associés	KPMG	Mazars	Total	Deloitte & Associés	KPMG	Mazars	Total
Audit services	2.3	9.1	2.5	13.9	2.7	9.8	2.9	15.4
Other services	0.7	0.5	0.1	1.3	0.3	0.2	0.0	0.5
TOTAL	**3.0**	**9.6**	**2.6**	**15.2**	**3.0**	**10.0**	**2.9**	**15.9**

NOTE 45 SCOPE OF CONSOLIDATION

45.1 FULLY CONSOLIDATED COMPANIES AT DECEMBER 31, 2013

FRANCE	*Percent interest used in consolidation*
ACTIS	100.0
AJACCIO DISTRIBUTION	100.0
ALFROY	100.0
ALODIS	100.0
ARIGE	100.0
AVENUE	52.0
BELLEVUE DISTRIBUTION	100.0
BLO DISTRIBUTION	100.0
BOEDIM	100.0
BPJ	100.0
BREM 63	51.0
CADS	97.0
CALLOUETS	51.0
CARAUTOROUTES	100.0
CARCOOP	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 BANQUE (Ex S2P - SOCIETE DES PAIEMENTS PASS)	60.8
CARREFOUR DRIVE	100.0
CARREFOUR FORMATION HYPERMARCHES FRANCE (CFHF)	100.0
CARREFOUR FRANCE	100.0
CARREFOUR France PARTICIPATION	100.0
CARREFOUR HYPERMARCHES	100.0
CARREFOUR IMPORT SAS (EX CRFP2)	100.0
CARREFOUR MANAGEMENT	100.0
CARREFOUR MARCHANDISES INTERNATIONALES	100.0
CARREFOUR MONACO	100.0
CARREFOUR PARTENARIAT INTERNATIONAL	100.0
CARREFOUR PROPERTY	100.0
CARREFOUR PROPERTY DEVELOPMENT	100.0
CARREFOUR PROPERTY GESTION	100.0
CARREFOUR PROPERTY INTERNATIONAL	100.0
CARREFOUR PROXIMITE France	100.0
CARREFOUR SA	100.0
CARREFOUR SERVICES CLIENTS	100.0

FRANCE	*Percent interest used in consolidation*
CARREFOUR STATION SERVICE (ex PARIDIS 75)	100.0
CARREFOUR SYSTEMES D'INFORMATIONS FRANCE	100.0
CARREFOUR VOYAGES	100.0
CARVILLENEUVE	100.0
CASCH	100.0
CENTRE COMMERCIAL DE LESCAR	99.5
CHALLENGER	100.0
CHAMNORD	59.6
CHAMPION SUPERMARCHES FRANCE (C.S.F)	100.0
CHRISTHALIE	100.0
CLAIREFONTAINE	100.0
COMPAGNIE D'ACTIVITE ET DE COMMERCE INTERNATIONAL -CACI-	100.0
CONTINENT 2001	100.0
COSG	100.0
COVICAR 23	100.0
COVIAM 8	100.0
COVICAR 2	100.0
CP TRANSACTIONS	100.0
CPF ASSET MANAGEMENT	100.0
CRF REGIE PUBLICITAIRE	100.0
CRFP4	100.0
CRFP8	100.0
CRFP10	100.0
CRFP11	100.0
CRFP13	100.0
CRFP14	100.0
CRFP15	100.0
CRFP16	100.0
CSD	74.0
CSD TRANSPORTS	74.0
CSF France	100.0
CSF France STATIONS SERVICES	100.0
DAUPHINOISE DE PARTICIPATIONS	100.0
DE LA COQUERIE	51.0
DE LA FONTAINE	51.0
DE LA VALLEE	100.0
DE SIAM	51.0
DELDIS	100.0
DES TROIS G	97.0
DISTRIVAL	100.0
DUCAR	100.0
ECALHAN	51.0
EPG	66.0
EUROMARCHE	100.0
FALDIS	100.0
FINANCIERE RSV	100.0
FINIFAC	100.0
FLORADIS	100.0

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FRANCE	*Percent interest used in consolidation*
FORUM DEVELOPPEMENT	100.0
FRANCY	100.0
GAMACASH	100.0
GENEDIS	100.0
GERFLO	100.0
GERNIMES	100.0
GIE CARREFOUR PERSONAL FINANCE SERVICES	53.0
GIMONDIS	100.0
GM CARREFOUR (ex COVICAR 18)	100.0
GMC FRANCE	100.0
GMC STATIONS SERVICE	100.0
GUILVIDIS	100.0
GUYENNE ET GASCOGNE	100.0
GVTIMM	51.0
HAUTS DE ROYA	100.0
HERMES	100.0
HYPARLO SAS	100.0
IMMAUFFAY	51.0
IMMO ARTEMARE	51.0
IMMO BACQUEVILLE	51.0
IMMO DRIVE	100.0
IMMO REBAIS	51.0
IMMOBILIERE CARREFOUR	100.0
IMMOCYPRIEN	51.0
IMMODIS	100.0
IMMODIS (ex HYPARMO)	100.0
IMMODIVINE	51.0
IMMOLOUBES	51.0
IMMOTOURNAY	51.0
IMMOTRIVE	100.0
INTERDIS	100.0
KERGALYS	99.96
LA BAUDRIERE	51.0
LA BLANCHISSERIE	100.0
LA CIOTAT DISTRIBUTION SNC	100.0
LA CROIX VIGNON	51.0
LA GERSOISE	51.0
LA MESTRASAISE	51.0
LA SABLONNIERE	100.0
LALAUDIS	99.0
LANN KERGUEN	51.3
LAPALUS & FILS (ETABS)	100.0
LE COURTEMBLET	100.0
LES TASSEAUX	51.0
LES TRANCHEES	100.0
LES VALLES	51.0
LIMADOR	100.0
LOGIDIS	100.0

FRANCE	*Percent interest used in consolidation*
LOGIDIS COMPTOIRS MODERNES	100.0
LUDIS	100.0
LVDIS	100.0
MAISON JOHANES BOUBEE	100.0
MATOLIDIS	100.0
MAXIMOISE DE CREATION	51.0
MICHEL HOCHARD	100.0
MONTECO	100.0
MONTEL DISTRIBUTION	100.0
MORTEAU DISTRIBUTION	100.0
MPF PODIROUX	100.0
NEREIDE	100.0
NOBLADIS	100.0
NOSAEL	51.0
NOTIB	100.0
ON LINE CARREFOUR	100.0
OOSHOP	100.0
OVEA	99.98
P.R.M.	100.0
PADISMA	100.0
PARECMI	100.0
PERPIGNAN DISTRIBUTION SNC	100.0
PHILCAT	100.0
PHIVETOL	100.0
PROFIDIS	100.0
PROFIDIS & CIE	100.0
PROLACOUR	100.0
PUGNACE	100.0
RESSONS	51.0
RIOM DISTRIBUTION	100.0
ROGER	100.0
ROTONDE	100.0
SAGC	100.0
SAM PROSPECTIVE	90.0
SAMAD	100.0
SARL DE SAINT HERMENTAIRE	100.0
SCI DIAMARS	100.0
SCI LA SEE	100.0
SCI LES SABLES	100.0
SELIMA	100.0
SELOJA	51.0
SIGOULIM	51.0
SOBADIS	100.0
SOBRECO	100.0
SOCIETE DES NOUVEAUX HYPERMARCHES	100.0
SOCIETE DES HYPERMARCHES DE LA VEZERE	50.0
SOCIETE D'EXPLOITATION AMIDIS & Cie	100.0
SOCIETE FECAMPOISE DE SUPERMARCHES	100.0

FRANCE	*Percent interest used in consolidation*
SOCIETE NOUVELLE SOGARA	100.0
SODIMOB	100.0
SODISAL	100.0
SODISCAF	100.0
SODITRIVE	100.0
SOFALINE	100.0
SOFIDIM	99.0
SOFODIS	100.0
SOGARA	100.0
SOGARA DRIVE	100.0
SOGARA FRANCE	100.0
SOGARA STATION SERVICE	100.0
SOLEDIS	100.0
SOMAFRE	100.0
SOPROMAL	100.0
SOVAL	100.0
SOVIDIS	100.0
SOVIDIS PROPRIANO	100.0
STELAUR	100.0
SUPERDIS	96.5
TERTRA	51.0
TOURANGELLE DE PARTICIPATIONS	100.0
UNICAGES	100.0
UNIVU	100.0
VARJEA	100.0
VEZERE DISTRIBUTION	50.0
VIERDIS	100.0
VISAGE	100.0
VIZEGU	90.0

GERMANY	
CARREFOUR PROCUREMENT INTERNATIONAL AG & CO. KG	100.0

ARGENTINA	
BANCO DE SERVICIOS FINANCIEROS SA	60.0
INC S.A.	100.0

BELGIUM	
ALL IN FOOD	100.0
BIGG'S SA	100.0
BRUGGE RETAIL ASSOCIATE	100.0
CARREFOUR BELGIUM	100.0
CARREFOUR Finance	100.0
CARUM	100.0
DE NETELAAR	100.0
DEURNE RETAIL ASSOCIATE	100.0
DIKON	100.0
ECLAIR	100.0
EXTENSION BEL-TEX	100.0
FILUNIC	100.0
FIMASER	60.8
FOMAR	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
MARKET A1 CBRA	100.0
MARKET B2 CBRA	100.0
MARKET C3 CBRA	100.0
MARKET D4 CBRA	100.0
NORTHSHORE PARTICIPATION	100.0
OUDENARDE RETAIL	100.0
QUIEVRAIN RETAIL ASSOCIATE	100.0
R&D FOOD	100.0
ROB	100.0
RULUK	100.0
SAMDIS	100.0
SCHILCO	100.0
SOCIETE RELAIS	100.0
SOUTH MED INVESTMENTS	100.0
STIGAM	100.0
VANDEN MEERSSCHE NV	100.0
VERSMARKT	100.0
WAPRO	100.0

BRAZIL

ATACADAO DISTRIBUICAO COMERCIO E INDUSTRIA LTDA	100.0
BANCO CSF S.A.	51.0
BREPA COMERCIO PARTICIPACAO LTDA	100.0
BSF HOLDING S.A.	51.0
CARREFOUR COMMERCIO E INDUSTRIA LTDA	100.0
CARREFOUR VIAGENS E TURISMO LTDA.	100.0
COMERCIAL DE ALIMENTOS CARREFOUR S.A.	100.0
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA LTDA	100.0
LOJIPART PARTICIPACOES SA	100.0
NOVA GAULE COMERCIO E PARTICIPACOES S.A.	100.0
PANDORA PARTICIPACOES LTDA	100.0
POSTO ARRUDA PEREIRA	100.0
RIO BONITO ASSESSORIA DE NEGOCIOS LTDA	100.0
TROPICARGAS TRANSPORTES LTDA.	100.0
VERPARINVEST SA	100.0

CHINA

BEIJING CARREFOUR COMMERCIAL CO., LTD.	55.0
BEIJING CHAMPION SHOULIAN COMMUNITY CHAIN STORES CO LTD	100.0
BEIJING CHUANGYIJIA CARREFOUR COMMERCIAL	100.0
BEIJING REPRESENTATIVE OFFICE OF CARREFOUR S.A.	100.0
CARREFOUR (CHINA) MANAGEMENT & CONSULTING SERVICES CO.	100.0
CHANGCHUN CARREFOUR COMMERCIAL CO., LTD.	75.0
CHANGSHA CARREFOUR HYPERMARKET	100.0
CHANGZHOU YUEDA CARREFOUR COMMERCIAL CO., LTD.	60.0
CHENGDU CARREFOUR HYPERMARKET CO LTD	80.0
CHENGDU YUSHENG INDUSTRIAL DEVELOPMENT CO LTD	100.0
CHONGQING CARREFOUR COMMERCIAL CO LTD	65.0
DALIAN CARREFOUR COMMERCIAL CO., LTD.	65.0
DONGGUAN CARREFOUR COMMERCIAL CO., LTD	100.0
DONGGUAN DONESHENG SUPERMARKET CO	100.0
FOSHAN CARREFOUR COMMERCIAL CO.,LTD	100.0
FUZHOU CARREFOUR COMMERCIAL CO LTD	100.0
GUANGZHOU JIAGUANG SUPERMARKET CO	100.0
GUIZHOU CARREFOUR COMMERCIAL CO.,LTD	100.0
HAIKOU CARREFOUR COMMERCIAL	100.0
HANGZHOU CARREFOUR HYPERMARKET CO., LTD	80.0
HARBIN CARREFOUR HYPERMARKET CO., LTD	65.0
HEBEI BAOLONGCANG CARREFOUR COMMERCIAL CO., LTD.	51.0
HEFEI YUEJIA COMMERCIAL CO., LTD.	60.0
HUHHOT CARREFOUR COMMERCIAL COMPANY CO.,LTD.	100.0
JINAN CARREFOUR COMMERCIAL CO., LTD	100.0
KUNMING CARREFOUR HYPERMARKET CO., LTD	100.0
NANCHANG YUEJIA COMMERCIAL CO.,LTD	60.0
NANJING YUEJIA SUPERMARKET CO LTD	65.0

CHINA	
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
SHANGHAI 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
ZHENGZHOU YUEJIA COMMERCIAL CO., LTD.	60.0
ZHUHAI CARREFOUR COMMERCIAL CO.,LTD.	100.0
ZHUHAI LETIN SUPERMARKET CO., LTD.	100.0
ZHUZHOU CARREFOUR COMMERCIAL CO., LTD.	100.0

SPAIN	
ALCYION BV	100.0
CARREFOUR ESPANA PROPERTIES, SL	100.0
CARREFOUR NAVARRA, SL	100.0
CARREFOUR NORTE, SL	100.0
CARREFOUR PROPERTY SANTIAGO, SL	100.0
CARREFOURONLINE SL (SUBMARINO HISPANIA)	100.0
CENTROS COMERCIALES CARREFOUR, S.A.	100.0
CORREDURIA DE SEGUROS CARREFOUR	100.0
ESTABLECIMIENTOS DE DESCUENTO STONE	100.0
GROUP SUPECO MAXOR	100.0
INVERSIONES PRYCA, S.A.	100.0
JANENBAN INVERSIONES S.L	100.0
NORFIN HOLDER S.L.	100.0
SERVICIOS FINANCIEROS CARREFOUR EF.C. (FINANCIERA PRYCA)	60.1
SIDAMSA CONTINENTE HIPERMERCADOS, S.A.	100.0
SOCIEDAD DE COMPRAS MODERNAS, S.A. (SOCOMO)	100.0
SUPERMERCADOS CHAMPION, S.A.	100.0
VIAJES CARREFOUR, S.L.UNIPERSONAL	100.0

HONG KONG	
CARREFOUR ASIA LTD	100.0
CARREFOUR GLOBAL SOURCING ASIA	100.0
CARREFOUR TRADING ASIA LTD (CTA)	100.0

INDIA	
CARREFOUR INDIA MASTER FRANCHISE LTD	100.0
CARREFOUR WC & C INDIA PRIVATE LTD	100.0

IRELAND	
CARREFOUR INSURANCE	100.0

ITALIA

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 BRIANZA	52.8
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 THIENE	57.8
CONSORZIO PROPRIETARI CENTRO COMMERCIALE TORINO MONTECUCCO	87.2
CONSORZIO PROPRIETARI CENTRO COMMERCIALE VERCELLI	84.2
DI PER DI SRL	99.8
GS SpA (EX ATENA)	99.8
IL BOSCO SRL	99.8
S.C.A.R.L. Shopville Gran Reno	57.7
SOCIETA SVILUPPO COMMERCIALE	99.8

LUXEMBURG

VELASQUES SA	100.0

NETHERLANDS

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
FOURET BV	100.0
FRANCOFIN BV	100.0
HYPER GERMANY BV	100.0
HYPER INVEST BV	100.0
INTERCROSSROADS BV	100.0
MILDEW BV	100.0
ONESIA BV	100.0
SOCA BV	100.0

POLAND

CARREFOUR POLSKA	100.0
CARREFOUR POLSKA WAW	100.0
IBES	100.0
WIGRY	100.0

ROMANIA

ARTIMA SA	100.0
CARREFOUR PROPERTY ROMANIA	100.0
CARREFOUR MERCHANDISING	100.0
CARREFOUR ROUMANIE	100.0

SINGAPORE

CARREFOUR SINGAPOUR PTE LTD	100.0
CARREFOUR SOUTH EAST ASIA	100.0

SWITZERLAND

CARREFOUR WORLD TRADE	100.0
HYPERDEMA (PHS)	100.0
PROMOHYPERMARKT AG (PHS)	100.0

TAIWAN

CARREFOUR INSURANCE BROKER CO	60.0
CARREFOUR STORES TAIWAN CO	60.0
CARREFOUR TELECOMMUNICATION CO	30.6
CHARNG YANG DEVELOPMENT CO	30.0
PRESICARRE	60.0

45.2 COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD AT DECEMBER 31, 2013

FRANCE	*Percent interest used in consolidation*
ABREDIS	50.0
ALEXANDRE	50.0
AUDIST	50.0
AZAYDIS	50.0
AZIMMO	50.0
BORDEROUGE	40.0
CARDUTOT	26.0
CARGAN	50.0
CARTAILLAN	50.0
CERBEL	50.0
CEVIDIS	50.0
CHERBOURG INVEST	48.0
CHRISTIA	50.0
CJA DISTRIBUTION	50.0
COLODOR	50.0
CONCEPT 2003	50.0
COROU	50.0
COVIAM 21	50.0
DE L'ARCHE	50.0
DECODIS	50.0
DEPOT PETROLIER DE LYON	50.0
DEPOTS PETROLIERS COTIERS	20.0
DIPLO	50.0
DIRIC	50.0
DISMONPT	50.0
DU MOULIN	50.0
ENTREPOT PETROLIER DE VALENCIENNES	34.0
FABCORJO	50.0
FARO	50.0
FAVICAR	50.0
FERRARI	50.0
FIVER	50.0
FONCIERE MARSEILLAN	50.0
FONCIERE PLANES	50.0
FONCIERE SOLANDIS	33.8
FRELUM	50.0
GANDIS	50.0
GERIC GIE	43.1
GMDIS	50.0
GPVM	30.0
GRANDI	50.0
GWENDA	50.0
HBLP	25.0
IDEC	50.0
IMMO ST PIERRE EGLISE	50.0

