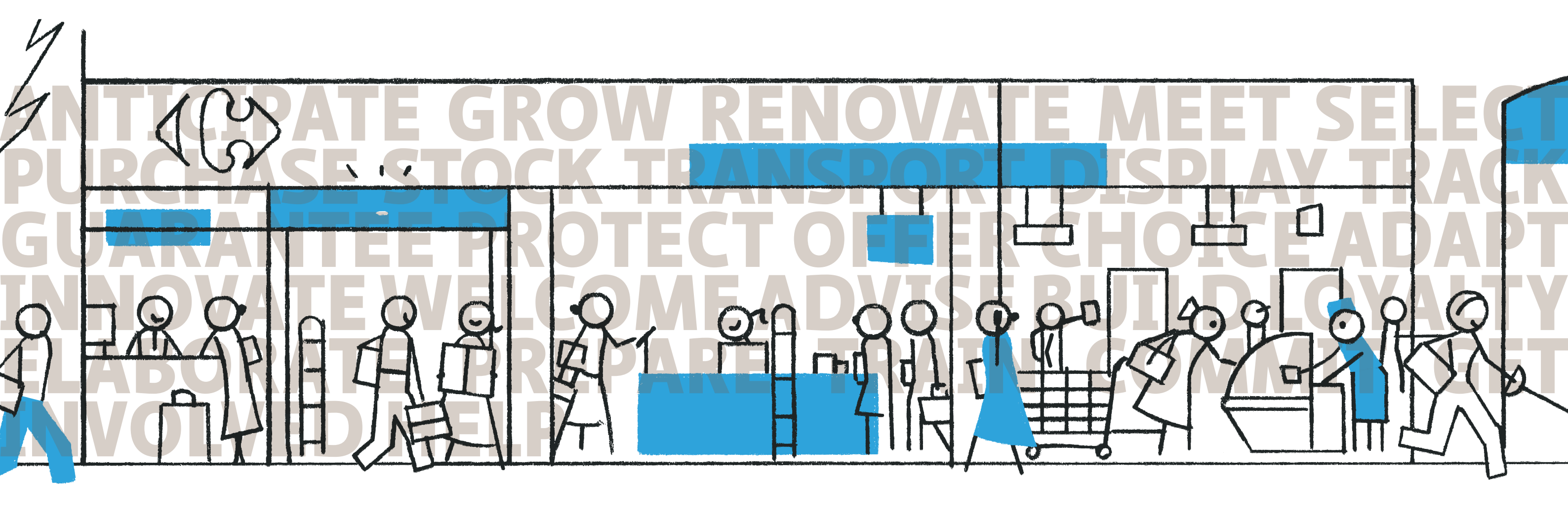
REGISTRATION DOCUMENT

2014 annual financial report



KEY FIGURES
As of December 31, 2014

10,860
STORES IN 33 COUNTRIES

381,227
EMPLOYEES

€100.5 billion
IN SALES (INCL. VAT)
UNDER GROUP BANNERS

12.5
MILLION CHECKOUTS EVERY DAY
IN OUR STORES

€18.6 billion
MARKET CAPITALISATION

OVER
21,000
CARREFOUR QUALITY LINES
SUPPLIERS WORLDWIDE

OVER
100
MILLION CUSTOMERS SHOP
IN OUR STORES WORLDWIDE

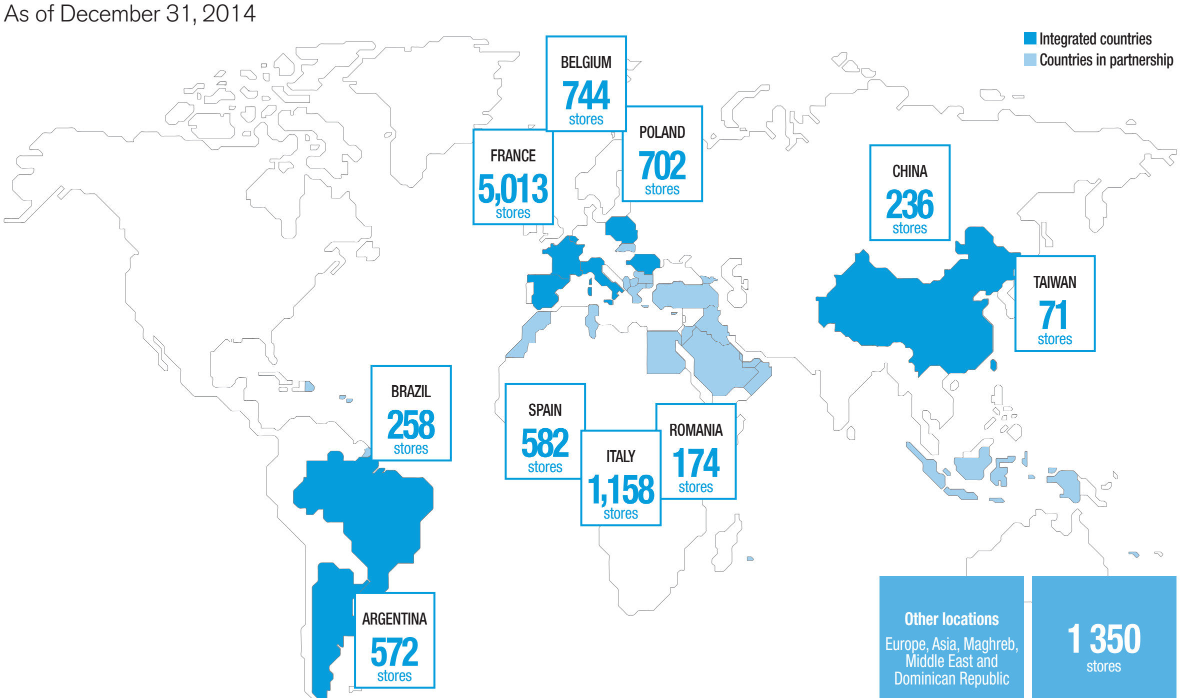
These informations are detailed in the chapters of the present document.

REGISTRATION DOCUMENT

2014 annual financial report

The Carrefour group is the second-largest retailer in the world and the leading retailer in Europe, with over 10,800 stores and 381,227 employees worldwide. As a multi-local, multi-format, multi-channel retailer, Carrefour is a partner for daily life, offering a wide range of products and services at the best prices. Carrefour stores welcome 12.5 million customers every day across the world.

Locations
As of December 31, 2014



AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document has been filed with the Autorité des Marchés Financiers (AMF) on April 24, 2015 in accordance with Article 212-13 of the AMF General Regulations. It may be used to endorse a financial transaction 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.

Contents

PRESENTATION OF THE GROUP

1

1.1 Consolidated key figures

Company profile

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