FRANCE	*Percent interest used in consolidation*
JOSIM	34.0
JUPILOU	34.0
LA CATALANE DE DISTRIBUTION	50.0
LA CRAUDIS	50.0
LA GUJANNAISE	26.0
LAITA BELON DISTRIBUTION	50.0
LB LE PLAN	50.0
LE CLAUZELS	50.0
LE PETIT BAILLY	50.0
LES OLIVIERS	50.0
LEZIDIS	50.0
LUMIMMO	50.0
MADIS	50.0
MAGODIS	50.0
MAISON VIZET FABRE	50.0
MALISSOL	50.0
MARIDYS	50.0
MASSEINE	50.0
MAUDIS	50.0
MBD	50.0
NASOCA	50.0
NOUKAT	50.0
OLICOURS	50.0
OUISDIS	50.0
PAM	50.0
PASLUD	50.0
PLAMIDIS	50.0
PLANE MARSEILLAN	50.0
PLORAUDIS	50.0
PRODIX	50.0
PROPHI	50.0
PROVENCIA SA	50.0
RIMADIS	50.0
ROND POINT	34.0
ROSE BERGER	50.0
SAM	50.0
SCA	50.0
SCB	50.0
SCI DOMINIQUE	50.0
SCI IMMODISC	50.0
SCI LA CLAIRETTE	50.0
SCI LATOUR	60.0
SCI PONT D'ALLIER	50.0
SCI SOVALAC	50.0
SCOMONDIS	34.0
SCYCADIS	50.0
SEREDIS	50.0
SIFO	50.0

FRANCE	*Percent interest used in consolidation*
SMD	50.0
SME	50.0
SOCADIS	50.0
SOCADIS CAVALAIRE	50.0
SODIBOR	50.0
SODITA	50.0
SOFIDIS	50.0
SOLANDIS	34.0
SOQUIMDIS	50.0
SOTRESCO	50.0
SOVADIS	50.0
ST PAUL DE DISTRIBUTION	50.0
Ste du Depot pétrolier de Nanterre	20.0
STE FINANCIERE GERIC	34.9
TURENNE	50.0
VALECAR	50.0
VALMENDIS	50.0

BELGIUM	
MESTDAGH	25.0

SPAIN

2013 COUNAGO NEVADO	26.0
2013 CID OTERO	26.0
2013 ALBADALEJO VALENCIA	26.0
2013 MARTINEZ CARRION	26.0
2013 GISBERT CATANA	26.0
2013 SOBAS ROMERO	26.0
2013 CORCOLES ARGADONA SL	26.0
2011 CAYETANO PANELLES, SL	26.0
2012 ALVARO EFREM JIMENEZ	26.0
2012 CORDOBA RODRIGUEZ	26.0
2012 ERIK DAVID	26.0
2012 FLORES HERNANDEZ	26.0
2012 LIZANDA TORTAJADA	26.0
2012 NAYARA S.MARTIN	26.0
2012 VICENTE ARLANDIS	26.0
ANTONIO PEREZ, SL	26.0
AS CANCELAS S XXI, SL	50.0
COSTASOL DE HIPERMERCADOS, SL	34.0
DIAGONAL PARKING, SC	57.5
GLORIAS PARKING S.A.	50.0
HEGERVIS MATARO, S.L.	26.0
ILITURGITANA DE HIPERMERCADOS, S.L.	34.0
JM.MARMOL SUPERMERCADOS. S.L.	26.0
J.CARLOS VAZQUEZ, S.L.	26.0
LUHERVASAN, S.L.	26.0
SAGRADA FAMILIA, S.L.	26.0
SUPERMERCADOS CENTENO S.L.	26.0
VALATROZ	26.0

ITALIA

CONSORZIO CIEFFEA	49.9
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ASSAGO	49.9
CONSORZIO PROPRIETARI CENTRO COMMERCIALE ROMANINA	46.3
CONSORZIO PROPRIETARI CENTRO COMMERCIALE SIRACUSA	33.3
IPER ORIO SPA	49.9
IPER PESCARA SPA	49.9
S.C.A.R.L. Shopville Le Gru	39.3
SOLEDORO	25.0

POLAND	
C SERVICES	30.0

ROMANIA	
PLOIESTI SHOPPING CITY	50.0

TUNISIA	
ULYSSE	25.0

TURKEY	
CARREFOUR SABANCI TICARET MERKEZI AS CARREFOURSA	46.2

5.7 Statutory Auditors' report on the Consolidated Financial Statements

Year-ended December 31, 2013

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, 2013, on:

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

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

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, 2013, and of the results of its operations, in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Notes 1.2, 4.2 and 4.4 to the Consolidated Financial Statements which expose the impact of the first application of IAS 19 revised "Employee Benefits".

2. Justification of assessments

The accounting estimates used to prepare the Consolidated Financial Statements were made in an uncertain environment due to the economic crisis in certain countries in the euro zone, in particular Italy, which makes it difficult to anticipate the economic outlook. It is within this context that, in accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

Note 1.3 to the Consolidated Financial Statements states that the Company's Group's Management uses estimates and makes assumptions that may affect the book value of certain assets and liabilities as well as the accompanying notes to the financial statements. Note 1.3 also states that, depending on the evolutions of those assumptions, the book value of these assets and liabilities in the future financial statements may differ from the current estimates.

We have notably verified the followings:

- Your Group has performed at year-end an impairment test of goodwill and also assessed whether there was any indication of impairment of other tangible and intangible assets, according to the methodology described in Note 2.6.4 to the Consolidated Financial Statements. We have reviewed the methodology used to conduct the impairment test and the identification of triggers of impairment, the cash flow forecasts and assumptions used, together with the information provided in Note 17 to the Consolidated Financial Statements. We have reviewed the calculations performed by your Group; we have compared previous periods' accounting estimates with actual results and reviewed Management's approval process of these estimates.

- With respect to provisions, we have assessed the basis upon which such provisions have been set up, reviewed the Group's procedures to identify them, their assessment, and their recording and reviewed the information relating to the risks presented in Notes 29, 30, and 31 to the Consolidated Financial Statements.

Furthermore, as described in Note 4.2 to the Consolidated Financial Statements, in accordance with IAS 8, the comparative information for the year 2012 presented in the Consolidated Financial Statements has been restated to take into account the retrospective application of IAS 19 revised. Accordingly, the comparative information differs from the published consolidated financial statements for the year 2012. As part of our assessment of the accounting principles applied by your company, we have examined the correct restatement of the Consolidated Financial Statements for the year 2012 and the information provided in this respect in Note 4.4 of the notes to consolidated financial statements.

These assessments were made as part of our audit of the Consolidated Financial Statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

As required by French law, and in accordance with the professional standards applicable in France, we have also verified the information presented in the Group's management report.

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

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, March 4, 2014

French original signed by

MAZARS	*KPMG Audit* *Département de KPMG S.A.*	*DELOITTE & ASSOCIES*
PATRICK DE CAMBOURG *PIERRE SARDET*	*ERIC ROPERT*	*FRANCISCO SANCHEZ* *ARNAUD DE PLANTA*

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COMPANY FINANCIAL STATEMENT YEAR ENDED DECEMBER 31, 2013

6.1 Balance Sheet at December 31, 2013

The financial statements are presented in million euros. There may be rounding differences between the amounts reported in the different statements.

Assets

		2013			2012
(in € millions)	Notes	Gross	Depreciation & amortization	Net	Net
Intangible fixed assets		**14,244**	**4,378**	**9,866**	**10,486**
Tangible fixed assets		**3**	**3**	**-**	**-**
Financial investments		**26,191**	**1,959**	**24,232**	**23,987**
Fixed assets	**3**	**40,438**	**6,340**	**34,098**	**34,473**
Accounts receivable	4	727	186	541	442
Marketable securities	5	656	8	648	3,243
Current assets		**1,384**	**194**	**1,190**	**3,685**
Prepayments and deferred charges	4	48	-	48	59
TOTAL ASSETS		**41,870**	**6,534**	**35,336**	**38,217**

Equity and liabilities

(in € millions)	Notes	2013	2012
Share capital		1,810	1,773
Issue and merger premiums		15,672	15,419
Statutory reserve		179	179
Regulated reserves		378	378
Other reserves		39	439
Retained earnings		4	6
Net income for the year		1,804	5
Shareholders' equity	**6**	**19,886**	**18,199**
Provisions for contingencies and charges	**7**	**472**	**527**
Financial liabilities			
Bonds		7,521	9,296
Bank borrowings		5,017	6,000
Operating liabilities			
Trade payables		129	227
Accrued taxes and payroll costs		34	29
Other operating liabilities		32	1
Miscellaneous liabilities			
Other miscellaneous liabilities		2,245	3,938
Liabilities	**8**	**14,978**	**19,491**
TOTAL EQUITY AND LIABILITIES		**35,336**	**38,217**

6.2 Income Statement for the year ended December 31, 2013

(in € millions)	**2013**	2012
Reversals of impairment and provisions, and transferred charges	40	2
Other income	514	462
Total operating income	**554**	**464**
Other purchases and external charges	(570)	(532)
Wages and salaries, payroll taxes	(20)	(25)
Depreciation, amortization, impairment and other provision expense	(173)	(68)
Taxes other than on income, other operating expenses	(11)	(4)
Total operating expenses	**(774)**	**(629)**
Operating loss	**(220)**	**(165)**
Income from shares in subsidiaries and affiliates	1,712	1,369
Interest income, revenue from disposals of marketable securities	37	119
Reversals of impairment and other provisions	245	308
Total financial income	**1,994**	**1,796**
Provision charges and impairment of financial assets	(308)	(175)
Interest expense	(488)	(592)
Total financial expenses	**(796)**	**(767)**
Financial income, net	**1,198**	**1,029**
Recurring income before tax	**978**	**864**
Net non-recurring expense from revenue transactions	(119)	(1)
Net non-recurring income/(expense) from capital transactions	703	(323)
Non-recurring amortization, impairment and other provision income/(expense), net	20	(910)
Net non-recurring income/(expense)	**604**	**(1,234)**
Employee profit-sharing	**-**	**-**
Income tax benefit	**222**	**375**
Net income	**1,804**	**5**

6.3 Statement of cash flows for the year ended December 31, 2013

(in € millions)	**2013**	**2012**
Net income	**1,804**	**5**
Depreciation and amortization	(45)	19
Provisions and impairment, net of reversals	253	1,105
Capital gains and losses on sale of fixed assets	(703)	37
Other changes	-	-
Cash flow from operations	**1,309**	**1,166**
Change in other receivables and payables	729	(106)
Net cash from operating activities	**2,038**	**1,060**
Acquisitions of tangible and intangible fixed assets	(23)	(18)
Acquisitions of shares in subsidiaries and affiliates	-	(242)
Disposals of shares in subsidiaries and affiliates	868	12
Change in other financial investments	-	329
Other cash flows from investing activities (1)	(68)	(18)
Net cash from investing activities	**777**	**63**
Dividends paid	(118)	(145)
Net change in debt	(1,791)	1,208
Change in intra-group receivables and payables	(3,537)	231
Net cash from (used in) financing activities	**(5,446)**	**1,294**
Net change in cash and cash equivalents	**(2,631)**	**2,417**
Cash and cash equivalents at beginning of year (2)	3,117	700
Cash and cash equivalents at end of year (2)	486	3,117
Net change in cash and cash equivalents	**(2,631)**	**2,417**

(1) Of which changes of treasury stock (recorded on the asset sides of the balance sheet as marketable securities)
(2) Except treasury stock.

6.4 Notes to the financial statements

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NOTE 1 ACCOUNTING PRINCIPLES

The financial statements of the Company have been prepared and presented in accordance with the principles and methods defined in *Comité de la Réglementation Comptable* (CRC) Regulation 99-03, approved by government order of June 22, 1999.

The financial statements have been prepared on a going concern basis using the accruals method, in accordance with the basic principle of prudence. Accounting policies have been applied consistently from one period to the next.

Assets and liabilities are measured according to the historical cost convention.

There were no changes in measurement or presentation methods in 2013 compared with the previous year.

1.1 TANGIBLE AND INTANGIBLE FIXED ASSETS

Intangible assets are mainly composed of software, stated at acquisition or development cost, goodwill stated at contributed value, and the deficits arising from the Carrefour-Promodès merger in 2000 and the Carrefour-Hofidis II merger in 2010. Goodwill is tested for impairment at each year-end, to confirm that its net book value does not exceed its recoverable amount, defined as the higher of fair value less costs to sell and value in use. Value in use is determined by discounting the future cash flows expected to be generated by the use of the asset, adjusted for the net debt of the tested entity if applicable.

The assets of a number of businesses were transferred to Carrefour Hypermarchés in 2013 (see “Significant events of the year” below).

Tangible fixed assets are stated at cost, corresponding to the purchase price and ancillary expenses.

Tangible and intangible fixed assets are amortized over their estimated useful lives, as follows:

- software: 3 to 8 years;
- computer equipment: 3 years;
- building fixtures and fittings: 8 years;
- other: 3 to 10 years.

If the net book value of a tangible or intangible fixed asset is not expected to be recovered through the future economic benefits generated by the asset, an impairment loss is recognized for the difference between its net book value and the higher of its value in use and fair value less costs to sell.

1.2 FINANCIAL INVESTMENTS

Financial investments consist of shares in subsidiaries and affiliates, advances to subsidiaries and affiliates, loans and other financial investments.

1.3 SHARES IN AND ADVANCES TO SUBSIDIARIES AND AFFILIATES

Shares in subsidiaries and affiliates are stated at the lower of cost and either fair value or value in use.

Value in use is estimated based on a range of criteria including the Company’s interest in the investee’s net assets, projected future cash flows from the investment and a fair value measurement based on reasonable business projections.

Impairment losses are recorded in net financial expense, along with impairments written off on disposal of the interests concerned. Gains and losses on disposal of shares in subsidiaries and affiliates are recorded in non-recurring income and expense.

1.4 LOANS AND OTHER FINANCIAL INVESTMENTS

Loans and other financial investments are stated at nominal value.

An impairment loss is recognized when their estimated recoverable amount is less than their carrying amount.

1.5 ACCOUNTS RECEIVABLE

Accounts receivable mainly correspond to intra-group receivables arising from the provision of services. They are recognized when the service is provided.

Accounts receivable are stated at the lower of their nominal amount and recoverable amount.

1.6 MARKETABLE SECURITIES

Marketable securities include:

- Carrefour shares designated as being held for allocation to employees under stock option and stock grant plans. These shares are stated at cost. They are not written down to market value because they are intended to be allocated to employees and a provision is recorded in liabilities as explained below in the note on provisions;
- Carrefour shares available for allocation to employees or to stabilize the share price. These shares are stated at the lower of cost and market, corresponding to the average share price for the month of December;
- mutual fund units, retail certificates of deposit and commercial paper, stated at the lower of cost and market.

Details of marketable securities at December 31 are presented in Note 5.

1.7 FOREIGN CURRENCY TRANSACTIONS

Revenues and expenses in foreign currencies are recorded at the exchange rate on the transaction date. Receivables, payables and cash in foreign currency are recorded in the balance sheet at the year-end exchange rate or the hedging rate if applicable. The difference arising from the application of the year-end rate is recorded in the balance sheet under “Other miscellaneous liabilities”.

1.8 RETIREMENT OBLIGATIONS

The Company’s total liability for length-of-service awards payable to employees on retirement is covered by a provision recorded in the balance sheet.

The assumptions used to calculate the provision are as follows:

- inflation rate: 2%;
- rate of future salary increases: 2.5%;
- payroll tax rate: 45%;
- discount rate: 3,2%.

Staff turnover rate: average of the actual turnover rates for headquarters staff over the period 2011-2013, i.e. employees with 0 to 5 years’ seniority: 19.82%, employees with 6 to 10 years’ seniority: 14.95%, employees with 11 to 15 years’ seniority: 2.53%. For employees aged over 55, the turnover rate is assumed to be zero.

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1.9 SUPPLEMENTARY PENSION PLAN

A defined benefit pension plan was set up in 2009 with the following characteristics:

- plan participants must be employed by the Company when they retire and have completed more than three years’ service at the time of retirement, and their annual compensation must be greater than 16 times the annual ceiling for calculating Social Security contributions;
- plan participants hired at age 45 or over are credited with up to 10 years’ service as follows: age 45 = 0 year; age 46 = 1 year; age 47 = 2 years, etc.;
- years of service taken into account for the calculation of plan benefits are capped at 20 years;
- benefits correspond to 1.5% of the reference compensation per year of service;
- the reference compensation corresponds to the average of the last three years’ salary and bonus or 60 times the annual ceiling for Social Security contributions whichever is lower;
- the replacement rate represented by pension benefits from all sources is capped at 50% of the reference compensation, with the annual benefit capped at 25% of the participant’s compensation for the last full year of service;
- upon the participant’s death, a reversionary pension is payable to the surviving spouse in an amount equal to 50% of the original benefit;
- discount rate: 2.20%;
- expected return on plan assets: 2.20%;
- staff turnover rate: 25% before the age of 55, 0% after 55.

Unrecognized past service cost and actuarial gains and losses amounted to €62 million at December 31, 2013. This amount is being recognized over the remaining life of the plan in accordance with *Conseil National de la Comptabilité* (CNC) recommendation 2003-R-01.

1.10 INCOME TAX

Carrefour SA is the lead company of a tax group.

Under the terms of the agreement between the companies in the tax group, each company records in its accounts the income tax expense or benefit that it would have paid or received if it had been taxed on a stand-alone basis, and the tax saving or additional tax charge corresponding to the difference between the sum of the taxes payable by the companies in the tax group and the tax expense or benefit calculated on the basis of the tax group’s consolidated profit or loss is recorded by Carrefour SA.

The corporate income tax rate in France is 33.33% and companies are also required to pay a surtax (*contribution additionnelle*) corresponding to 3.3% of their tax liability beyond the first €763,000, plus an additional 10,7% (*taxe additionnelle*), bringing the total tax rate to 38.00%.

Tax credits deductible from income tax expense are reported in the income statement under “Income tax”.

1.11 PROVISIONS

In accordance with Article 212-1 of Regulation CRC 99-03 on liabilities, a provision is recorded when (i) the Company has an obligation towards a third party, (ii) the amount of the obligation can be reliably estimated, (iii) it is probable that an outflow of resources will be necessary to settle the obligation and (iv) no equivalent economic benefit is expected to be received in return.

In accordance with Regulation CRC 2008-15 dated December 4, 2008, a liability is recognized when (i) the decision has been made to set up a stock option or stock grant plan, (ii) the Company has an obligation to deliver existing shares to grantees and (iii) it is probable or certain that an outflow of resources will be necessary to settle the obligation without any equivalent economic benefit being received in return. When the stock rights or stock option rights will be exercisable only at the end of a specified period of employee service, the liability is recognized as a provision that is reduced over the vesting period as the employee service is received.

The main characteristics of stock option plans outstanding at December 31, 2013 or that expired during the year are presented below:

	Grant date (1)	Number of options granted (2)	Contractual life of the plan	Number of grantees	Option exercise period (3)	Number of options outstanding (4)	Exercise price in € (2)
2006 Presence Plan	04/25/2006	7,580,898	7 years	2144	04/25/2008-04/24/2013	0	38.5
2007 Presence Plan	05/15/2007	4,354,667	7 years	502	05/15/2009-05/14/2014	3,792,357	49.45
2008 Presence Plan I	06/06/2008	4,545,183	7 years	505	06/06/2010-06/05/2015	3,568,284	39.68
2008 Presence Plan II	07/07/2008	17,109	7 years	1	07/07/2010-07/06/2015	17,109	39.68
2009 Performance Plan	06/17/2009	1,252,994	7 years	57	06/17/2011-06/16/2016	431,088	29.55
2009 Presence Plan	06/17/2009	6,974,861	7 years	2571	06/17/2011-06/16/2016	5,502,482	29.55
2010 Performance Plan	07/16/2010	1,439,017	7 years	56	07/17/2012-07/16/2017	517,610	29.91
2010 Presence Plan II	07/16/2010	1,941,610	7 years	507	07/17/2012-07/16/2017	1,474,163	29.91
TOTAL						**15,303,093**	

(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) Adjusted number of options and adjusted exercise price.
(3) The options will vest only if the grantee is still employed by the Group at the start of the exercise period. Since 2006, the options vest as follows:
- *50% after three years;*
- *25% after two 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, 2013 and options that were not yet exercisable at that date.

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.

Details of the stock grant plans in progress at December 31, 2013 are presented below:

	Grant date (1)	Transfer date	Number of shares granted	Number of grantees	Reference share price (spot) in € (2)	Number of shares delivered in 2013	Number of shares attributable at 12/31/2013
2010 Presence Plan I	07/16/2010	07/16/2013	517,743	513	34.59	370,480	0
2011 Presence Plan	05/31/2011	05/31/2013	15,969	1	26.89	15,969	0
TOTAL						**386,449**	**0**

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

1.12 RISK INFORMATION

Interest rate and foreign exchange risk

Interest rate hedging instruments are used mainly to limit the effects of changes in exchange rates on the Company's variable rate borrowings.

The main instruments are interest rate swaps and options and forward foreign exchange purchase and sale contracts, purchased over-the-counter from leading banking counterparties.

Gains and losses on hedging instruments are recognized on a symmetrical basis with the loss or gain on the hedged item. A provision is booked at the year-end for losses on derivative instruments that do not qualify for hedge accounting.

Details of derivative instruments outstanding at December 31 are presented in Note 10.

Equity risk

Equity risk concerns Carrefour shares acquired for allocation upon exercise of stock options. When their market price is less than the option exercise price, the shares are reclassified as "shares available for allocation" in the marketable securities account, and an impairment loss is recognized for the difference between their purchase price and the average Carrefour share price for the month of December.

See Note 5 for details.

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NOTE 2 SIGNIFICANT EVENTS OF THE YEAR

2.1 TRANSFER OF 47 HYPERMARKET BUSINESSES TO CARREFOUR HYPERMARCHÉS

On November 30, 2013, Carrefour transferred 47 hypermarket businesses in France to Carrefour Hypermarchés in exchange for shares. The businesses are operated by direct or indirect subsidiaries of Carrefour under business leases. They were transferred at their net book value of €583 million. The new Carrefour Hypermarchés shares received in payment for these assets were recorded in Carrefour's balance sheet for the same amount, under "Investments".

2.2 FINANCIAL INCOME, NET

Financial income, net amounted to €1,198 million in 2013 compared with €1,029 million in 2012. The €169 million increase can be explained as follows:

- financial provision charges rose by a net €196 million, reflecting:
  - €283 million in net additions to provisions for impairment of shares in subsidiaries and affiliates versus net reversals of €165 million in 2012 (negative impact of €448 million),
  - an increase in net reversals of provisions for impairment of treasury stock, due to the rise in Carrefour's share price between 2012 and 2013 (positive impact of €99 million),
  - a decrease in net charges to provisions for other financial risks (€153 million positive impact);
- dividend income from subsidiaries was higher, with a positive impact of €343 million;
- interest expense on intra-group and external borrowings decreased year-on-year, with a positive impact of €22 million.

2.3 NET NON-RECURRING INCOME

Non-recurring items represented net income of €604 million in 2013 consisted mainly of gains and losses on disposals of shares in subsidiaries and affiliates and costs of buyback and retirement of bonds.

2.4 DISPOSALS OF SHARES IN SUBSIDIARIES AND AFFILIATES

In 2013, Carrefour carried out several disposals, the net impact of which has been recognized in non-recurring income and expense from capital transaction:

- 39% of PT Carrefour Indonesia (Indonesia) to CT Corp. (Indonesia);
- 19.1% of MAF Hypermarket (United Arab Emirates) to MAF Retail (United Arab Emirates);
- 14.5% of Logidis (France) to Carrefour France;
- 28.6% of Interdis (France) to Carrefour France.

2.5 BUYBACK AND RETIREMENT OF BONDS

On June 5, 2013, Carrefour announced that it was launching a €1,350 million bond buyback program. The three issues concerned were as follows:

- €1,500 million 5.125% issue due October 2014;
- €1,000 million 5.375% issue due June 2015;
- €1,100 million 4.375% issue due November 2016.

The offer closed on June 12 and, on June 18, the Group bought back €1,293.7 million worth of bonds (excluding accrued interest), as follows:

- €601 million worth of 5.125% bonds due October 2014;
- €356,1 million worth of 5.375% bonds due June 2015;
- €336.6 million worth of 4.375% bonds due November 2016.

The €119 million cost of the transaction has been recognized in non-recurring expense from revenue transactions.

NOTE 3 FIXED ASSETS

(in € millions)	Intangible fixed assets	Tangible fixed assets	Financial investments	Total
Cost				
At January 1, 2013	14,976	3	25,767	40,746
Acquisitions	25	32	588 (2)	645
Assets derecognized on disposal	(757) (1)	(32)	(164) (3)	(953)
At December 31, 2013 (A)	**14,244**	**3**	**26,191**	**40,438**
Amortization, depreciation and impairment				
At January 1, 2013	4,490	3	1,780	6,273
Amortization and depreciation for the period	24			24
Impairment recorded and reversed during the period	68		237	305
Amortization and depreciation written off on derecognized assets	(204) (1)		(58)	(262)
At December 31, 2013 (B)	**4,378**	**3**	**1,959**	**6,340**
NET TOTAL (A) - (B)	**9,866**	**-**	**24,232**	**34,098**

(1) Including decrease in intangible assets in accordance with the transfer of 47 hypermarket businesses in France to Carrefour Hypermarchés.
(2) Including €583 million corresponding to the Carrefour Hypermarchés shares received as consideration for the 47 hypermarket businesses in France (see "Significant events of the year").
(3) Corresponding essentially to the net carrying amount of shares in PT Carrefour Indonesia, MAF Hypermarkets, Logidis, Interdis in 2013.

NOTE 4 CURRENT ASSETS, PREPAYMENTS AND DEFERRED CHARGES

4.1 MATURITIES OF RECEIVABLES

(in € millions)	Total	Due within one year
Accounts receivable	727	727
Prepayments and deferred charges	48	48
	775	**775**

Prepayments and deferred charges include bond redemption premiums for €22 million and bond issuance costs for €26 million. These amounts are amortized over the life of the bonds.

NOTE 5 MARKETABLE SECURITIES

Marketable securities include:

- 5,761,500 Carrefour shares available for allocation to employees of Carrefour and its subsidiaries, for €166 million;
- units in money market funds, for €485 million;
- premiums of €4 million paid on call options on Carrefour shares to be acquired for allocation on exercise of stock options outstanding at December 31, 2013. The premiums' amortized cost at December 31, 2013 was €2 million.

In 2013, changes in Carrefour shares held by the Company were as follows:

		Assets *(in € millions)*		Provision
	Number	Cost	Impairment	*(in € millions)*
At December 31, 2012	**6,147,949**	**174**	**(50)**	**(109)**
Shares delivered upon exercise of stock grant rights and stock options	(386,449)	(8)		8
Impairment of shares not yet allocated to specific share-based payment plans, or allocated to out-of-the-money stock options			45	
Provisions on shares allocated to specific share-based payment plans				101
AT DECEMBER 31, 2013	**5,761,500**	**166**	**(5)**	**-**

The market value of Carrefour shares held at December 31, 2013, based on the final quoted price for the year of €28.81, was €166 million.

NOTE 6 SHAREHOLDERS' EQUITY

6.1 SHARE CAPITAL

The share capital is made up of 723,984,192 shares with a par value of €2.50 each.

6.2 APPROPRIATION OF PROFIT (ARTICLES 25 AND 26 OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION)

1 Income or loss for the year consists of the difference between revenue and expenses for the year after deducting depreciation, amortization and provision expense, as shown in the income statement.

2 At least 5% of income for the year, less any losses brought forward from the prior year, is allocated to the statutory reserve until such time as the reserve represents one-tenth of the share capital, or to increase the statutory reserve if it falls below one-tenth of the capital.

The remaining balance plus any retained earnings brought forward from the prior year is available for distribution.

The Annual Shareholders' Meeting may decide to offer shareholders the option of reinvesting all or part of their dividend.

The Board of Directors may decide to pay an interim dividend, in cash or in shares, during the fiscal year or after the year-end, in accordance with the applicable laws and regulations.

(in € millions)	Share capital	Issue and merger premiums	Other reserves, retained earnings and net income	Total shareholders' equity
Shareholders' equity at 12/31/2012 including income for the year	**1,773**	**15,419**	**1,007**	**18,199**
Distribution of dividends (1)				
Decided at the 2013 Annual Shareholders' Meeting			(411)	(411)
2013 stock dividends	37	253		290
Change in premiums, reserves and retained earnings			**4**	**4**
Shareholders' equity at 12/31/2013 before income for the year	**1,810**	**15,672**	**600**	**18,082**
Net income for the year			1,804	1,804
SHAREHOLDERS' EQUITY AT 12/31/2013 INCLUDING INCOME FOR THE YEAR	**1,810**	**15,672**	**2,404**	**19,886**

(1) The 2013 dividend was paid in cash for €118 million and in Carrefour shares for €290 million (i.e. 14,769,539 shares issued). Dividends not paid on Carrefour shares held in treasury on the ex-dividend date, in the amount of €4 million, were credited to retained earnings.

6.3 TREASURY SHARE RESERVE

The carrying amount of Carrefour shares held in treasury at December 31, 2013 was €161 million.

NOTE 7 PROVISIONS AND IMPAIRMENT

(in € millions)	January 1, 2013	Increases	Reversals Used	Reversals Unused	Others	December 31, 2013
Provisions for contingencies and charges						
Obligations to deliver shares	15		(8)	(7)		-
Pension obligations (3)	3	20			(6)	17
Other (1)	506	122	(74)	(101)		453
Provisions for impairment	-					-
On intangible assets (2)	2,410	123	(35)	(20)	(198)	2,280
On financial investments	1,781	246	(58)	(9)		1,960
On accounts receivable	188	1	(4)			185
Other (marketable securities)	54	1	(2)	(45)		8
TOTAL	**4,957**	**513**	**(181)**	**(182)**	**(204)**	**4,903**
Analysis						
Movements recorded in operating income and expense	133	146	(39)	-		240
Movements recorded in financial income and expense	2,284	308	(83)	(162)		2,347
Movements recorded in non-recurring income and expense	2,540	59	(59)	(20)		2,520
Others					(204)	(204)
TOTAL	**4,957**	**513**	**(181)**	**(182)**	**(204)**	**4,903**

(1) Provisions for risks related to subsidiaries and affiliates and provisions for miscellaneous contingencies and litigations.
(2) The €198 million reclassification corresponds to provisions for impairment of the businesses transferred to Carrefour Hypermarchés.
(3) The €6 million reclassification corresponds to a prepaid expense recognized in assets at 12/31/2012.

NOTE 8 CHANGE IN FINANCIAL LIABILITIES

(in € millions)	2012	Increases	Decreases	2013	o/w accrued interest
Bonds	9,296	1,000	2,775	7,521	*113*
Bank borrowings	6,000	5,017	6,000	5,017	*17*
TOTAL	**15,296**	**6,017**	**8,775**	**12,538**	*130*

MATURITIES OF LIABILITIES (EXCLUDING DIVIDENDS PAYABLE)

(in € millions)	Amount	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds	7,521	1,012	3,509	3,000
Bank borrowings (1)	5,017	5,017		
Trade payables	129	129		
Accrued taxes and payroll costs	34	20		
Other miscellaneous liabilities (1)	2,277	2,277		
TOTAL	**14,978**	**8,455**	**3,509**	**3,000**

(1) Bank borrowings and other miscellaneous liabilities due within one year correspond for the most part to amounts due to related companies.

NOTE 9 RELATED PARTY TRANSACTIONS

Assets	12/31/2013
Financial investments	24,230
Accounts receivable	537
TOTAL ASSETS	**24,767**

Liabilities	12/31/2012
Financial liabilities	5,000
Operating liabilities	122
Miscellaneous liabilities	2,216
TOTAL LIABILITIES	**7,338**

Expenses	12/31/2013
Operating expenses	(500)
Interest expense	(421)
TOTAL EXPENSES	**(921)**

Revenue	12/31/2012
Operating revenue	486
Dividend and interest income	1,958
Income tax benefit	306
TOTAL REVENUE	**2,750**

There were no material transactions with related parties other than wholly-owned subsidiaries that were not entered into on arm's length terms.

NOTE 10 OTHER COMMITMENTS

(in € millions)	Guarantee amount	o/w Related parties
Commitments given		
Guarantees	119	98
Forward purchases of Carrefour shares (1)	429	
Subsidiaries' tax losses utilized by Carrefour SA	883	883
Rent guarantees (2)	235	235
Other guarantees given	130	
TOTAL	**1,797**	**1,217**
Commitments received		
Undrawn syndicated lines of credit	4,149	
Rent guarantees (2)	235	235
TOTAL	**4,384**	**235**

(1) Forward share purchase agreement:
- *in 2009, 18,638,439 Carrefour shares were purchased forward at a price of €28.725 per share;*
- *in 2010, 2,774,041 shares were purchased under the contract. At December 31, 2010, 15,620,200 shares were available for purchase under the contract at a price of €28.725 per share;*
- *in 2011, 2,196,200 shares were delivered for repurchase under the contract and the forward price was reduced from €28.725 to €25.184. In addition, 106,646 shares were purchased at the new price of €25.184;*
- *in 2012, 664,970 shares were purchased at the price of €25.184;*
- *at December 31, 2013, 17,044,784 shares were available for purchase under the contract at a price of €25.184 per share, representing a total commitment of €429 million.*

(2) Rent guarantees correspond to the future minimum payments due under non-cancellable real estate leases.

NOTIONAL AMOUNT OF DERIVATIVE INSTRUMENTS BY MATURITY AT DECEMBER 31

(in € millions)	12/31/2013	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	12/31/2012	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Interest rate swaps (Carrefour fixed rate borrower)								
Euribor/fixed quarterly rate E/360	251	0	251	0	2,251	750	1,501	0
Issuer swap (Carrefour variable rate)								
Euribor/fixed rate	500	0	500	0	500	0	500	0
Purchased interest rate options (caps/floors/collars)								
Notional amount	5,150	1,750	3,200	200	4,250	1,750	2,500	0
Purchased floors								
Notional amount	1,500	1,500	0	0	0	0	0	0

FAIR VALUE OF DERIVATIVE INSTRUMENTS AT DECEMBER 31

(in € millions)	12/31/2013
Interest rate swaps (Carrefour fixed rate borrower)	
Euribor/fixed quarterly rate E/360	(10)
Issuer swap (Carrefour variable rate borrower)	
Euribor/fixed rate	27
Purchased interest rate options (caps)	**29**
Purchased interest rate options (floors)	**0**

NOTE 11 EMPLOYEES

11.1 AVERAGE NUMBER OF EMPLOYEES

	2013
Managers	9
Supervisors	0
Administrative staff	0
TOTAL	**9**

11.2 REMUNERATION

Statutory and discretionary profit-sharing plans have been set up by the Company for all employees with at least three months' service with the Carrefour Group.

The amounts payable under these plans were as follows:

(in €)	2013	2012
Discretionary profit shares paid in respect of the prior year and invested in the discretionary profit sharing fund	0	0
Statutory profit shares in respect of the prior year invested in the statutory profit-sharing fund	99,000	95,879

Details of management compensation are provided in the management report.

11.3 TRAINING

Individual training entitlement under the "DIF" plan:

- at December 31, 2013, employees' cumulative entitlement to training under the "DIF" plan totaled 309 hours;
- no requests to use "DIF" training hours were received in 2013.

11.4 EMPLOYEE RETIREMENT AND PENSION BENEFITS

Length-of-service awards payable to employees on retirement

The provision recorded in the balance sheet for length-of-service awards payable to employees on retirement amounted to €17 million at December 31, 2013.

Supplementary pension plan

In 2012, an amount of €6 million was recorded under "Prepayments» in assets, corresponding to the difference between the contributions paid to the insurance company that funds the supplementary pension plan and the projected benefit obligation (plan surplus). In 2013, this amount was reclassified to "Provisions for contingencies", as the total outstanding obligation was greater than the sum of the contributions paid to the insurance company (plan deficit).

Unrecognized past service cost at December 31, 2013 amounted to €62 million. Unrecognized actuarial gains and losses totaled €20 million, after taking into account the effect of lower interest rates and higher taxes in 2012 and 2013.

The total of €62 million is included in off-balance sheet commitments given by the Company (see Note 10).

NOTE 12 TAXES

UNRECOGNIZED DEFERRED TAXES

12.1 CHANGES IN UNRECOGNIZED DEFFERED TAXES

	12/31/2012		Changes		12/31/2013	
Permanent and temporary differences	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
1- Temporarily non-deductible expenses						
▪ Provisions for pension obligations	1		5		6	
▪ Provisions for impairment of receivables	64		(64)			
▪ Provisions for contingencies and charges	57		(57)			
▪ Other	9		(1)		8	
2- Temporarily non-taxable revenue						
▪ Capital gains on mergers and asset contributions qualifying for rollover relief		363		393		756
TOTAL	**131**	**363**	**(117)**	**393**	**14**	**756**

12.2 BREAKDOWN OF NET INCOME AND CORRESPONDING TAX

(in € millions)	Before tax	Tax	After tax
Recurring income before profit-sharing	979	123	1,102
Non-recurring items	603	4	607
Employee profit-sharing	-	-	-
Group relief		95	95
Book income	**1,582**	**222**	**1,804**

NOTE 13 SUBSEQUENT EVENTS

There were no events after the balance sheet date requiring disclosure.