In 2014, the Group's gross revenue under banners totalled €100.5 billion, up 3.1% at constant exchange rates (+0.4% at current rates). The Group's consolidated sales including VAT stood at €84.0 billion, a 2.9% increase at constant exchange rates. Net sales totalled €74.7 billion. At year-end 2014, the Group had 10,860 stores Group banners, including 1,459 hypermarkets, 3,115 supermarkets, 6,111 convenience stores and 175 cash & carry stores.

In France – where it generates 47% of its sales – Carrefour operates through all retail formats, with 237 hypermarkets, 960 supermarkets, 3,673 convenience stores, and 143 cash & carry stores, as well as an online shopping portal at *www.carrefour.fr.*

Elsewhere in Europe, Carrefour is present in five consolidated countries (Belgium, Spain, Italy, Poland and Romania). These countries account for 26% of its sales and include all retail formats: 401 hypermarkets, 1,250 supermarkets, 1,690 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 19% of its sales through 830 stores – 291 hypermarkets, 169 supermarkets and 370 convenience stores.

Carrefour generates 8% of its total sales in China and Taiwan. The Group counts 298 hypermarkets and 9 supermarkets in Asia, excluding international franchises.

Carrefour also has 1,350 stores operated by franchisee partners in Europe, Asia, North Africa, Middle East and Dominican Republic.

In 2014, Carrefour either opened or acquired 1,128 stores under Group banners - some 657,000 sq.m of additional gross sales area.