NOTE 14 SUBSIDIARIES AND AFFILIATES

14.1 FINANCIAL INFORMATION

Some information has not been provided because its disclosure would be seriously prejudicial to the Company's interests.

(in € millions)	Share capital	Reserves and retained earnings	% interest	Investment at cost	Investment net	Last published income	Last published revenue	Dividends received	Notes
A- Detailed information									
1. Subsidiaries (over 50% owned)									
France									
Alodis	42.8	(36.4)	99.99	43.7	43.7	1.7	2.9		(1)
Amidis et cie	22.8	1,173.6	71.60	1,032.6	1,032.6	(34.4)	43.4		(1)
Boedim	75.9	26.5	100.00	76.9	76.9	24.6		23.3	
Carrefour Banque	100.0	467.8	56.33	95.5	95.5	52.0	374.6	22.0	(1)
Carrefour France	1,166.9	185.3	99.35	1,561.7	1,561.7	(267.9)	257.0		(1)
Carrefour Import	0.0	4.3	99.99	27.9	4.4	(2.6)	942.3		
CRFP 4	20.2	2.1	100.00	20.5	20.5	0.0			
CRFP 8	3,381.5	167.9	74.76	2,528.0	2,528.0	141.3	0.0	96.1	
CRFP13	41.3	(3.0)	100.00	41.3	38.2	0.0	0.0		
Finifac	3.7	82.3	49.32	18.0	18.0	10.1	18.7		(1)
Guyenne et gascogne	106.4	108.3	100.00	427.7	427.7	6.6	558.9		(1)
Hyparlo	63.0	36.8	100.00	449.6	449.6	10.4	704.8	10.4	(1)
Prm	151.5	56.7	100.00	151.9	151.9	55.4	0.0	23.2	
Soval	1.8	39.5	72.98	28.7	28.7	4.9	11.8	3.5	(1)
Total				**6,504.1**	**6,477.5**	**1.9**	**2,914.5**	**178.5**	
International									
Carrefour Asia	15.8	(66.2)	100.00	22.9	0.0				(1)
Carrefour Nederland	3,396.2	60.6	100.00	3,457.4	3,457.4			1,153.7	(1)
GMR	8,129.5	1,838.3	35.96	3,219.6	3,219.6				(1)
Norfin Holder	2.0	5,004.7	79.94	3,177.1	3,177.1			268.2	(1)
Northshore	6,334.1	(0.3)	99.99	6,334.1	6,334.1				(1)
Total				**16,211.1**	**16,188.1**	0.0	**0.0**	**1,421.9**	
2. Affiliates (10%-50% owned)									
France									
Euromarché	24.7	951.9	13.44	419.2	274.8	127.0	187.6	17.1	(1)
Carrefour Hypermarchés	4.9	774.8	22.7	583.2	583.2	(301.8)	14,675.2		
Total				**1,002.3**	**858.0**	**(174,9)**	**14,862.8**	**17.1**	
International									
Carrefour Italia	1,182.0	(16.8)	31,15	1,865.5	271.0	(16.8)	28.0		(1)
Total				**1,865.5**	**271.0**	**(16.8)**	**28.0**	**0.0**	

(in € millions)	Share capital	Reserves and retained earnings	% interest	Investment at cost	Investment net	Last published income	Last published revenue	Dividends received	Notes
B- Aggregate information									
1.Other subsidiaries									
France				68.8	65.8			71.1	
International				**11.0**	**3.2**			**1.5**	
2. Other affiliates									
France				**12.7**	**12.6**			**0.3**	
International				**258.9**	**98.9**			**0.4**	
C- General information about investments									
French subsidiaries (total)				**6,572.9**	**6,543.3**			**249.5**	
International subsidiaries (total)				**16,222.1**	**16,191.3**			**1,423.4**	
French affiliates (total)				**1,015.0**	**870.6**			**17.3**	
International affiliates (total)				**2,124.4**	**369.8**			**0.4**	
TOTAL GENERAL				**25,934.3**	**23,975.0**			**1,690.7**	

(1) The columns “Share capital”, “Reserves and retained earnings”, “Last published income” and “Last published revenue” correspond to information for 2012, because the 2013 figures are not yet available.

6.5 Statutory Auditors' report on the annual financial statements

This is a free translation into English of the statutory auditors' report on the annual financial statements issued in French and it is provided solely for the convenience of English-speaking users.

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

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

Year-ended December 31, 2013

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, 2013, on:

- the audit of the annual financial statements for Carrefour, "the Company", as attached to the present report;
- the justification of our assessments;
- the specific verifications and information required by French law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the annual financial statements

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

In our opinion, the annual financial statements give a true and fair view of the results of the operations for the year ended as of December 31, 2013, and of the financial position and its assets and liabilities, in accordance with French accounting principles.

2. Justification of assessments

The accounting estimates used to prepare the financial statements were made in an uncertain environment due to the economic crisis in certain countries in the euro zone, in particular in Italy, which makes it difficult to anticipate the economic outlook. It is within this context that, in accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

As stated in note 1 to the financial statements, intangible assets for which future cash flows do no longer support the ability to recover their carrying amount, are depreciated. This impairment is determined by comparing the carrying amount to the recoverable amount, which is the higher of the asset's value in use and its market value.

As stated in note 1 to the financial statements, equity investments are subject to impairment by comparing their carrying amount to their market value or their value in use; the value in use was estimated by the Company based on the value of the shareholders' equity, future cash flows or reasonable operating forecasts.

We assessed the information and assumptions on which the calculations of values in use are based, in particular cash flow forecasts prepared by your Company's Management. We have reviewed the calculations performed by your Company; we have compared previous periods' accounting estimates with actual results and reviewed Management's approval process of these estimates. We remind however that, since these estimates are based on forecasts which by nature are uncertain, the actual results may differ, sometimes significantly, from the current estimates.

These assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by French law.

We have nothing to report on the fair presentation and consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to shareholders regarding the financial position and the annual financial statements.

With regard to the information provided in accordance with article L. 225-102-1 of the French Commercial Code on remunerations and benefits received by corporate officers, as well as any other commitments granted in their favor, we have verified their consistency with the financial statements or with the underlying information used to prepare the financial statements and, where necessary, with the information collected by your Company from companies controlling or controlled by your Company. Based on this work, we attest the accuracy and fair presentation of this information, being specified that, at the date of this report, the variable remuneration of the Chairman of the Board of Directors and Chief Executive Officer for the year ended December 31, 2013 is not disclosed as it was not adopted by the Board of Directors.

In accordance with French law, we have verified that the management report provides you with all the required information relating to the acquisition of investments and controlling stakes and the identity of the shareholders and holders of the voting rights..

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, March 18, 2014

French original signed by

MAZARS	*KPMG Audit* *Départment de KPMG S.A.*	*DELOITTE & ASSOCIES*
PATRICK DE CAMBOURG *PIERRE SARDET*	*ERIC ROPERT*	*ARNAUD DE PLANTA* *FRANCISCO SANCHEZ*

7

INFORMATION ABOUT THE COMPANY AND THE CAPITAL

7.1 Information about the Company

7.1.1 CORPORATE NAME/TRADE AND COMPANIES REGISTER

Carrefour

Nanterre Trade and Companies Register no. 652 014 051

7.1.2 HEAD OFFICE

33 Avenue Émile-Zola, Boulogne-Billancourt (92100), France.

Phone: + 33 (0)1 41 04 26 00

7.1.3 LEGAL FORM/TERM

Public limited company (*société anonyme*) formed under French law and governed by the provisions of the French Commercial Code.

By decision of the Shareholders' Meeting of April 20, 2005, the Company was converted into a public limited company (*société anonyme*) with a Management Board and Supervisory Board. By decision of the Shareholders' Meeting of July 28, 2008, the Company changed its governance structure and adopted the form of public limited company (*société anonyme*) with a Board of Directors, with the positions of Chairman and Chief Executive Officer separated. Following its discussions on June 21, 2011, the Board decided to consolidate the duties of Chairman of the Board of Directors and Chief Executive Officer. The Board's decision to consolidate the duties of Chairman of the Board of Directors and Chief Executive Officer was designed to simplify the decision-making process and enhance the efficiency and responsiveness of the Company's governance.

The term of the Company, which began on July 11, 1959, will expire on July 10, 2058, except in the event of early dissolution or extension.

7.1.4 MAIN PROVISIONS OF THE BYLAWS

7.1.4.1 Corporate purpose (article 3)

The purpose of the Company is to:

- create, acquire and operate, in France and abroad, stores for the sale of all items, products, foodstuffs and merchandise and, secondarily, to provide within the said stores all services that may be of interest to customers;
- purchase, manufacture, sell, represent and package the said products, foodstuffs and merchandise; and
- in general, carry out all industrial, commercial, financial, movable and immovable property operations relating directly or indirectly to the said purpose or which may facilitate the said purpose or ensure its development.

The Company may act, directly or indirectly, and conduct all of these operations in all countries, on its own behalf or on behalf of third parties, either alone or within partnerships, alliances, groups or companies, with any other persons or companies, and carry out and complete them in any manner whatsoever.

The Company may also acquire all interests and stakes in any French or foreign companies or businesses, regardless of their purpose.

7.1.4.2 The Board of Directors (articles 11, 12, 13 and 14)

The Company is administered by a Board of Directors comprising three to eighteen members.

As soon as the number of directors over age 70 is greater than one third of the directors in office, the oldest director is automatically deemed to have resigned and his/her appointment will end on the date of the next Ordinary Shareholders' Meeting.

Each director must own at least 1,000 shares during the term of his/her appointment.

The members of the Board of Directors are appointed for a three-year term, and one-third (or as close a percentage as possible) of its members are replaced each year. During the Board of Directors' meeting following the first appointments, the names of the directors whose terms will expire early at the end of the first and second years are determined by drawing lots. The outgoing directors may be reappointed.

The directors' duties end following the Ordinary Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which their term expires.

The Board of Directors elects a Chairman from among its members, who must be a private individual. The age limit for the position of Chairman is 70. The Chairman may perform his/her duties until the Ordinary Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which he/she reaches age 70.

The Chairman may be appointed for the entire term of his/her appointment as director.

The Board of Directors appoints a Vice-Chairman from among its members, who is asked to replace the Chairman in case of absence, temporary unavailability, resignation, death or non-renewal of his/her term of office.

In the event of temporary unavailability, this replacement is valid only as long as the Chairman is unavailable; in all other cases, it is valid until a new Chairman is elected.

The Chairman organises and directs the Board of Directors' work, on which it reports to the Shareholders' Meeting.

The Chairman ensures the proper functioning of the Company's bodies and, in particular, sees to it that the directors are able to perform their duties.

The Board of Directors meets as often as required to serve the Company's interests, either at the head office or at any other place indicated in the notice of meeting.

The directors are called to meetings by the Chairman or, where necessary, by the Vice-Chairman, by any means, including verbally.

Board of Directors' meetings are chaired by the Chairman of the Board of Directors or, where necessary, by the Vice-Chairman.

Proceedings are conducted under the conditions of *quorum* and majority prescribed by law.

The Secretary of the Board of Directors is authorised to certify copies and extracts of the proceedings' minutes.

The Board of Directors determines the Company's business strategy and oversees its implementation.

Subject to the powers expressly attributed to the Shareholders' Meetings and within the scope of the corporate purpose, it deals with all matters relating to the proper management of the Company and, through its proceedings, handles other matters concerning the Board.

The Board conducts the controls and audits that it deems appropriate. The directors receive all information needed to perform their duties and may consult any documents that they deem appropriate.

7.1.4.3 Management (article 16)

As provided by law, management of the Company comes under the responsibility of either the Chairman of the Board of Directors or another private individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Based on a majority of the directors present or represented, the Board of Directors chooses between the two aforementioned management methods.

The Board of Directors appoints, from among its members or otherwise, the Chief Executive Officer, who must be a private individual under the age of 65 and who has the broadest powers to act on the Company's behalf under all circumstances. The Chief Executive Officer exercises his/her powers within the scope of the corporate purpose and subject to those powers expressly attributed by law to the Shareholders' Meetings and Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

The age limit for the position of Chief Executive Officer is 65. The duties of a Chief Executive Officer who reaches this age end following the Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which this age is reached.

When the Company is managed by the Chairman, the provisions of the laws and regulations or bylaws relating to the Chief Executive Officer are applicable to him/her. The Chairman assumes the title of Chairman-Chief Executive Officer and may perform his/her duties until the Ordinary Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which he/she reaches age 65.

The Board of Directors may determine the areas in which the Chief Executive Officer must consult the Board in performing his/her duties.

7.1.4.4 Breach of thresholds (article 7)

Pursuant to Article 7 of the bylaws, in addition to compliance with the legal obligation to inform the Company when holding certain percentages of the capital and related voting rights, any private individual or legal entity, acting alone or in concert, that holds a number of shares representing a proportion of the share capital or voting rights greater than or equal to 1% of the share capital or voting rights, or any multiple of this percentage, must inform the Company of the total number of shares and voting rights held, as well as the securities giving future access to the capital and the voting rights potentially related to them, by registered mail with return receipt within five trading days of the date on which the threshold is breached.

The obligation to inform the Company also applies when the shareholder's percentage of capital or voting rights falls below each of the aforementioned thresholds.

The penalties provided by law for failure to comply with the obligation to declare a breach of the statutory thresholds also apply in the event of non-declaration of breach of the thresholds stipulated in these bylaws, at the request, as noted in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least 5% of the Company's capital or voting rights.

7.1.4.5 Shareholder rights (article 9)

Double voting rights are conferred on all fully paid up registered shares that have been registered in the name of the same shareholder for at least two years.

The Extraordinary Shareholders' Meeting is solely authorised to modify shareholders' rights, as provided by law.

7.1.4.6 Shareholders' meetings (articles 20 to 23)

All shareholders are entitled to attend Shareholders' Meetings in person or by proxy, upon presentation of proof of identity and share ownership (in the form and at the place indicated in the notice of meeting) by no later than midnight Paris time three business days prior to the date of the Shareholders' Meeting.

Every shareholder has the right to participate in shareholders' general meetings by way of a proxy given to any other person of his or her choice, and may also participate by sending their proxy and mail voting forms, subject to the conditions set forth under applicable laws and regulations.

Any shareholder may, if the Board of Directors so decides when convening the Shareholders' Meeting, also participate in and vote at Shareholders' Meetings *via* videoconference or any other means of telecommunication (including the Internet) that enables him/her to be identified under the conditions and according to the procedures laid down by the laws in force. Shareholders are notified of such a decision in the meeting notice published in the *Bulletin des Annonces Légales Obligatoires* (French bulletin of compulsory legal notices).

Those shareholders who use, for this purpose and within the required periods, the electronic voting form provided on the website set up by the Shareholders' Meeting's centraliser are considered shareholders present or represented. The electronic form may be completed and signed directly on this site through a user Code and password, as provided for in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

The proxy or vote thus cast electronically prior to the Shareholders' Meeting, as well as the acknowledgement of receipt provided, will be considered irrevocable documents that are valid against all persons, it being specified that, in case of a transfer of shares occurring prior to midnight Paris time of the third business day preceding the Shareholders' Meeting, the Company will invalidate or modify accordingly, depending on the situation, the proxy or vote cast prior to the said date and time.

Shareholders' Meetings are convened by the Board of Directors under the conditions and within the times prescribed by law. They are held at the head office or in any other place indicated in the notice of meeting.

The Shareholders' Meeting is presided over by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman or a director designated by the Board.

Returning officer duties are fulfilled by the two shareholders, present and willing, who hold the greatest number of votes, both in their own name and as agents.

The committee appoints a secretary, who does not need to be a member of the Shareholders' Meeting.

Ordinary and Extraordinary Shareholders' Meetings voting under the conditions of *quorum* and majority prescribed by law exercise the powers assigned to them in accordance with the law.

7.1.4.7 Provision of the issuer's bylaws that would cause a change in its control to be delayed, postponed or prevented

None.

7.2 Information on the capital

7.2.1 CHANGE IN SHARE CAPITAL

The Ordinary and Extraordinary General Shareholders' Meeting of April 23, 2013, under its third resolution, resolved to offer each shareholder the option of payment of the net dividend, to which the shareholder is entitled by virtue of shares held, in the form of new Company shares.

The Company's share capital was accordingly increased by a nominal amount of €36,923,847.50 through the creation of 14,769,539 new Company shares, which were fully paid up as of their issue, carry dividend rights as of January 1, 2013 and rank *pari passu* with the other shares in the Company's share capital.

Following this increase, the share capital amounts to €1,809,960,480 (one thousand and eight hundred nine million, ninety-six hundred thousand, four hundred and eighty euros). It is divided into 723,984,192 shares of €2.50 each.

Shares not representing capital; number and main characteristics

None.

Amount of convertible or exchangeable securities or securities with stock purchase warrants

None.

Information on the conditions governing any right of acquisition and/or any obligation relating to unpaid share capital, or on any undertaking to increase the capital

None.

Information on the capital of any member of the Group that is under option or agreed, conditionally or unconditionally, to be put under option, and the details of such options

None.