2014 consolidated key figures

The key figures for 2014 provided below have been audited by the Group's Statutory Auditors.

The 2012 comparative information provided below ("2012 restated") has been restated in 2013 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.

(in € million)	**2014**	2013	2012 restated	2012 published
Selected financial information from the consolidated income statement				
Net sales	74,706	74,888	75,673	76,789
Recurring operating income before depreciation and amortisation	3,768	3,669	3,642	3,688
Recurring operating income	2,387	2,238	2,124	2,140
Recurring operating income including income from associates and joint ventures	2,423	2,267	2,196	2,212
EBIT	2,572	2,412*	1,537*	1,506*
Net income from continuing operations	1,300	1,058	273	235
Net income from continuing operations – Group share	1,182	949	150	113
Net income	1,367	1,364	1,342	1,316
Net income – Group share	1,249	1,263	1,259	1,233
Selected financial information from the consolidated cash flow statement				
Cash flow from operations	2,504	2,039	2,708**	2,228**
Net cash from operating activities	2,609	1,675	2,459	1,973
Net cash from (used in) investing activities	(3,397)	(855)	337	337
Net cash from (used in) financing activities	(874)	(2,489)	60	546
Net change in cash and cash equivalents	(1,643)	(1,816)	2,724	2,724
Selected financial information from the consolidated statement of financial position				
Net debt	4,954	4,117	4,320	4,320
Shareholders' equity	10,228	8,679***	8,047	8,361
Shareholders' equity - Group share	9,191	7,925***	7,181	7,487

* *Restated due to the reclassification of the income from associates and joint ventures.*
** *Restated due to the reclassification of borrowing cost to financing activities.*
*** *Restated from premature application of IFRIC 21 interpretation.*

These restatements are described in note 4 of the consolidated financial statements.

1.2 Results and highlights of 2014

Carrefour's results in 2014

Carrefour's results in 2014 testifies to the Group's growth momentum. The Group has built on its fundamentals around strong growth levers: a balanced country portfolio, a comprehensive and unique multi-format model, and operational excellence in all of its businesses.

Strong growth in Group earnings

The Group saw further acceleration in sales growth in 2014. Organic sales were up by 3.9%, excluding tax. At current exchange rates, this was a -0.2% change. Recurring operating income rose, both in Europe and in the emerging countries, progressing by +10.6%, at constant exchange rates, to €2.39 billion. Net income from recurring operations, Group share, increased by +24.6%, to €1.18 billion.

France: further growth in profitability

The Group's good performance in France testifies to the strong position in grocery and illustrates the dynamism of the multi-format model. In 2014, organic sales excluding petrol progressed by +1.2% on top of an already positive +1.0% growth in 2013. Growth was seen in all formats in France, for the second consecutive year.

Attractiveness improved across the various formats, with steady improvement in terms of price perception, higher numbers of checkout transactions, and a rise in overall customer satisfaction.

The Group's recurring operating income continued to improve, increasing by 6.1% to €1.27 billion. This increase can be partly attributed to an improved commercial margin related to decreased shrinkage and to gains in logistics. Profitability was solid in all formats.

International: success of the multi-local model

In Europe outside of France, sales stabilised in 2014 after several years of decline. This was supported by the recovery in Spain, improved trends in the second half of the year in Italy, and solid performance in the other countries. Profitability in Europe outside of France increased, with recurring operating income up by +9.6% over 2014.

Brazil and Argentina saw remarkable growth with 18.1% combined organic growth in sales, on a high basis of comparison in 2013. Recurring operating income in Latin America was also up again, by +23.2% at constant exchange rates. Profitability continued to increase across formats in Brazil. In an uncertain economic environment in Argentina, recurring operating income was stable, showing excellent resilience. Carrefour has strengthened its position in Brazil and Argentina as a leading food retailer.

In Asia, organic growth dropped by -1.8% in 2014, reflecting an environment of frugality in consumption in China and lower sales of shopping cards. Carrefour's model in China is evolving to adapt to this context. Commercial margin increased. The activity held up well in Taiwan.