7.2.2 SUMMARY OVERVIEW OF DELEGATIONS OF POWERS AND AUTHORITIES CONCERNING CAPITAL INCREASES

Type	Amount	Duration	Expiration
Issue of shares and/or marketable securities with preferential subscription rights maintained			
▪ Shares	€500 million	26 months	June 23, 2015
▪ Other marketable securities	€4,000 million	26 months	June 23, 2015
Issue of shares and/or marketable securities with preferential subscription rights cancelled (Public offer)			
▪ Shares	€90 million	26 months	June 23, 2015
▪ Other marketable securities	€720 million	26 months	June 23, 2015
Issue of shares and/or marketable securities with preferential subscription rights cancelled (Private investment)			
▪ Shares	€90 million	26 months	June 23, 2015
▪ Other marketable securities	€720 million	26 months	June 23, 2015
Issue of shares and/or marketable securities to remunerate contributions-in-kind granted to the Company in an amount of up to 10% of capital	10%	26 months	June 23, 2015
Capital increase through capitalisation of reserves, profits, premiums or otherwise	€500 million	26 months	June 23, 2015
Capital increase for the employees who are members of a company savings plan (shareholder waiver of preferential subscription right)	€35 million	26 months	June 23, 2015
Issue of shares and marketable securities giving access to capital in the event of a tender offer initiated by the Company for the securities of another listed company with preferential subscription rights cancelled	€90 million	26 months	June 23, 2015

CHANGE IN THE COMPANY'S CAPITAL

Event	Change in the number of shares	Capital *(in euros)*
Position at June 30, 1999	**233,069,544**	**582,673,860.00**
Capital increase in payment of the exchange offer initiated on the shares of Promodès	109,427,940	
Capital increases following the exercise of share subscription options	4,866	
Position at December 31, 1999	**342,502,350**	**856,255,875.00**
Capital increase in payment of the takeover merger of Promodès	6,387,126	
Cancellation of 15,000 CDV in connection with the above merger	(15,000)	
Allotment of free shares (at a rate of one new share per old share)	348,874,476	
Capital increases following the exercise of share subscription options	6,600	
Capital increases following the exercise of stock purchase warrants	8,412	
Capital increases following bond conversions	1,062,032	
Capital increase reserved for employees	12,317,444	
Position at December 31, 2000	**711,143,440**	**1,777,858,600.00**
Capital increases following the exercise of share subscription options	12,300	
Capital increase following the exercise of stock purchase warrants	84	
Capital increase following bond conversions	30	
Position at December 31, 2001	**711,155,854**	**1,777,889,635.00**
Capital increases following the exercise of share subscription options	9,000	
Capital increase following bond conversions	72	
Capital increase in payment of the takeover merger of Bontemps	4,535,604	
Cancellation of the shares received in connection with the above merger	(4,535,604)	
Capital increase in payment of the exchange offer initiated on the shares of Centros Comerciales Carrefour (Spain)	4,976,845	
Position at December 31, 2002	**716,141,771**	**1,790,354,427.50**
Capital increase following the exercise of stock purchase warrants	612	
Position at December 31, 2003	**716,142,383**	**1,790,355,957.50**
Capital reduction through cancellation of shares	(11,022,833)	
Position at December 31, 2004	**705,119,550**	**1,762,798,875.00**
Capital increase in payment of the takeover merger of Paroma	79,158,600	
Cancellation of the shares received in connection with the above merger	(79,159,434)	
Position at April 20, 2005	**705,118,716**	**1,762,796,790.00**
Capital reduction through cancellation of shares	(216,000)	
Position at December 31, 2005	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2006	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2007	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2008	**704,902,716**	**1,762,256,790.00**
Position at December 31, 2009	**704,902,716**	**1,762,256,790.00**
Capital reduction through cancellation of shares	(25,566,716)	
Position at December 31, 2010	**679,336,000**	**1,698,340,000.00**
Position at December 31, 2011	**679,336,000**	**1,698,340,000.00**
Capital increase in payment of the Guyenne & Gascogne exchange offer	13,331,250	
	692,667,250	**1,731,668,125.00**
Capital increase resulting from the option to pay the dividend in shares	16,547,403	
Position at December 31, 2012	**709,214,653**	**1,773,036,632.50**
Capital increase resulting from the option to pay the dividend in shares	14,769,539	
Position at December 31, 2013	**723,984,192**	**1,809,960,480.00**

7.2.3 TREASURY SHARES BUYBACKS

Treasury shares

At December 31, 2013, the Company held 5,761,500 treasury shares (0.80% of capital).

The market value of Carrefour shares held at December 31, 2013, based on the final quoted price for 2013 of €28.81, was €166 million.

None of the Issuer's subsidiaries held Carrefour company shares.

Share buyback

The Ordinary and Extraordinary General Shareholders' Meeting held on April 23, 2013, deliberating pursuant to Article L. 225-209 of the French Commercial Code, the General Regulations of the *Autorité des Marchés Financiers* (AMF) and European Commission Regulation 2273/2003 of December 22, 2003, authorised the Board of Directors to purchase Company shares, enabling it to use the option of dealing in treasury shares, in particular to:

- engage in market making activities with respect to Carrefour shares through an investment services provider, in the context of a liquidity contract conforming to the professional rules approved by the French Financial Markets Authority (*Autorité des Marchés Financiers)*;
- fulfill any stock option plan in respect of the Company, free share allocation or other forms of allocation of shares or compensation related to the share price, to employees or corporate officers of the Company or a Group company;
- allot or exchange shares, upon the exercise of rights attached to securities giving access to share capital;
- keep shares and subsequently use them as payment or as exchange within the scope of acquisitions, mergers, demergers or contributions, and under the limits set by the applicable regulations;
- cancel shares, subject to the approval by the shareholders' general meeting of the tenth resolution, according to the terms and conditions stated therein or any other similar authorization; or
- engage in any market making activities that may be recognized by law or the French Financial Markets Authority (*Autorité des Marchés Financiers*).

For each of the goals pursued, the number of shares purchased was as follows:

1. Liquidity contract

During 2013, the Company did not carry out any purchases or sales under a liquidity contract.

As of January 20, 2014 and for a period of twelve months the Company has contracted with Oddo Corporate Finance to implement a liquidity contract applying to Carrefour ordinary shares (ISIN code FR0000120172) that are traded on the regulated market of NYSE Euronext in Paris.

For the implementation of this contract, the following resources have been allocated to the liquidity account:

- Cash: € 50,000,000.

2. Hedging of share purchase option plans and free share allocation plans

The Company did not buy any shares during 2013.

3. Cancellation

The Company did not cancel any shares during 2013.

Description of the share buyback programme approved by the shareholders at the shareholders' meeting of April 23, 2013

1. Date of the Shareholders' Meeting that approved the share buyback programme and implementation decision:

Approval of the programme: Shareholders' Meeting of April 23, 2013.

Implementation decision: Board of Directors' meeting of April 23, 2013.

2. Number of shares and percentage of capital held directly or indirectly by the issuer:

At March 31, 2013, the Company held 6,147,949 treasury stocks, *i.e.* 0.87% of the share capital.

3. Purposes for which shares are held by the Company:

All of the treasury shares are used to cover share purchase option plans and free share allocation plans based on years of service and/or performance.

4. Objectives of the buyback programme:

Purchases are made, in descending order of priority, to:

- engage in market making activities with respect to Carrefour shares through an investment services provider, in the context of a liquidity contract conforming to the professional rules approved by the French Financial Markets Authority (*Autorité des Marchés Financiers)*;
- fulfill any stock option plan in respect of the Company, free share allocation or other forms of allocation of shares or compensation related to the share price, to employees or corporate officers of the Company or a Group company;
- allot or exchange shares, upon the exercise of rights attached to securities giving access to share capital;
- keep shares and subsequently use them as payment or as exchange within the scope of acquisitions, mergers, demergers or contributions, and under the limits set by the applicable regulations;
- cancel shares, subject to the approval by the shareholders' general meeting of the tenth resolution, according to the terms and conditions stated therein or any other similar authorization; or
- engage in any market making activities that may be recognized by law or the French Financial Markets Authority (*Autorité des Marchés Financiers*).

The purchase, sale or transfer of shares may be carried out and paid for by any means, on one or more occasions, on the open market or through a private transaction, including the use of option mechanisms, derivatives – in particular the purchase of call options – or securities giving a right to shares of the Company, under the terms set forth by the market authorities. Moreover, the maximum portion of capital that can be transferred as blocks of securities may extend to the entire share buyback programme.

The Company may not use the authority granted by the Shareholders' Meeting of April 23, 2013 and continue to implement its share buyback programme in the event of a tender offer involving shares or other securities issued or initiated by the Company.

5. Maximum percentage of capital, maximum number and characteristics of the shares the Company intends to acquire and maximum purchase price:

The maximum purchase price per share is 35 euros and the maximum number of shares that may be purchased is 70,000,000 (*i.e.* approximately 10% of the capital at December 31, 2012). The total amount that the Company may use to buy back its own shares may not exceed 2,450,000,000 euros.

Given that the Company already held 6,147,949 treasury stock at March 31, 2013, *i.e.* 0.87% of share capital as of that date, the maximum number of shares that may be purchased under this authorization is 63,852,051 (approximately 9.13% of capital).

6. Term of the buyback programme:

18 months from April 23, 2013 pursuant to the authorization granted at the Shareholders' Meeting of April 23, 2013, *i.e.* until October 23, 2014.

7. Transactions carried out by way of acquisition, disposal or transfer under the previous buyback programme

Percentage of capital held directly and indirectly by the Company (in shares + as percentage) at the beginning of the previous programme on June 30, 2012	**6,182,167/0.89%**
Number of shares cancelled over the past 24 months:	
Number of shares held at March 31, 2013 (in shares + as a percentage)	**6,147,949/0.87%**
Gross book value of the portfolio	173,435,328
Market value of the portfolio	132,020,176

	Total gross flows		Open positions on the day of the programme description's publication			
	Purchases	Sales/Transfers	Open purchase position		Open sale position	
			Call options purchased	Forward purchases	Call options sold	Forward sales
Number of shares		34,218				
Average maximum maturity			745 days	911 days		
Average transaction price						
Average exercise price			34.49	25.184		
Amount						

2013 allocation of options and shares

The number of shares delivered by recipients of free share allocations granted by the Management Board and/or Board of Directors held in previous years totalled to 386,449 shares for the 2013 fiscal year.

7.3 Shareholders

7.3.1 PRINCIPAL SHAREHOLDERS

At December 31, 2013, the share capital was 1,809,960,480 euros (one thousand and eight hundred nine million, ninety-six hundred thousand, four hundred and eighty euros). It is divided into 723,984,192 shares of €2.50 each.

The Company is authorised to identify bearer shares. On the basis of extrapolations carried out using the identifiable bearer securities report as of December 2013, the number of listed shareholders exceeds 250,000 (slightly more than 2,200 of which are registered shareholders).

The number of voting rights at December 31, 2013 was 819,496,498. After deducting the voting rights that cannot be exercised from this figure, the total number of voting rights is 813,734,998.

CAPITAL (AT DECEMBER 31, 2013)

Shareholders	Number of shares	*As a %*	Number of ordinary voting rights	*As a %*	Number of extraordinary voting rights	*As a %*
Blue Partners	25,953,351	3.58%	51,906,624	6.33%	51,906,624	6.33%
Colony Blue Investor SARL*	15,166,771	2.09%	15,166,771	1.85%	15,166,771	1.85%
ColDevelopment SARL**	1,337,001	0.18%	1,337,001	0.16%	1,337,001	0.16%
Blue AIV SARL***	176,692	0.02%	176,692	0.02%	176,692	0.02%
Cervinia Europe	36,270,585	5.01%	67,770,585	8.27%	67,770,585	8.27%
Groupe Arnault SAS ****	2,656,752	0.37%	2,656,752	0.32%	2,656,752	0.32%
Bunt *****	25,379,553	3.51%	25,379,553	3.10%	25,379,553	3.10%
Subtotal	**106,940,705**	**14.77%**	**164,393,978**	**20.06%**	**164,393,978**	**20.06%**
Employee	7,871,862	1.09%	15,736,862	1.92%	15,736,862	1.92%
Shares owned	5,761,500	0.80%				
Controlled shares						
Public	603,410,125	83.35%	639,365,658	78.02%	639,365,658	78.02%
TOTAL	**723,984,192**	**100.00%**	**819,496,498**	**100.00%**	**819,496,498**	**100.00%**

* *Held through assimilation of 15,166,769 Carrefour shares lent by Colony Blue Investor SARL with right of recall at its sole initiative.*
** *Held through assimilation of 87,000 Carrefour shares lent by ColDevelopment SARLwith right of recall at its sole initiative and held through assimilation of 1,250,000 Carrefour shares that can be acquired under a call option.*
*** *Held through assimilation of 176,691 Carrefour shares lent by Blue AIV SARL with right of recall at its sole initiative.*
**** *Held through assimilation of Carrefour shares that can be acquired under a call option.*
***** *Of which 24,999,996 shares held through assimilation of Carrefour shares that can be acquired under a call option.*
At December 31, 2013, Blue Partners and Cervinia Europe owned 57,453,273 shares granting double voting rights.

7

Carrefour shareholder agreement

There is no shareholder agreement at Carrefour.

As a reminder, the breakdown of capital and voting rights at December 31, 2012 and December 31, 2011 was as follows:

CAPITAL (AT DECEMBER 31, 2012)

Shareholders	Number of shares	*As a %*	Number of ordinary voting rights	*As a %*	Number of extraordinary voting rights	*As a %*
Blue Capital *	66,556,464	9.38%	130,604,274	16.23%	130,604,274	16.23%
Colony Blue Investor **	15,166,771	2.14%	15,166,771	1.88%	15,166,771	1.88%
CZ2 Blue SARL ***	860,148	0.12%	860,148	0.11%	860,148	0.11%
Blue AIV SARL ****	176,691	0.02%	176,691	0.02%	176,691	0.02%
Groupe Arnault SAS *****	2,656,752	0.37%	2,656,752	0.33%	2,656,752	0.33%
Bunt ******	25,370,250	3.58%	25,370,250	3.15%	25,370,250	3.15%
Subtotal	**110,787,076**	**15.62%**	**174,834,886**	**21.73%**	**174,834,886**	**21.73%**
Employee	8,267,870	1.17%	15,258,370	1.90%	15,251,036	1.90%
Shares owned	6,147,949	0.87%				
Controlled shares						
Public	584,011,758	82.35%	614,531,681	76.37%	614,531,681	76.37%
TOTAL	**709,214,653**	**100.00%**	**804,624,937**	**100.00%**	**804,624,937**	**100.00%**

*	*Of which 2,508,612 Carrefour shares held through assimilation under a call option.*
**	*Held through assimilation of Carrefour shares lent by Colony Blue Investor SARL with right of recall at its sole initiative.*
**	*Held through assimilation of the number of Carrefour shares resulting from the delta of cash-settled call options (at December 31, 2012).*
****	*Held through assimilation of Carrefour shares that can be acquired by Blue AIV SARL under call options.*
*****	*Held through assimilation of Carrefour shares that can be acquired under a call option.*
******	*Formerly Blue Participations et Gestion, of which 24,999,996 shares held through assimilation of Carrefour shares that can be acquired under a call option.*
At December 31, 2012, Blue Capital owned 65,302,137 shares granting double voting rights.

CAPITAL (AT DECEMBER 31, 2011)

Shareholders	Number of shares	*As a %*	Number of ordinary voting rights	*As a %*	Number of extraordinary voting rights	*As a %*
Blue Capital	64,047,813	9.43%	128,095,623	16.45%	128,095,623	16.45%
Colony Blue Investor *	15,166,770	2.23%	15,166,770	1.95%	15,166,770	1.95%
Groupe Arnault SAS **	5,156,752	0.76%	5,156,752	0.66%	5,156,752	0.66%
Blue Participations et Gestion ***	25,359,996	3.73%	25,359,996	3.26%	25,359,996	3.26%
Employee	8,260,536	1.22%	15,251,036	1.96%	15,251,036	1.96%
Shares owned	5,598,650	0.82%				
Controlled shares						
Public	555,745,483	81.81%	589,571,180	75.72%	589,571,180	75.72%
TOTAL	**679,336,000**	**100.00%**	**778,601,357**	**100.00%**	**778,601,357**	**100.00%**

*	*Of which 15,166,769 shares lent by Colony Blue Investor with right of recall at its sole initiative.*
**	*Held through assimilation of Carrefour shares that can be acquired under a call option.*
***	*Of which 24,999,996 shares held through assimilation of Carrefour shares that can be acquired under a call option.*

Employee shareholding

At year-end, Group employees held 1.09% of the Company's share capital through the Company mutual fund.

7.3.2 INFORMATION REFERRED TO IN ARTICLE L. 233-13 OF THE FRENCH COMMERCIAL CODE

At the end of the 2013 fiscal year, Blue Partners a private limited company formed under Luxembourg law whose head office is located at 2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg, acting in concert with the Colony Blue Investor a private limited company formed under Luxembourg law whose head office is located at 2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg, ColDevelopment a private limited company formed under Luxembourg law whose head office is located at 2-4, avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg, Blue AIV a private limited company formed under Luxembourg law whose head office is located at 2-4, avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg, Cervinia Europe a private limited company formed under Luxembourg law whose head office is located at 2-4 Avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg, the Groupe Arnault SAS a simplified joint-stock company (41 Avenue Montaigne, 75008 Paris, France) and Bunt a private limited company formed under Luxembourg whose head office is located at 2-4, avenue Marie-Thérèse, L-2132 Luxembourg, Grand Duchy of Luxembourg held more than one-tenth of the share capital and more than one-fifth of the voting rights.

7.3.3 INFORMATION REFERRED TO IN ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

To the Company's knowledge, the composition of the capital stock is as shown in the table on page 255.

To the Company's knowledge, there is no agreement between its principal shareholders that could result in a change of control of the Company if implemented subsequently.

7.4 Stock market information

Carrefour is listed on the Paris Stock Exchange (Euronext Paris - Compartment A – ISIN code: FR0000120172). It is eligible for the Deferred Settlement Service. It is included in the CAC 40, SBF 120, FTSE Eurotop 100 and DJ Euro STOXX 50 indices.

At December 31, 2013, Carrefour's share was in 22nd position in the CAC 40 index in terms of market capitalisation, with a weighting of 2.1%.

	2009 (2)	2010 (2)	2011	2012	2013
Closing price (in euros) (1):					
highest	*33.79*	*41.28*	*36.08 (2)* *31.52 (3)*	*19.63*	*29.02*
lowest	*22.89*	*30.85*	*15.07*	*13.07*	*18.9*
at December 31	*33.56*	*30.85*	*17.62*	*19.35*	*28.81*
Number of shares at December 31	*704,902,716*	*679,336,000*	*679,336,000*	*709,214,653*	*723,984,192*
Market capitalisation at December 31 (in billion euros)	*23.7*	*21.0*	*12.0*	*13.7*	*20.9*
Average daily volume	*2,927,925 (4)*	*2,874,196 (4)*	*3,935,400 (2) (4)*	*3,239,839(4)*	*2,598,027 (4)*
Net income from recurring operations per share (in euros)	*0.56*	*0.56*	*(3.35)*	*0.17*	*1.37*
Net dividend	*1.08*	*1.08*	*0.52*	*0.58*	0.62 (5)
Yield	*3.22%*	*3.50%*	*2.95%*	*3.00%*	2.15%

(1) Source: NYSE Euronext.
(2) Data not adjusted for the distribution-in-kind on July 5, 2011 (Dia).
(3) Data adjusted for distribution-in-kind on July 5, 2011 (Dia).
(4) Average daily volume on Euronext.
(5) Subject to approval by the shareholders at the Shareholders' Meeting on April 15, 2014.