Solid cash flow and increased investment

Cash flow stood at €2.5 billion in 2014, compared with €2.0 billion in 2013. Carrefour continued to invest in order to bring its stores up to standards, modernise and develop its network (€2.4 billion in 2014). The Group significantly strengthened its multi-local and multi-format presence, which contributed to the current balance of its country and activity portfolio. The Group's free cash-flow increased to €306 million in 2014, compared to €26 million in 2013.

Highlights

Carmila

Established in April, this company was created to enhance the value of the shopping centres that are adjacent to Carrefour hypermarkets in France, Spain and Italy. Drawing from Carrefour strategy of returning to its fundamentals, Carmila will participate in recreating a retail ecosystem with better consistency between stores, shopping centres, car parks and their surrounding areas. This strategy's success draws largely from the coordinated renovation, modernisation, and extension of its shopping centres and stores. Carmila owns the premises of 180 shopping centers, accounting for €4.0 billion in total assets. Carrefour owns a 42% stake in the company, which is among Europe's five largest commercial property firms.

Acquisition of DIA in France

With DIA France, Carrefour acquired 800 additional stores, totaling 550,000 sq.m. and €2.3 billion in sales under Group banners in 2013.The transaction was finalised on December 1, 2014, significantly contribute to growth in the multi-format network in France. This acquisition has strengthened Carrefour's network in two key regions — greater Paris and the southeast — will allow the Group to provide customers with a noticeable increase in the number of locations from which they can collect purchases.

Acquisition of 53 supermarkets and 17 convenience stores in Italy

The 53 supermarkets "Billa" total 58,000 sq.m. and accounted for approximately €300 million in sales in 2013, excluding tax. They began to be consolidated in the fourth quarter of 2014. Carrefour also acquired 17 convenience stores "Il Centro". These transactions have reinforced the Group's multi-format strategy.

Strengthening of local ties in Brazil

In December 2014, Carrefour welcomed Península into the capital of its subsidiary in Brazil, with Península taking a 10% stake. The transaction allows Carrefour to benefit from its new shareholder's recognised experience in the local retail industry in order to further develop its multi-format model.

Purchasing cooperation agreement between Carrefour and Cora / Match supermarkets

This agreement establishes a long-term partnership, with no equity ties. It will enable the partners to improve competitiveness of their banners for the benefit of consumers. The partnership took effect on January 1, 2015.

1.3 Activities and strategy

Company profile

Second-largest retailer in the world and the leading retailer in Europe, Carrefour has 381,227 employees worldwide. With 10,860 stores in more than 30 countries, the Group generated €100.5 billion in sales under Group banners in 2014.

As a multi-local, multi-format, multi-channel retailer, Carrefour is a partner for daily life. It welcomes €12.5 million customers every day across the world.

1.3.1 A multi-format and multi-channel retailer

Under its different banners and formats, Carrefour has all the resources to cater to the different needs of its customers – whether they live in an urban or rural environment, are individuals or professionals, in France or abroad.

Worldwide, the Group's stores offer 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; drive and e-commerce - designed to meet evolving customer trends.

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 (consumer goods, fresh produce, local products, etc.) and non-food (clothing, electronic, decorative and cultural goods, etc.). Around the world, Carrefour's hypermarkets strive to provide high quality and to protect customers' purchasing power by offering low prices year-round. Customer satisfaction is also bolstered by frequent promotions and events introducing new products, price offers, or the diverse range of services on hand.

In some markets, the Group is also developing stores open both to professionals and individual customers, offering products sold at wholesale prices, presented on palettes and in large quantities. The Atacadão banner, for example, is continuing to expand in Brazil and in Morocco, as is Carrefour Maxi in Argentina.

At year-end 2014, Carrefour had 1,459 hypermarkets under Group banners, with 237 in France, 489 in the rest of Europe, 291 in Latin America, 375 in Asia, and 67 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 food shopping in urban and 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, many events and innovations were also introduced to improve customer satisfaction and loyalty in 2014.