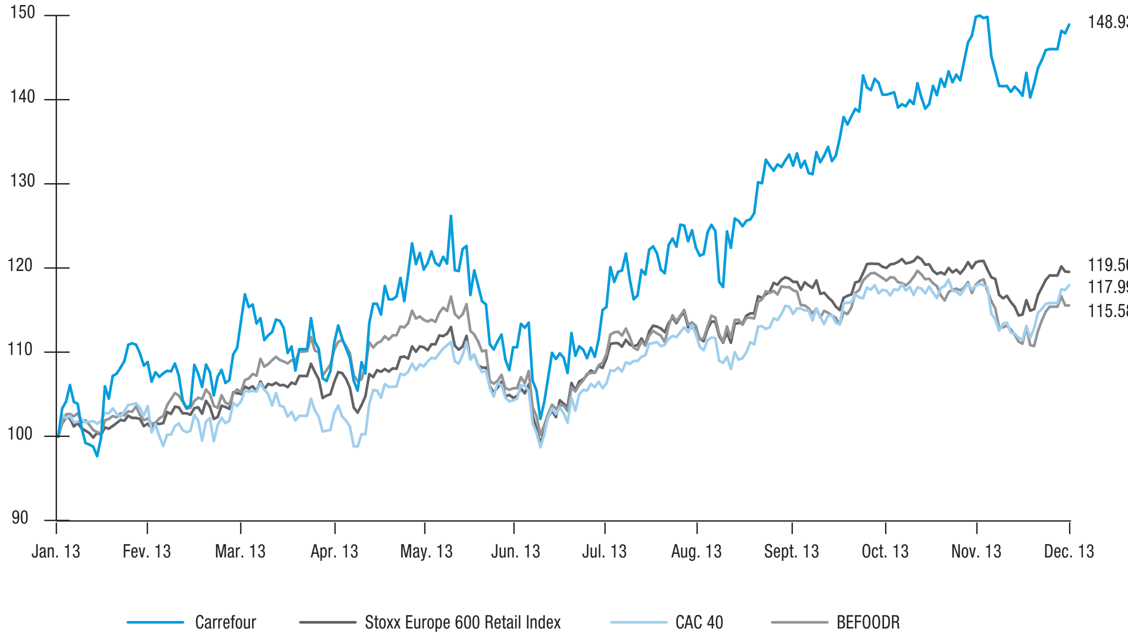
CARREFOUR SHARE PRICE IN 2013

	Highest*	Lowest*	Average closing price *	Number of shares traded	Capital*
January	21.63	18.76	20.32	72,138,001	1,464,678,919
February	21.44	19.86	20.69	56,750,655	1,174,071,307
March	23.03	20.34	21.65	68,879,912	1,497,917,541
April	22.94	20.26	21.51	64,881,661	1,395,847,662
May	24.42	22.02	23.27	52,687,437	1,224,510,018
June	23.03	19.37	21.27	64,060,915	1,354,966,926
July	23.60	20.46	22.13	52,730,523	1,169,992,152
August	24.58	22.27	23.70	44,658,320	1,055,411,459
September	26.11	23.70	25.20	51,072,037	1,284,401,074
October	27.79	25.29	26.73	48,969,983	1,308,645,248
November	29.14	26.49	27.68	40,162,916	1,112,229,722
December	29.16	26.81	27.84	45,559,862	1,266,361,255

Source: NYSE Euronext.
** In euros.*

CHANGE IN SHARE PRICE

Carrefour share price in 2013 in relation to the CAC 40, BEFOODR * and STOXX Europe 600 Retail ** indices (base 100 at January 1, 2013).



Source Bloomberg

* *Composition of the Bloomberg Europe Food Retailers Index (BEFOODR): Ahold, Carrefour, Casino, Colruyt, Delhaize, Dia, Greene King, ICA Gruppen, Sainsbury, Jeronimo Martins, Kesko OYJ, Metro, Morrison, Tesco.*

** *Composition of the STOXX Europe 600 Retail (SXRP): Ahold, Booker Group, Carrefour, Casino, Celesio, Colruyt, Debenhams, Delhaize, Dixons Retail, Dia, Dufry, Galenica, H&M, Home Retail, ICA Gruppen, Inchcape, Inditex, Jeronimo Martins, Kering, Kesko, Kingfisher, Marks & Spencer, Metro, Morrison, Next, Ocado, Sainsbury, Tesco.*

8

ANNUAL SHAREHOLDERS' MEETING

8.1 Agenda

Meeting as an Ordinary Shareholders' Meeting

- Approval of corporate financial statements for fiscal year 2013;
- Approval of consolidated financial statements for fiscal year 2013;
- Allocation of earnings and setting the dividend; option for payment of the dividend in shares;
- Approval of regulated agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code;
- Advisory opinion on the elements of compensation due or awarded for fiscal year 2013 to Mr Georges Plassat, Chairman and Chief Executive Officer;
- Ratification of the cooptation of Mr. Thomas J. Barrack Jr as Director;
- Renewal of the appointment of Mr. Amaury de Seze as a Director;
- Renewal of the appointment of Mr. Bernard Arnault as a Director;
- Renewal of the appointment of Mr. Jean-Laurent Bonnafé as a Director;
- Renewal of the appointment of Mr. René Brillet as a Director; and
- Authorization for the Board of Directors to trade in the Company's own shares for a period of 18 months pursuant to Article L. 225-209 of the French Commercial Code.

Meeting as an Extraordinary Shareholders' Meeting

- Amendment to Article 16 of the Company's articles of association;
- Authorization granted for a period of 24 months to the Board of Directors to reduce the share capital by cancelling shares already acquired through a share repurchase program.

8.2 Board of Directors' report to the Ordinary and Extraordinary Shareholders' Meeting of April 15, 2014

This Shareholders' Meeting will be asked to vote on ordinary resolutions, for which a majority of the votes is required for adoption, and extraordinary resolutions, for which two-thirds of the votes are required for adoption.

8.2.1 ORDINARY RESOLUTIONS

The Board of Directors asks that the Shareholders' Meeting vote on the following ordinary resolutions:

First, second and third resolutions: approval of the financial statements, allocation of net income and setting of dividend

In its first and second resolutions, the Board of Directors asks that the Shareholders' Meeting approves the annual and consolidated financial statements for the fiscal year ended December 31, 2013.

The Meeting is asked to approve:

- the corporate financial statements, including the income statement, which shows a net profit of €1,803,754,407.70 in 2013 compared with €4,943,747.27 in 2012;
- the consolidated financial statements for fiscal year 2013.

Details of the financial statements are shown in the chapter 5 and 6 of this Document (pages 133 and 225).

The purpose of the third resolution is to propose the Shareholders' Meeting the allocation of net income and to set the dividend per share for fiscal year 2013 at €0.62, payable in cash or in new shares after shareholders' options.

The proposed dividend amounts to a payout ratio of 46% of net income, Group share, adjusted for exceptional items, in line with the policy set out in March 2012.

The full dividend amount of €448,870,199.04 which represents a dividend per share of €0.62 before social security contributions and the compulsory levy *(prélèvement obligatoire non libératoire)* of 21% stipulated in Article 117, subparagraph four, of the French General Tax Code, is, for private individuals who are residents in France for tax purposes, eligible for the 40% tax reduction described in Article 158-3-2 of the French General Tax Code.

In case of payment of the dividends in new shares, these shares would be issued at a price equal to 95% of the average of the opening prices quoted on the Euronext Paris regulated market during the 20 trading sessions preceding the date of the Shareholders' Meeting, reduced by the net amount of the dividend and rounded up to the nearest euro cent.

The quotation date of the ex-dividend shares is set at April 24, 2014. The option period during which shareholders may opt for a payment of the dividends in cash or in new shares would begin on April 24 and continue until May 15, 2014 inclusive. Shareholders may submit their request to the financial intermediaries authorised to pay the dividend or, for shareholders listed in the registered accounts held by the Company, to its agent, CACEIS Corporate Trust, 14 Rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 09, France.

Payment of the dividend and delivery of the new shares would occur on May 28, 2014.

Fourth resolution: regulated agreements

The Statutory Auditors' Special Report, in accordance with article L. 225-40 of said Code, mentions the agreements authorised by the board of directors during the fiscal year 2013 and at the beginning of fiscal year 2014 and also the ones which have continued during the fiscal year 2013.

The Board of Directors asks that the Shareholders' Meeting approves these agreements.

Fifth resolution : advisory opinion on the elements of compensation due or awarded for fiscal year 2013 to Mr. Georges Plassat Chairman and Chief Executive Officer

Pursuant to the recommendations in the AFEP-MEDEF Code of Corporate Governance for listed companies, to which the Company refers for Corporate Governance matters, the Board of Directors asks that the Shareholders' Meeting gives its favourable opinion on the elements of compensation due or awarded for fiscal year 2013 to Mr. Georges Plassat, Chairman and Chief Executive Officer, as shown in chapter 3 of the Registration Document 2013.

Sixth resolution : ratification of the cooptation of a director

The Board of Directors held on January 15, 2014 decided the cooptation of Mr. Thomas J. Barrack Jr as director, in replacement of Mr. Sébastien Bazin, who resigned.

The Board of Directors asks that the Shareholders' Meeting ratifies this cooptation for the remaining period of Mr. Sébastien Bazin's office as director until the shareholders' general meeting called to approve the financial statements for fiscal year 2015.

Before founding Colony Capital in 1990, Mr. Thomas J. Barrack Jr., a US national, was a principal with The Robert M. Bass Group, a Forth Worth, Texas-based investment group. He also served in the Reagan administration as Deputy Undersecretary of the United States Department of the Interior. He holds a Bachelor of Arts from the University of Southern California and a J.D. from the University of San Diego.

All the information related to Mr. Thomas J. Barrack Jr is shown in the chapter 3 of this Document (page 78).

Seventh, eighth, ninth and tenth resolutions: renewal of the terms of four directors

The terms of Mr. Amaury de Seze, Mr. Bernard Arnault, Mr. Jean-Laurent Bonnafé and Mr. René Brillet are due to expire at the end of this Shareholders' Meeting.

At the recommendation of the Appointments Committee, the Board of Directors asks that the shareholders' meeting renews their terms for a period of three years.

Mr. Amaury de Seze began his career in 1968 with Bull General Electric. In 1978, he joined the Volvo Group, where he held the posts of Chief Executive Officer, Chairman-CEO of Volvo France, Chairman of Volvo Corporate Europe, member of the Executive Committee of the Volvo Group and member of the Strategic Committee of Renault Volvo. He joined the Paribas Group in 1993 as member of the Executive Board of the Compagnie Financière de Paribas and Banque Paribas, in charge of equity holdings and industrial affairs, and as head of the Equity Holdings Division of BNP-Paribas. He served as Chairman of PAI Partners from 1998 to December 2007.

Mr. Bernard Arnault began his career as an engineer at Ferret-Savinel.

In 1974, he became the company's Head of Construction, and then Chief Executive Officer in 1977 and finally Chairman-CEO in 1978. He remained there until 1984, when he became Chairman-CEO of Financière Agache SA and Christian Dior SA.

He embarked on the restructuring of the Financière Agache Group as part of a development strategy based on prestige brands, making Christian Dior the cornerstone of the organization. In 1989, he became the majority shareholder of LVMH Moët Hennessy-Louis Vuitton, thus creating the world's first luxury goods group. He became its Chairman in January 1989.

An engineering graduate of the École Polytechnique and École des Mines, **Mr. Jean-Laurent Bonnafé** joined the BNP Group in 1993 in the Major Accounts Division. After serving as Head of Strategy and Development from 1997, he oversaw the merger process between BNP and Paribas. Since 2002, he has been Head of French Retail Banking, Director of Networks for French Retail Banking and a member of the BNP Paribas Executive Committee. He has been appointed Deputy Chief Executive Officer and has been managing the Group's retail banking business.

Carrefour's former Chief Executive Officer Asia, **Mr. René Brillet** began his career as a radio officer in the merchant navy in 1968. In 1972 he joined Carrefour and held a series of posts, ranging from Senior Accountant in Italy and Brazil, to Store Manager and Head of Organization and Procedures, also while he was in Brazil. In 1981, he moved to Argentina as Executive Director, and then to Spain from 1982 to 1985, and finally to France, which he managed from 1986 to 1995. In 1996, he was appointed Chief Executive Officer for Europe and then Chief Executive Officer for Asia in 1998, a position he held until February 28, 2004.

Pursuant to the recommendations in the AFEP-MEDEF Code of Corporate Governance for listed companies and the recommendations of the Appointments Committee, the Board of Directors decided that Mr. Amaury de Seze and Mr. René Brillet can continue to be considered as independent directors.

Eleventh resolution: buyback programme

Pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, the General Regulations of the Autorité des Marchés Financiers (AMF) and European Commission Regulation no. 2273/2003 of December 22, 2003, the Board of Directors proposes that the shareholders' meeting authorise the board of directors, for a period of 18 months, to buyback and sell the Company's shares, except during a tender offer, in particular to:

- ensure an active market in Carrefour shares through an investment services provider;
- honour the obligations related to stock option plans, free share allocation programmes and any other restricted sharetypes of share allocation or compensation related to the share price;
- proceed with deliveries or exchanges of shares during the exercise of rights attached to marketable securities giving access to the Company's share capital;
- retain them and deliver them at a later date as payment or exchange in connection with external growth operations;
- cancel them;
- or engage in any acceptable market practice that may be recognised by law or by the AMF.

In execution of the last authorization and in relation to the hedging of share-purchase option plans and free-share allocation plans, the Company did not buy any shares during 2013.

As of January 20, 2014 and for a period of twelve months, Carrefour has contracted with Oddo Corporate Finance to implement a liquidity contract applying to Carrefour ordinary shares (ISIN code FR0000120172) that are traded on the regulated market of NYSE Euronext in Paris.

For the implementation of this contract, the following resources have been allocated to the liquidity account:

- Cash: €50,000,000.

This new authorization will be granted for a maximum purchase price per share set at €45, with a maximum number of shares that may be purchased set at 65,649,919 (i.e. nearly 10% of the capital stock as of January 31, 2014).

In accordance with the regulations in force, the Company may not hold, at any given time, more than 10% of the shares comprising its share capital.

The total amount that the Company may use to buyback its own shares may not exceed €2,954,246,355 million.

This authorization will be granted for a period of 18 months from the date of this Shareholders' Meeting.

8.2.2 EXTRAORDINARY RESOLUTIONS

The Board of Directors asks that the shareholders' meeting vote on the following extraordinary resolutions:

Twelth resolution: amendment to the by-laws

The amendment to Article 16 of the Company's Articles of Association is to align the age limit of the Chief Executive Officer, which is set at 65, with that of the Chairman of the Board of Directors, which is set at 70.

Thirteenth resolution: capital reduction through cancellation of treasury shares

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the Board of Directors proposes that the shareholders meeting renew, for a period of 24 months, the authorization granted to the Board on April 23, 2013 to reduce the share capital, on one or more occasions, by cancelling shares already held by the Company and/or shares that it may purchase as part of a share buyback.

The Company did not cancel any shares during 2013.

As provided by law, such a reduction may not exceed 10% of the share capital per 24-month period.

This authorization will be granted for a period of 24 months from the date of this Shareholders' Meeting.

The Board of Directors.

8.3 Resolutions

For consideration by the meeting as an Ordinary General Meeting

First Resolution

(Approval of the corporate financial statements)

The shareholders' general meeting, deliberating under the conditions required for ordinary shareholders' general meetings as to quorum and majority, and having been informed of the Board of Directors' and Statutory Auditors' reports, approves the corporate financial statements for fiscal year 2013 including the balance sheet, the income statement and the notes, as presented, together with the transactions reflected in those financial statements and summarized in those reports.

Second Resolution

(Approval of the consolidated financial statements)

The shareholders' general meeting, deliberating under the conditions required for ordinary shareholders' general meetings as to quorum and majority, and having been informed of the Board of Directors' and Statutory Auditors' reports, approves the consolidated financial statements for fiscal year 2013 including the balance sheet, the income statement and the notes, as presented, together with the transactions reflected in those financial statements and summarized in those reports.

Third Resolution

(Allocation of earnings and setting the dividend; option for payment of the dividend in shares)

The shareholders' general meeting, under the conditions required for ordinary shareholders' general meetings as to quorum and majority, on a proposal from the Board of Directors resolves to allocate the profit for year 2013 which amounts to EUR 1,803,754,407.70:

Profit for fiscal year 2012	EUR 1,803,754,407.70
Statutory Reserves	EUR – 1,960,452.25
Retained earnings	EUR 3,565,810.42
Total distributable profit	EUR 1,805,359,765.87
2013 Dividends	EUR 448,870,199.04
Paid out of	
Distributable profit	EUR 448,870,199.04
Balance of retained earnings	EUR 1,356,489,566.83

The amount of retained earnings after tax for fiscal year 2012 was increased owing to 2012 dividends not paid out on treasury shares.

It is specified, in accordance with current fiscal reglementation, that the total dividend of EUR 448,870,199.04 which represents a dividend of EUR 0,62 per share, before payroll taxes and non final withholding tax of 21% provided for in Article 117 quater of the French General Tax Code, qualifies, for individuals who are French tax residents, for the tax relief equal to 40% of the amount of the dividend in accordance with section 2° of paragraph 3 of Article 158 of the French General Tax Code.

The General Meeting, in accordance with Article L. 232-18 of the French Commercial Code and Article 26 of the articles of association, noting that share capital has been paid up in full, decide to offer each shareholder the option to choose for his/her dividend to be paid either:

- in cash; or
- in new shares of the Company.

The new shares, if the option is exercised, will be issued at a price equal to 95% of the average opening prices listed during the twenty stock market trading sessions on Euronext Paris prior to the date of this shareholders' general meeting, less the amount of the dividend that is the subject of this resolution and rounded up to the nearest euro cent. Such issued shares will immediately be entitled to dividends as of January 1, 2014 and will be part of the share capital of the Company alongside other shares.

Shareholders may opt for payment of the dividend in cash or in new shares from April 24, 2014 to May 15, 2014 inclusive, by sending their request to the financial intermediaries that are authorized to pay the dividend or, for registered shareholders listed in the issuer-registered accounts held by the Company, to its authorized agent (CACEIS Corporate Trust 14, rue Rouget de Lisle - 92862 Issy-les-Moulineaux Cedex 09).

For shareholders who have not exercised their option by May 15, 2014, the dividend will only be paid in cash.

For shareholders who have not opted for a payment in shares, the dividend will be paid in cash on May 28, 2014 after the expiration of the option period. For shareholders who have opted for a dividend payment in shares, the settlement and delivery of shares will take place on the same date.

If the amount of the dividends for which the option is exercised does not correspond to a whole number of shares, shareholders may obtain the immediately higher number of shares by paying the difference in cash on the date they exercise the option, or receive the immediately lower number of shares, with the balance in cash.

The shareholders' general meeting gives full powers to the Board of Directors, with the option of sub-delegation to the Chairman of the Board, in accordance with the conditions provided for by law, in order to make the payment of the dividend in new shares, to specify the terms and conditions of application and implementation thereof, to record the number of shares issued pursuant to this resolution and to make all requisite amendments to the articles of association concerning the share capital and the number of shares that make up the share capital and, in general, to take all requisite action.

It is recalled in accordance with the law, that the dividends paid on each share for the three preceding fiscal years and the income eligible for tax relief under section 2 of paragraph 3 of Article 158 of the French General Tax Code per share, were as follows:

Fiscal year	Gross dividend paid	Dividends eligible for tax relief of 40%
2010	EUR 1.08	EUR 1.08
2011	EUR 0.52	EUR 0.52
2012	EUR 0.58	EUR 0.58

Fourth Resolution

(Approval of regulated agreements referred to in Articles L. 225-38 *et seq.* of the French Commercial Code)

The shareholders' general meeting, deliberating under the conditions required for ordinary shareholders' general meetings as to quorum and majority, having examined the Statutory Auditors' special report on regulated agreements prepared pursuant to Article L. 225-38 *et seq.* of the French Commercial Code, approves the new agreements signed during fiscal year 2013 and at the beginning of fiscal year 2014, referred to therein.

Fifth Resolution

(Advisory opinion on the elements of compensation due or awarded for fiscal year 2013 to Mr Georges Plassat, Chairman and Chief Executive Officer).

The Shareholders' Meeting, consulted pursuant to the AFEP-MEDEF Corporate Governance Code for listed companies, deliberating in accordance with the conditions required for ordinary shareholders' meetings as to quorum and majority, gives a favourable opinion on the elements of compensation due or awarded for fiscal year 2013 to Mr Georges Plassat, Chairman and Chief Executive Officer, as shown in chapter 3 of the Registration Document 2013.

Sixth Resolution

(Ratification of the cooptation of Mr Thomas J. Barrack Jr as Director)

The shareholders' general meeting, deliberating under the conditions required for ordinary shareholders' general meetings as to quorum and majority, ratifies the cooptation of Mr. Thomas J. Barrack Jr as Director, decided at the Board of Directors held on January 15, 2014 in replacement of Mr Sébastien Bazin who resigned, for the remaining period of his office as Director until the shareholders' general meeting called to approve the financial statements for fiscal year 2015.

Seventh Resolution

(Renewal of the appointment of Mr. Amaury de Seze as a Director)

The shareholders' general meeting, deliberating under the conditions required for ordinary shareholders' general meetings as to quorum and majority, renews the term of office of Mr. Amaury de Seze, as a member of the Board of Directors of the Company for a period of three years, until the shareholders' general meeting called to approve the financial statements for fiscal year 2016.

Eighth Resolution

(Renewal of the appointment of Mr. Bernard Arnault as a Director)

The shareholders' general meeting, deliberating under the quorum and majority conditions required for ordinary shareholders' general meetings, renews the term of office of Mr. Bernard Arnault, as a member of the Board of Directors of the Company for a period of three years, until the shareholders' general meeting called to approve the financial statements for fiscal year 2016.

Ninth Resolution

(Renewal of the appointment of Mr. Jean-Laurent Bonnafé as a Director)

The shareholders' general meeting, deliberating under the quorum and majority conditions required for ordinary shareholders' general meetings, renews the term of office of Mr. Jean-Laurent Bonnafé, as a member of the Board of Directors of the Company for a period of three years, until the shareholders' general meeting called to approve the financial statements for fiscal year 2016.

Tenth Resolution

(Renewal of the appointment of Mr. René Brillet as a Director)

The shareholders' general meeting, deliberating under the quorum and majority conditions required for ordinary shareholders' general meetings, renews the term of office of Mr. René Brillet, as a member of the Board of Directors of the Company for a period of three years, until the shareholders' general meeting called to approve the financial statements for fiscal year 2016.

Eleventh Resolution

(Authorization for the Board of Directors to trade in the Company's own shares for a period of 18 months)

The shareholders' general meeting, deliberating under the quorum and majority conditions required for ordinary shareholders' general meetings and having reviewed the report of the Board of Directors, authorizes the Board of Directors, with the option of sub-delegation, to trade in the shares of the Company as provided below, in accordance with Article L. 225-209 of the French Commercial Code, the General Regulation of the French Financial Markets Authority *(Autorité des Marchés Financiers)* and the European Commission's Regulation n° 2273/2003 of December 22, 2003.

The maximum purchase price of the shares is set at EUR 45 per share and the maximum number of shares that may be acquired is 65,649,919 (approximately 10% of the share capital as of January 31, 2014).

The total amount that the Company may allocate to the share repurchase program shall not exceed EUR 2,954,246,355.

In the event of an alteration of the Company's share capital structure, in particular by a share capital increase through the capitalization of reserves, grant of free shares, share split or consolidation, the number of shares and the aforementioned purchase price will be adjusted to take account of the impact of such transactions on the value of the shares.

This authorization intends to allow the Company to use the possibilities of intervention on its own shares, in particular for the following purposes:

- to engage in market making activities with respect to Carrefour shares through an investment services provider, in the context of a liquidity contract conforming to the professional rules approved by the French Financial Markets Authority *(Autorité des Marchés Financiers)*;
- to fulfill any stock option plan in respect of the Company, free share allocation or other forms of allocation of shares or compensation related to the share price, to employees or corporate officers of the Company or a Group company;
- to allot or exchange shares, upon the exercise of rights attached to securities giving access to share capital;
- to keep shares and subsequently use them as payment or as exchange within the scope of acquisitions, mergers, demergers or contributions, and under the limits set by the applicable regulations;
- to cancel shares, subject to the approval by the shareholders' general meeting of the thirteenth resolution, according to the terms and conditions stated therein or any other similar authorization; or
- to engage in any market making activities that may be recognized by law or the French Financial Markets Authority *(Autorité des Marchés Financiers)*.

The shareholders' general meeting resolves that (i) the purchase, sale or transfer of shares may be effected and financed by all means and in one or several installments, on the market, off-market or over the counter, including by use of options, derivatives - including the purchase of options - or securities giving access to shares of the Company, as provided for by the market authorities, and (ii) the maximum number of shares that can be transferred in the form of blocks of shares may be equal to the entirety of the share repurchase program.

The shareholders' general meeting resolves that the Company shall not use this authorization and at the same time continue its repurchase program in the event a public offer on the shares or other securities issued by the Company is made.

The shareholders' general meeting gives full powers to the Board of Directors, with the option of sub-delegation, pursuant to the conditions provided for by law and by the articles of association, to decide upon and implement this authorization, by placing any stock exchange orders, entering into any agreements, carrying out all formalities and declarations (in particular, in accordance with the regulations set out by the French Financial Markets Authority *(Autorité des Marchés Financiers)*), allocate or reallocate the shares acquired for various purposes in accordance with any legal and regulatory requirements, and more generally taking any necessary action for the implementation of this resolution.

This authorization is granted for a period of eighteen months from the date of this General meeting, and supersedes, for the remainder of its on-going validity period the authorization granted by the shareholders' general meeting on April 23, 2013.

For the consideration by the meeting as an Extraordinary General Meeting.

Twelfth Resolution

(Amendment to Article 16 of the Company's articles of association)

The shareholders' general meeting, deliberating under the conditions required for extraordinary shareholders' general meetings as to quorum and majority, after having reviewed the report of the Board of Directors, resolves:

- To amend Article 16 of the Company's articles of association as follows:

Current version:

The Board of Directors appoints, from among its members or otherwise, the Chief Executive Officer, who must be a private individual under the age of 65 and who has the broadest powers to act on the Company's behalf under all circumstances.

The age limit for the position of Chief Executive Officer is 65. The duties of a Chief Executive Officer who reaches this age end following the Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which this age is reached.

When the Company is managed by the Chairman, the provisions of the laws and regulations or bylaws relating to the Chief Executive Officer are applicable to him/her. The Chairman assumes the title of Chairman-Chief Executive Officer and may perform his/her duties until the Ordinary Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which he/she reaches age 65.

Proposed new wording:

The Board of Directors appoints, from among its members or otherwise, the Chief Executive Officer, who must be a private individual under the age of 70 and who has the broadest powers to act on the Company's behalf under all circumstances.

The age limit for the position of Chief Executive Officer is 70. The duties of a Chief Executive Officer who reaches this age end following the Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which this age is reached.

When the Company is managed by the Chairman, the provisions of the laws and regulations or bylaws relating to the Chief Executive Officer are applicable to him/her. The Chairman assumes the title of Chairman-Chief Executive Officer and may perform his/her duties until the Ordinary Shareholders' Meeting called to approve the previous year's financial statements and held during the year in which he/she reaches age 70.

The other provisions of Article 16 remain unchanged.

Thirteenth Resolution

(Authorization granted to the Board of Directors for a period of 24 months, to reduce the share capital by cancelling shares).

The shareholders' general meeting, deliberating under the conditions required for ordinary shareholders' general meetings as to quorum and majority, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, authorizes the Board of Directors, with the option of sub-delegation, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, to reduce the share capital, on one or more occasions, at its sole discretion and at any time it deems appropriate, through the cancellation of shares already held by the Company and/or shares the Company might acquire through a share repurchase program.

As required by law, the reduction may be made on no more than 10% of the share capital during each twenty-four month period.

All powers are granted to the Board of Directors, with the option of sub-delegation, in order to:

- perform and record the capital reduction transactions;
- perform and determine the terms and conditions for the cancellation of shares;
- modify accordingly the Company's articles of association;
- deduct the difference between the carrying value of the cancelled shares and their par value on all reserves or premiums;
- and, generally, take all necessary measures, enter into all agreements and carry out all formalities in order to successfully complete the proposed share capital reduction, record its completion and subsequently amend the Company's articles of association.

This authorization is granted for a period of twenty-four months from the date of this General Meeting. It supersedes the authorization granted by the shareholders' general meeting on April 23, 2013.

8.4 Auditors' special reports

8.4.1 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory Auditors' special reports on regulated agreements and commitments with third parties issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on the regulated agreements and commitments.

It is our duty to inform you, on the basis of the information provided to us, of the main features and terms and conditions of the agreements and commitments of which we were notified or of which we became aware during the course of our assignment. We are not required to determine whether they are useful or appropriate or whether other agreements and commitments exist. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the benefits resulting from these agreements and commitments prior to their approval.

It is also our duty, where applicable, to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code in relation to the implementation during the year, of the agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France for such engagements. These procedures consisted in verifying that the information provided to us was consistent with the source documents from which it was taken.

Agreements and commitments subject to the approval of the Shareholders' meeting

Agreements and commitments authorized during the past year

In accordance with Article R. 225-40 of the French Commercial Code, we have been informed that the following agreements and commitments had received prior approval by the Board of Directors:

Amendments to Syndicated loans with a syndicate of banks of which BNP Paribas is a member

- Person concerned: Jean-Laurent Bonnafé, company director and director of BNP Paribas.
- Nature and purpose: At its meeting on April 17, 2013, your Board of Directors authorized the signing of amendments to syndicated loans with a syndicate of banks of which BNP Paribas is a member.
- Terms and conditions:
  - 1st contract (Revolving Facility Agreement) signed on July 23, 2010, modified by an amendment dated July 19, 2013

    The syndicated loan agreement, as modified, provides now a revolving line of credit in the amount of 1,591 million euros. The term of this loan is 84 months (due July 2017).

    The interest due on the amounts used is calculated based on EURIBOR plus an initial margin of 0.70% and mandatory costs. The initial margin of 0.70% is adjusted on the basis of a credit margin grid depending on the long term credit rating. In addition to interest, a utilization fee is charged based on the portion of the loan used (fee representing from 0.15% to 0.45% of the portion of the loan used).

    If the line of credit is not used, Carrefour must pay a non-utilization fee equal to 35% of the margin (35% of the margin of 0.70% adjusted, if applicable, on the basis of the credit margin grid).
  - 2nd contract (Revolving Facility Agreement) signed on November 21, 2011, modified by an amendment dated July 19, 2013

    The syndicated loan agreement, as modified, provides now a revolving line of credit in the amount of 1,458 million euros. The term of this loan is 84 months (due November 2018).

    The interest due on the amounts used is calculated based on EURIBOR plus an initial margin of 0.75% and mandatory costs. The initial margin of 0.75% is adjusted on the basis of a credit margin grid depending on the long term credit rating. In addition to interest, a utilization fee is charged based on the portion of the loan used (fee representing from 0.15% to 0.45% of the portion of the loan used).

    If the line of credit is not used, Carrefour must pay a non-utilization fee equal to 35% of the margin (35% of the margin of 0.75% adjusted, if applicable, on the basis of the credit margin grid).

- 3rd contract (Revolving Facility Agreement) signed on April 4, 2012, modified by an amendment dated July 19, 2013

  The syndicated loan agreement, as modified, provides now a revolving line of credit in the amount of 1,100 million euros. The term of this loan is 4 years (due April 2016).

  The interest due on the amounts used is calculated based on EURIBOR plus an initial margin of 0.65% and mandatory costs. The initial margin of 0.65% is adjusted on the basis of a credit margin grid depending on the long term credit rating. In addition to interest, a utilization fee is charged based on the portion of the loan used (fee representing from 0.15% to 0.45% of the portion of the loan used).

  If the line of credit is not used, Carrefour must pay a non-utilization fee equal to 35% of the relevant margin (35% of the margin of 0.65% adjusted, if applicable, on the basis of the credit margin grid).

At December 31, 2013, the Company had not drawn on these lines of credit.

Agreements and commitments authorized since the end of the year-end closing

We have been informed that the following agreements and commitments authorized since the year-end closing had received prior approval by the Board of Directors:

Investment agreement with Colony Capital Acquisitions LLC

- Person concerned: Thomas J. Barrack, company director and managing director of Colony Capital LLC, managing company of Colony Capital Acquisitions LLC.
- Nature and purpose: At its meeting on January 15, 2014, your Board of Directors authorized the signing of an investment agreement including Colony Capital Acquisitions LLC.
- Terms and conditions:

  This agreement is intended to define the terms and conditions of the transfer of Carrefour assets and the terms and conditions of investments of Carrefour and other investors, including Colony Capital Acquisitions LLC, in a new company that will include 172 shopping malls originating from:

  - firstly, the acquisition from Klepierre for 2.0 billion euros of 127 sites in France, Spain and Italy with gross annual rental income of around 135 million euros,
  - secondly, the contribution by Carrefour of 45 sites in France with a value of 0.7 billion euros and gross annual rental income of around 45 million euros.

    The company will be financed through 1.8 billion euros in equity, 42% held by Carrefour with the remainder held by institutional investors, as well as through 900 million euros in debt.

    The transaction remains subject to the approval of the relevant regulatory authorities.

Agreements and commitments already approved by the Shareholders' meeting

Agreements and commitments approved during previous years that remained in force during the past year

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by the Shareholders' Meeting during previous years, remained in force during the past year.

Lease of future building located in Massy and owned by the Colony Group

- Person concerned: Sébastien Bazin, company director and Chief Executive Officer of Colony Europe.
- Nature and purpose: At its meeting on October 12, 2010, your Board of Directors authorized the lease of a future office and commercial building located in Massy and owned by Colmabu S.A.S., a subsidiary of Colony Europe.
- Terms and conditions:

  The lease is granted and accepted for a firm term of 12 years and will take effect on the date of completion, scheduled for December 20, 2013. The annual lease payment, excluding taxes and charges, has been adjusted based on the actual number of square meters of leasable floor area to 21,379,815.59 euros.

  This lease payment, payable quarterly in advance, will be indexed to the change in the INSEE construction index. Carrefour has also been granted a rent-free period of 12 months as of the effective date of the lease.

  Consequently, no rent was paid during the financial year ended December 31, 2013.

Agreements and commitments approved during previous years with no effect during the past year

Furthermore, we have been informed that the following agreements and commitments, already approved by the Shareholders' Meeting during previous years, remained in force but had no effect during the past year.

Commitments made by the Company for the benefit of Mr Georges Plassat, Chief Executive Officer, in the event that his duties are terminated

- Person concerned: Georges Plassat, Chief Executive Officer (Chief Operating Officer at the meeting of the Board of Directors held on January 29, 2012).
- Nature and purpose: At its meeting on January 29, 2012, your Board of Directors approved a severance clause for the benefit of the interested party. At its meetings on February 8 and March 7, 2012, the Board of Directors approved the performance conditions under which this severance payment would be made.
- Terms and conditions: In the event of termination of his appointment, except in cases of non-renewal, resignation, involuntary or voluntary retirement or removal for serious misconduct or wrongful act, the Chief Executive Officer will be entitled to receive, under a settlement involving waiver of recourse on his part, a settlement payment in an amount equal to one year's fixed and variable remuneration, if the termination of the appointment as Chief Executive Officer occurs before April 2, 2015.

  The performance conditions to which this settlement is subject are as follows: like-for-like sales targets for 2012 and 2013 respectively achieve at least 98% of like-for-like sales budgeted for 2012 and 2013 and 85% of the recurring operating income targets are achieved or, alternatively, sales and recurrent operating income achieved in 2012 and 2013 increase by 3% and 10% respectively as compared with the previous year.

Commitments made by the Company for the benefit of Mr Georges Plassat, Chief Executive Officer, concerning the supplemental pension plan

- Person concerned: Georges Plassat, Chief Executive Officer (Chief Operating Officer at the meeting of the Board of Directors held on January 29, 2012).
- Nature and purpose: On January 29, 2012, your Board of Directors approved George Plassat's eligibility for the supplemental pension plan.
- Terms and conditions:

  This top-up defined benefit pension scheme is intended for the Group's main executives (Chief Executive Officer and certain key executives) working in France or as expatriates outside of France for at least three years, whose gross annual compensation is more than 16 times France's social security ceiling.