At year-end 2014, Carrefour had 3,115 supermarkets under Group banners, with 960 in France, 1,819 in the rest of Europe, 169 in Latin America, 19 in Asia, and 148 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 services that meet their needs, from budget meals to everyday essentials, express check-out lines for a quicker shopping trip, 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 2014, Carrefour had 6,111 convenience stores, with 3,673 in France, 2,035 in the rest of Europe, 370 in Latin America, and 33 in other countries.

Cash & carry stores

Cash & carry stores offer professional restaurant and shop owners a broad selection of food and non-food products at wholesale prices, along with a range of services tailored to meet their needs: opening hours designed around the food industry, delivery options, loyalty programmes, etc. In France, for example, Promocash is the leading franchised cash & carry network with 143 sales outlets.

At year-end 2014, Carrefour had a total of 175 cash & carry stores, with 143 in France, 19 in the rest of Europe, and 13 in other countries.

Multi-channel retail

In 2014, 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. Every day in France, for example, the *carrefour.fr* and *ooshop.fr* websites win over new customers. In all areas, Carrefour is developing solutions to ease the shopping experiences of its customers, expanding the number of drives, for example, which totalled 438 in France at year-end 2014. The click&collect service for non-food products was also launched in 2014, so that customers can use the full Carrefour network (hypermarkets, supermarkets, convenience stores) for collection of their orders.

In line with market maturity, Carrefour is also developing several mobile solutions, making it possible, for example, for customers to shop *via* their mobile phones. Carrefour is also increasing its social media presence so that customers can be up to date on news and exclusive promotions.

1.3.2 A multi-local retailer

With 10,860 stores in over 30 countries, Carrefour is one of the world's leading retailers. It currently operates in mainland France and its overseas territories (46% of its store network), elsewhere in Europe (40%), in Latin America (8%), in Asia (4%), and in other regions such as North Africa and the Middle East (2%), through a network of consolidated and franchised stores, and stores that it runs with local partners.

In each country, each region, each city, Carrefour stores offer convenience by staying closely attuned to their customers' needs and consumption habits. They succeed in doing so all the more because they contribute actively to the vitality and development of the community, partnering with regional producers, creating jobs, sponsoring and organising events, and contributing to economic, environmental and social projects initiated by local players. In the eyes of Carrefour, this is the entire purpose and benefit of a multi-local approach: locally rooted stores that are responsive and attentive to their customers, with the support, logistics and leverage of an international retail Group.

STORES *(INCLUDING FRANCHISES AND PARTNERS)*

	Number of stores as of December 31		Sales area *(in thousands of sq.m.)*	
	2013	2014	2013	2014
Total France	**4,779**	**5,013**	**5,071**	**5,189**
France	**4,670**	**4,900**		
Hypermarkets	221	223		
Supermarkets	920	931		
Convenience stores	3,392	3,607		
Cash & carry stores	137	139		
French partnerships (overseas territories)	**109**	**113**		
Hypermarkets	13	14		
Supermarkets	29	29		
Convenience stores	66	66		
Cash & carry stores	1	4		
Total Rest of Europe	**3,945**	**4,362**	**5,539**	**5,753**
Belgium	**729**	**744**	**925**	**927**
Hypermarkets	45	45		
Supermarkets	438	439		
Convenience stores	246	260		
Spain	**456**	**582**	**1,733**	**1,770**
Hypermarkets	172	174		
Supermarkets	118	123		
Convenience stores	166	285		

	Number of stores as of December 31		Sales area *(in thousands of sq.m.)*	
	2013	2014	2013	2014
Italy	**1,125**	**1,158**	**1,018**	**1,065**
Hypermarkets	58	59		
Supermarkets	394	456		
Convenience stores	654	624		
Cash & carry stores	19	19		
Poland	**635**	**702**	**619**	**636**
Hypermarkets	88	96		
Supermarkets	139	138		
Convenience stores	408	468		
Romania	**162**	**174**	**246**	**271**
Hypermarkets	25	27		
Supermarkets	81	94		
Convenience stores	56	53		
Partnerships in other European countries	**838**	**1,002**	**998**	**1,085**
Hypermarkets	87	88		
Supermarkets	486	569		
Convenience stores	265	345		
Total Latin America	**762**	**830**	**2,088**	**2,173**
Argentina	**521**	**572**	**655**	**665**
Hypermarkets	77	78		
Supermarkets	128	128		
Convenience stores	316	366		
Brazil	**241**	**258**	**1,434**	**1,508**
Hypermarkets	200	213		
Supermarkets	41	41		
Convenience stores	0	4		
Total Asia	**388**	**394**	**2,739**	**2,757**
China	**236**	**236**	**1,848**	**1,846**
Hypermarkets	236	236		
Taiwan	**69**	**71**	**431**	**433**
Hypermarkets	62	62		
Supermarkets	7	9		
Partnerships in other Asian countries	**83**	**87**	**460**	**479**
Hypermarkets	73	77		
Supermarkets	10	10		
Total Partnerships in other regions	**226**	**261**	**712**	**761**
Hypermarkets	64	67		
Supermarkets	126	148		
Convenience stores	24	33		
Cash & carry stores	12	13		
TOTAL	**10,100**	**10,860**	**16,149**	**16,633**
Total Hypermarkets	1,421	1,459	10,519	10,674
Total Supermarkets	2,917	3,115	3,918	4,123
Total Convenience stores	5,593	6,111	1,306	1,418
Total Cash & carry stores	169	175	406	417

1.3.3 A broad selection of quality products at the best prices

Products are the heart of Carrefour's business. Product offer is based on three unchanged principles: a wide selection, the lowest prices and the highest possible quality. To cater to the needs of customers throughout the world, Carrefour refines the offer to provide a variety of fresh produce, products from local suppliers, national brand products and Carrefour brand products, essential non-food items, the best innovations and daily retail services.

Fresh produce

A major source of appeal for stores, fresh produce involve all the efforts and expertise of employees. In all formats, Carrefour offers a wide range of high-quality fresh produce in a carefully designed environment to give customers a more enjoyable shopping experience: generous market stalls, products within easy reach, and regional products. Throughout the world, Carrefour is also developing eco-friendly local supply channels. Today, Carrefour offers more than 550 Carrefour Quality Lines to its customers, drawing from long-standing partnerships with farmers, breeders and producers.

Local products

Carrefour has always given priority to products sourced locally, *i.e.* products from the country in which they are sold, to support development of the local economy. As a result, nearly 75% of all Carrefour food products comes 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 consumer goods

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

The non-food departments are organised into categories meeting customers' basic needs: household goods and general merchandise, apparel and home appliances (photo, sound and multimedia equipment). Carrefour products and national brands 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 store car parks and meet customer needs with the same commitment: quality products at the best prices.

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.

Carrefour can also offer its customers finance, savings and insurance services in more than 950 of its branches and financial service stands throughout the world. Located right next to hypermarkets, the Group's agencies and financial 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

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

In 2014, Carrefour either opened or acquired 1,128 new stores under Group banners - some 657,000 sq.m of gross additional sales area. As of the end of 2014, the Carrefour group had 10,860 stores under banners in more than 30 countries.

In 2014, Carrefour posted net sales of €74.7 billion – up 2.9% on the previous year at constant exchange rates. The increase was due to:

- +2.8% growth in like-for-like store sales – the best performance achieved in 7 years;
- organic growth in sales (excluding petrol) at +3.9%, an increase over 2013;
- a negative effect of 1.1% from petrol;
- a negligible impact from acquisitions/disposals during the year.

Changes in exchange rates (mainly the depreciation of the Brazilian reais and the Argentinian peso) had a 3.1% unfavourable effect on consolidated sales, reflected in a 0.2% decrease in sales in 2014 at current exchange rates.

Recurring operating income rose by 10.6% at constant exchange rates (by 6.7% at current exchange rates) to €2.39 billion. This increase is due to a sharp rise in recurring operating income in Latin America (+23.2% at constant exchange rates) and in Europe outside of France (+9.6%).

In total, recurring operating income equalled 3.2% of sales, an increase of 20 basis points over 2013.

The Group continued to step up its investments in 2014, as planned, which increased by 11.7% over 2013, totalling €2.4 billion for the year.