  - The scheme's main features are:
    - a minimum of three years' actual seniority to benefit from the scheme,
    - Benefit paid: 1.5% of benchmark remuneration per year of seniority,
    - recognition of seniority for newly hired persons aged 45 and up (age 45 = 0, age 46 = one year, age 47 = two years etc.), continued rights to the plan if no new position is taken,
    - the benchmark remuneration is calculated on the average of the last three annual remunerations (base salary + bonus), capped at 60 times France's social security ceiling,
    - maximum replacement rate of 50% of benchmark remuneration (all schemes combined),
    - recognition of a maximum 20 years' seniority under the scheme,
    - in case of death, a death benefit for the surviving spouse is provided at 50% of the beneficiary's retirement pension.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, March 18, 2014

French original signed by

MAZARS	*KPMG Audit* *Départment de KPMG S.A.*	*DELOITTE & ASSOCIES*
PATRICK DE CAMBOURG *PIERRE SARDET*	*ERIC ROPERT*	*ARNAUD DE PLANTA* *FRANCISCO SANCHEZ*

8.4.2 STATUTORY AUDITORS' REPORT ON THE CAPITAL REDUCTION THROUGH CANCELLATION OF SHARES

Combined Shareholders' Meeting of April 15, 2014

13th resolution

This is a free translation into English of the statutory auditors' report on the capital reduction through cancellation of shares issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to the duties set forth in Article L. 225-209 of the French Commercial Code governing capital reductions through cancellation of acquired shares, we have prepared this report to provide you with our assessment of the bases for and the terms and conditions of the proposed capital reduction.

Your Board of Directors is requesting that you delegate to it, for a period of 24 months, full authority to cancel, on one or more occasions and up to a limit of 10% of its capital per 24-month period, the shares acquired pursuant to an authorisation that allows the Company to purchase its own shares in accordance with the provisions of the aforementioned article.

We conducted our work in accordance with the professional standards of the National Auditors Association (Compagnie Nationale des Commissaires aux Comptes) applicable to our assignment. This work entailed determining whether the bases for and terms and conditions of the proposed capital reduction, which is consistent with the principle of equality of shareholders, are appropriate.

We have no matters to report as to the bases for and terms and conditions of the proposed capital reduction.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, March 18, 2014

French original signed by

MAZARS	*KPMG Audit Départment de KPMG S.A.*	*DELOITTE & ASSOCIES*
PATRICK DE CAMBOURG PIERRE SARDET	*ERIC ROPERT*	*FRANCISCO SANCHEZ ARNAUD DE PLANTA*

9

ADDITIONAL INFORMATION

9.1 Publicly available documents

Documents concerning the Company and, in particular, its bylaws, financial statements and reports presented to its Shareholders' Meetings by the Board of Directors and the Statutory Auditors may be consulted at the head office at 33 Avenue Émile Zola, 92100 Boulogne-Billancourt, France.

These documents are also available on the Company's website at www.carrefour.com.

9.2 Person responsible for the Registration Document and Annual Financial Report

Mr Georges Plassat, Chairman and Chief Executive Officier.

9.3 Certification by the person responsible for the Registration Document and Annual Financial Report

I hereby certify, having taken all reasonable measures to this end, that the information contained in this Registration Document is, to the best of my knowledge, true and correct, and that there are no omissions that could alter its scope.

I hereby certify that, to the best of my knowledge, the financial statements were prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial situation and income of the Company and of all the consolidated companies, and that the attached management report gives a true and fair view of the changes in the business, results and financial situation of the Company and of all the consolidated companies, as well as a description of the main risks and uncertainties to which they are subject.

I have obtained a letter from the Statutory Auditors stating that they have completed their assignment, which included checking the information concerning the financial situation and the financial statements provided in this document and reading the entire document.

The historical financial information presented in the Registration Document has been subjected to the Statutory Auditors' reports, which contain an observation on page 222 relating to the impact of the first application of the revised IAS 19 «Employee Benefits».

March 24, 2014

Georges Plassat

Chairman and Chief Executive Officer

9.4 Persons responsible for auditing the financial statements and fees

Principal Statutory Auditors

Deloitte & Associés

185 Avenue Charles-de-Gaulle, (92524) Neuilly-sur-Seine Cedex, France

Signatories: Messrs Arnaud de Planta and Francisco Sanchez

Date of initial appointment: Ordinary Shareholders' Meeting of April 15, 2003

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2014.

KPMG SA

3 Cours du Triangle, 92939 Paris la Défense Cedex, France

Signatory: Mr Eric Ropert

Date of initial appointment: Ordinary Shareholders' Meeting of May 9, 1968

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2014.

Cabinet Mazars

61 Rue Henri-Régnault, (92075) Paris La Défense, France

Signatories: Messrs Patrick de Cambourg and Pierre Sardet

Date of initial appointment: Combined Shareholders' Meeting of June 21, 2011

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2016.

Alternate Statutory Auditors

BEAS

7-9 Villa Houssay, (92524) Neuilly-sur-Seine Cedex, France

Date of initial appointment: Ordinary Shareholders' Meeting of April 15, 2003

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2014.

Mr Bernard Perot

32 Rue du 19 Janvier, (92500) Rueil Malmaison, France

Date of initial appointment: Ordinary Shareholders' Meeting of April 28, 2009

Expiration of the current appointment: Appointment expiring during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2014.

Mr Thierry Colin

61 Rue Henri-Regnault, (92400) Courbevoie, France

Date of initial appointment: Combined Shareholders' Meeting of June 21, 2011

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2016.

STATUTORY AUDITORS' FEES (FISCAL YEAR 2012-2013)

	Deloitte & Associés				KPMG				Mazars			
	Amount *(in thousands of euros)*		%		Amount *(in thousands of euros)*		%		Amount *(in thousands of euros)*		%	
Fiscal year	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**
Audit												
Audit of financial statements, certification, review of individual and Consolidated Financial Statements												
Issuer	360	367	12.11	12.33	716	702	7.19	7.31	363	348	3.65	13.25
Fully consolidated subsidiaries	2,018	1,888	67.90	63.42	7,674	7,689	77.10	80.13	2,400	2,037	80.08	77.54
Other work and services directly relating to the Statutory Auditors' assignment												
Issuer	23	0	0.77	0	164	74	1.65	0.77	98	94	0.91	3.58
Fully consolidated subsidiaries	266	21	8.95	0.70	1,210	661	12.16	6.89	51	52	0.51	1.98
Subtotal	2,667	2,276	89.74	76.45	9,764	9,126	98.10	95.10	2,912	2,531	96.93	96.35
Other services provided by the networks to fully consolidated subsidiaries												
Legal, fiscal, labour	305	495	10.26	16.63	69	236	0.69	2.46	3	0	0.03	0.00
Others	0	206	0.00	6.92	120	234	1.21	2.44	0	96	0.89	3.65
Subtotal	305	701	10.26	23.55	189	470	1.90	4.9	3	96	0.92	3.65
TOTAL	**2,972**	**2,977**	**100.00**	**100.00**	**9,953**	**9,596**	**100.00**	**100.00**	**2,915**	**2,627**	**100.00**	**100.00**

9.5 Information included by reference

In accordance with Article 28 of EU Regulation 809/2004 of April 29, 2004, this Registration Document includes by reference the following information, to which the reader is invited to refer:

- for the fiscal year ended December 31, 2012: Consolidated Financial Statements, corporate financial statements and related Statutory Auditors' reports included in the Registration Document filed with the Autorité Des Marchés Financiers (AMF – French Markets Authority) on April 4, 2013 under number D. 13-0289, on pages 153 to 246, 247 to 248, 249 to 268 and 269 to 270 respectively;
- for the fiscal year ended December 31, 2011: Consolidated Financial Statements, corporate financial statements and related Statutory Auditors' reports included in the Registration Document filed with the Autorité Des Marchés Financiers (AMF – French Markets Authority) on March 21, 2012 under number D. 12-0182, on pages 100 to 185, 186 to 206, 247 to 252 and 250 to 252 respectively.

The information included in these two Registration Documents, other than that indicated above, is, where applicable, replaced or updated by the information included in this Registration Document. These two Registration Documents are available under the conditions described in Section 9.1 – *Publicly available documents* of this Registration Document.

9.6 CSR cross-reference tables

GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the Management Report
Strategy and analysis			
1.1	Principle 9	General principle 1	18
1.2		Disclosure 4 and 5	18
Company profile			
2.1		Disclosure 3	1
2.2		Disclosure 1	7
2.3		Disclosure 3	16
2.4		Disclosure 3	IV
2.5		Disclosure 3	2
2.6		Disclosure 3	7
2.7		Disclosure 3	2
2.8		Disclosure 3	2
2.9			6
2.10			35-45-50-52-56-58
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3.2		Disclosure 2	66-70
3.3		Disclosure 2	66-70
3.4		Disclosure 2	3rd cover
3.5		Disclosure 2	18
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3.7		Disclosure 2	66-70
3.8		Disclosure 2	66-70
3.9		Disclosure 2	66-70
3.10		Disclosure 2	66-70
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4.15			18-20
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4.17		Disclosure 5	18-20

GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the Management Report
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EN14	Principle 8		47-51
EN15	Principle 8		49
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EN17	Principle 8		65
EN18	Principles 8 and 9		27-28
EN22	Principle 8		26
Emissions, effluents and waste			
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Labour relations			
Employment			
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Investment and purchasing practices			
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HR2	Principles 1 and 2	General principle 10	29-31
Child labour			
HR6	Principle 5	Employment and labour/ management relations 1.b	29-31

GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the Management Report
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Communities			
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SO10			29-31
Corruption			
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Public policies			
SO5			19
Product liability			
Consumer health and safety			
PR1		Consumer interests 1 and 6	44-47
Labelling of products and services			
PR5		Consumer interests 3	45

Article 225 Grenelle II Law	Page of the Management Report
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b) Work organisation: ▪ organisation of work schedules; ▪ absenteeism.	39-40
c) Employee relations: ▪ Organisation of workplace dialogue, and specifically procedures for notifying, consulting and negotiating with employees; ▪ overview of collective bargaining agreements.	36-37
d) Health and safety: ▪ workplace health and safety; ▪ Overview of the agreements signed with trade unions or staff representatives regarding workplace health and safety; ▪ Workplace accidents, particularly their frequency and severity, as well as occupational illnesses.	37-39
e) Training: ▪ policies implemented with regard to training; ▪ total number of training hours.	41-42
f) Equal treatment: ▪ Measures taken to promote equal treatment of men and women; ▪ Measures taken to promote employment of the disabled and their integration into the job market; ▪ anti-discrimination policy.	34-35
g) Promotion of and compliance with the provisions of the International Labour Organisation's fundamental conventions regarding: ▪ Respect for freedom of association and the right to collective bargaining; ▪ elimination of discrimination in respect of jobs and professions; ▪ elimination of forced or compulsory labour; ▪ effective abolition of child labour.	21 et 29

Article 225 Grenelle II Law	Page of the Management Report
2° Environmental information	
a) General environmental policy:	
▪ organisation of the company to handle environmental issues and, where applicable, procedures for conducting environmental assessments or certifications;	20-26-51
▪ actions taken to train and educate employees regarding environmental protection;	
▪ resources devoted to environmental and pollution risk prevention;	99-100
▪ The amount of provisions and guarantees for environmental risks, provided that this information is not likely to seriously harm the company in the context of pending litigation.	none (scope France)
b) Pollution and waste management:	
▪ measures taken to prevent, reduce or redress any discharge into the air, water or soil that has a serious impact on the environment;	
▪ measures taken with regard to waste prevention, recycling and disposal;	
▪ steps taken to reduce noise pollution and any other form of pollution specific to an activity.	26 et 53 à 56
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▪ energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources;	28-29
▪ land use.	56
d) Climate change	
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▪ adaptation to the consequences of climate change.	
e) Biodiversity protection	
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3° Information regarding sustainable development commitments	
a) Local, economic and social impact of the company's activity:	
▪ on regional employment and development;	57 à 61
▪ on nearby or local populations.	
b) Relations with the people and organisations affected by the company's activities, including integration associations, educational institutions, environmental protection associations, consumer groups and local populations:	
▪ conditions for building dialogue with these people and organisations;	18 à 20
▪ partnership and sponsorship activities.	61 à 63
c) Subcontracting and suppliers:	
▪ attention to social and environmental concerns as a factor in the purchasing policy;	29 à 31
▪ use of subcontracting and consideration of suppliers' and subcontractors' social and environmental responsibility in dealings with them.	59
d) Fair practices:	
▪ actions taken to prevent corruption;	21-22
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e) Other actions taken pursuant to this section 3 to promote human rights.	29 à 31

9.7 Registration Document concordance table

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10.2. Cash flow	122-123, 138	4.2.3, 5.4
10.3. Borrowing terms and financing structure	121-122, 123, 190-192	4.2.2, 4.2.4, 5.6 (Note 32)
10.4. Restrictions on the use of capital	123, 178	4.2.5, 5.6 (Note 26)
10.5. Expected financing sources	123	4.2.6
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15/ Remuneration and benefits		
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16/ Operation of administrative and management bodies		
16.1. Date of expiration of appointments	76-81	3.2.1
16.2. Service contracts binding members of administrative, management and supervisory bodies	76-77	3.2.1
16.3. Information about the Board of Directors' committees	87-89	3.2.3
16.4. Compliance with the corporate governance system in force	76	3.1
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17.2. Profit-sharing and stock options	95-96, 254	3.4.3, 7.2.2
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20.3. Financial statements	133-221, 225-243	-
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20.5. Date of most recent financial information	133-221, 225-243	5.6
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20.7. Dividend distribution policy	129-130	4.5.3
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9.8 Annual Financial Report concordance table

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9.9 Management report concordance table

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French Commercial Code	L. 225-100 and L. 225-100-2	Key non-financial performance indicators relating to the Company's specific activity	64-66	2.3
French Commercial Code	L. 233-6	Significant acquisitions during the fiscal year of equity interests in companies whose head office is located in France	125-126	4.4.2
French Commercial Code	L. 232-1 and L. 233-26	Significant events between the fiscal year closing date and the report preparation date	127	4.4.3
French Commercial Code	L. 232-1 and L. 233-26	Foreseeable change in the situation of the Company and of the Group	124	4.3
French General Tax Code	243 bis	Dividends distributed for the three previous fiscal years and amount of income distributed for these same fiscal years eligible for the 40% tax reduction	129-130	4.5.3
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French Commercial Code	L. 225-100 and L. 225-100-2	Description of the principal risks and uncertainties to which the Company is subject	98-105	3.5
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French Commercial Code	L. 225-100 and L. 225-100-2	The Company's exposure to price, credit, liquidity and, cash flow risks	102-103	3.5.1
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French Commercial Code	L. 225-102-1	Commitments of any kind made by the Company in favour of its corporate officers relating to remuneration, compensation or benefits owed or likely to be owed due to the assumption or termination of or change in these duties or subsequent thereto	91-96	3.4

Reference texts			Page no.	Chapter no.
French Commercial Code	L. 225-184	Options granted to or subscribed or purchased by the corporate officers and each of the top 10 non-executive employees of the Company during the fiscal year, and options granted to all employees, by category	95-96	3.4.3
French Commercial Code	L. 225-185	Conditions under which options may be exercised and held by the executive directors		3.4.2
French Commercial Code	L. 225-197-1	Conditions under which free shares allotted to the executive directors may be held		N/A
French Monetary and Financial Code	L. 621-18-2	Transactions involving the Company's shares carried out by managers and related persons	97	3.4.4
		Information about the Company and capital		
French Commercial Code	L. 225-100-3	Rules applicable to the appointment and replacement of members of the Board of Directors or Management Board and to the amendment of the Company's bylaws	249-250	7.1.4
French Commercial Code	L. 225-100-3	Powers of the Board of Directors or Management Board, including in particular the issue or buyback of shares	86-87, 90, 253	3.2.2, 3.3, 7.2.3
French Commercial Code	L. 225-211	Details of purchases and sales of treasury stock during the fiscal year	253-254	7.2.2
French Commercial Code	R. 228-90	Possible adjustments for securities giving access to capital in case of buybacks of shares or financial operations		N/A
French Commercial Code	L. 225-100	Summary of outstanding delegations of power granted by the Shareholders' Meeting to the Board of Directors or Management Board regarding capital increases	251	7.2.3
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French Commercial Code	L. 225-100-3	Restrictions pursuant to the bylaws on the exercise of voting rights and share transfers or contractual clauses brought to the Company's attention		N/A
French Commercial Code	L. 225-100-3	Direct or indirect interests in the Company's capital known to the Company	255-257	7.3
French Commercial Code	L. 225-102	Report on employee profit-sharing as of the last day of the fiscal year, and proportion of capital represented by shares held by employees under the Company savings plan and by current and former employees under the Company mutual funds	256	7.3.1
French Commercial Code	L. 225-100-3	List of holders of any securities conferring special rights of control, and description of these securities		N/A
French Commercial Code	L. 225-100-3	Control mechanisms provided under an employee share ownership scheme when the rights of control are not exercised by employees		N/A
French Commercial Code	L. 225-100-3	Agreements between shareholders that are known to the Company and which may result in restrictions on share transfers and the exercise of voting rights		N/A
French Commercial Code	L. 225-100-3	Agreements made by the Company that are amended or terminated in the event of a change in control of the Company, unless this disclosure would seriously harm its interests (except in cases of a legal obligation to disclose)		N/A

Reference texts			Page no.	Chapter no.
		Information about the Company and capital		
French Commercial Code	L. 225-100-3	Agreements providing for payments to members of the Board of Directors or Management Board or employees if they resign or are dismissed without real and serious cause or if their employment ends as a result of a tender offer	91-96	3.4
French Commercial Code	L. 464-2	Injunctions or financial penalties for anti-competitive practices		N/A
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French Commercial Code	L. 232-6	Possible changes in the presentation of the financial statements and the valuation methods used		N/A
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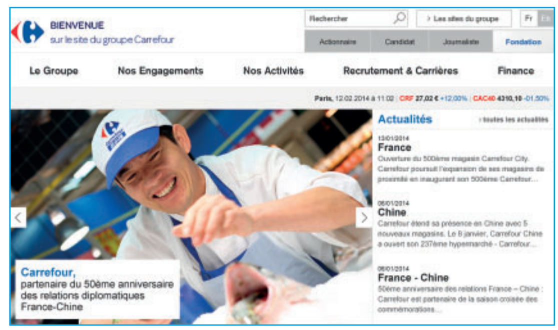

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