Carrefour in France

In France, Carrefour is the leading food retailer across all formats. In 2014, the Group had 5,013 stores under banners in four different formats: 237 Carrefour hypermarkets, 960 supermarkets, 3,673 convenience stores operating under the City, Contact, Montagne, Express, 8 à Huit and Proxi banners, and 143 cash & carry stores operating under the Promocash banner. The Group has a total of 812 consolidated stores - 213 hypermarkets, 514 supermarkets, 79 convenience stores and 6 cash & carry stores.

In 2014, Carrefour in France either opened or acquired 341 stores under Group banners - including 3 hypermarkets, 12 supermarkets, 321 convenience stores and 5 cash & carry stores, representing a total of some 132,000 sq.m. of gross sales area.

In 2014, France saw renewed growth, with organic sales excluding petrol climbing +1.2% across all formats. Hypermarkets saw a +0.1% growth in organic sales excluding petrol (-0.1% in like-for-like), supermarkets grew by 1.2% (+1.6% in like-for-like), and the other formats, mainly convenience stores, by +6.6% (+6.1% in like-for-like). Attractiveness improved across all formats, with steady improvment in terms of price perception, higher numbers of cash transactions, and an increase in overall customer satisfaction in both hypermarkets and supermarkets.

The positive impact of remodeling projects continued, with a total of 87 hypermarkets and approximately 200 supermarkets renovated since 2013 (38 hypermarkets and approximately 100 supermarkets in 2014). France continued its projects aimed at overhauling the supply chain and IT rationalization, as well as its action plans launched in 2012.

Recurring operating income, which totalled €1.3 billion, rose by +6.1% - an increase of 20 basis points in operating margin, to 3.6% of sales. Over two years in France, the recurring operating income increased by close to 38%, equivalent to a growth of 100 basis points as a percentage of sales in comparison to 2012. The increase was due to:

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

In France, operational investments totalled €1.04 billion (including €51 million related to global functions). This figure is up 0.7% over 2013, due largely to a "catch-up" in remodelling and maintenance investments. These accounted for 2.9% of sales, roughly the same percentage as in 2013.

Carrefour in other European countries

In the rest of Europe, Carrefour operates 4,362 stores under banners as of the end of 2014. These include 489 hypermarkets, 1,819 supermarkets, 2,035 convenience stores and 19 cash & carry stores. Carrefour operates in 5 consolidated countries and the network includes 1,267 stores (392 hypermarkets, 643 supermarkets, 213 convenience stores and 19 cash & carry stores).

Over the year, Carrefour opened or acquired 663 stores under banners in Europe – an additional 298,000 sq.m of gross sales area including 9 hypermarkets, 213 supermarkets and 441 convenience stores.

Net sales in Europe totalled €19.2 billion in 2014, a drop of 0.2% at current exchange rates. Organic growth in sales showed a clear improvement in the first half of the year, particularly in Spain, where the recovery continued with like-for-like growth for the first time since 2008.

Over the year, the gross margin improved with constant attention to price positioning. Growth in operating costs was contained. Recurring operating income totalled €425 million.

Profitability improved during the second half, with the operating margin up by 30 basis points to 3.8% 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 retailer, and the leading operator of hypermarkets. As of the end of 2014, its stores under banners included 174 hypermarkets, 123 supermarkets and 285 convenience stores. Net sales totalled €7.8 billion, broadly unchanged.

Carrefour has been present in Italy since 1993 and now 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 59 hypermarkets, 456 supermarkets, 624 convenience stores and 19 cash & carry stores in Italy. Net sales totalled €4.7 billion – a 1.7% drop in total.

In Belgium, Carrefour is one of the three largest grocery retailers thanks to its multi-format presence: 45 hypermarkets, 439 supermarkets, and 260 convenience stores. Net sales stood at €4.0 billion – roughly stable compared to 2013.

Carrefour directly operates in two other countries, Poland and Romania, with combined net sales of €2.7 billion, up 2.4%. Carrefour has been operating in Poland since 1997, with a network of stores under Group banners which includes 96 hypermarkets, 138 supermarkets and 468 convenience stores. Carrefour has been operating in Romania since 2001, managing 27 hypermarkets, 94 supermarkets and 53 convenience stores.

The Group is also present in other European countries through various partnerships, including Greece, Cyprus, the Balkans and Turkey. In these countries, the Group has 88 hypermarkets, 569 supermarkets and 345 convenience stores under banners.

Operational investments in Europe totalled €536 million in 2014 – up 31% compared with 2013 – representing 2.8% 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 830 stores in total, including 291 hypermarkets, 169 supermarkets and 370 convenience stores. In 2014, the network grew to include 13 new Atacadão stores and 4 convenience stores in Brazil, along with one new Carrefour Maxi store and 51 convenience stores in Argentina. These new stores account for an additional 84,000 sq.m of sales area.

In Latin America, organic sales were up sharply at +18.1%, on an already high basis of comparison in 2013 (+12.3%). A unfavorable currency effect over the year resulted in a sales increase of +0.8% at current exchange rates. With recurring operating income of €685 million in 2014, profitability continued to improve over the year in the region, driven not just by store performance, but also that of financial services. Good control of operating costs combined with increased commercial margin also helped growth in profits.

In Brazil, Carrefour is the leader in grocery retail. The Group operates 102 hypermarkets, 111 Atacadão stores and 41 supermarkets there as of year-end 2014. Net sales in Brazil totalled €11.1 billion, an increase of 12.2% at constant exchange rates. Performance was excellent across all formats: hypermarkets continue to see improvement, and the Atacadão banner is strengthening its leadership position as it continues to expand. Carrefour opened its first Express convenience stores and its first Supeco banner stores in Brazil in the fourth quarter.

Carrefour has been present in Argentina since 1982 and is the leader in grocery retail thanks to its multi-format presence. The Group manages 74 hypermarkets, 4 Carrefour Maxi stores, 128 supermarkets, and 366 convenience stores. Net sales totalled €2.7 billion – up 37.6% at constant exchange rates and down 6.4% at current exchange rates on the previous year. Argentina showed strong performance in a context of regulated prices.

Operational investment in Latin America totalled €622 million in 2014, representing 4.5% of sales, versus 3.3% in 2013.

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).

The Group has a total of 394 stores under banners, including 375 hypermarkets and 19 supermarkets.

Over the year, the Group added 16 stores to its network – 13 hypermarkets and 3 supermarkets. These new stores have added an additional 87,000 sq.m of sales area.

Net sales in Asia fell by 1.9% at constant exchange rates (by -2.4% at current exchange rates), to €6.3 billion. Recurring operating income totalled €97 million for a margin of 1.5%, a decrease of 50 basis points compared with 2013. Commercial margin increased. Operating costs reflected wage inflation of the lowest salaries in a context of lower sales in China.

Carrefour has been present in China since 1995 and is one of the leading players in grocery retail. The Group continues to build a long-term position, opening 9 new hypermarkets for a total of 236 stores at year-end 2014. Net sales in China totalled €4.9 billion – down 2.0% at constant and current exchange rates.

Carrefour is the leading hypermarket operator in Taiwan. The network includes 62 hypermarkets and 9 supermarkets. Sales have dipped slightly in the country at constant exchange rates.

The Carrefour banner is also present in Indonesia as franchises, with its partner operating 77 hypermarkets and 10 supermarkets.

Operational investment in Asia totalled €214 million in 2014, representing 3.4% of sales, broadly in line with 2013.

Other regions

Carrefour also has 261 stores that it operates with local franchisee partners throughout the world (in North Africa, the Middle East, and the Dominican Republic) in different formats: 67 hypermarkets, 148 supermarkets, 33 convenience stores, and 13 cash & carry stores.

1.4 Tangible fixed assets

For Carrefour, tangible fixed assets mainly include sales areas operated by the Group. At the end of December 2014, the Group was operating 16.6 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, 2014, on pages 171 to 174 of this document.

In 2014, Carrefour continued to invest in upgrading its assets. The Group is proceeding with several remodeling plans across formats. In France, for example, Carrefour renovated 38 hypermarkets and 100 supermarkets in 2014, for a total of 87 hypermarkets and 200 supermarkets renovated since 2013, respectively accounting for 37% and 21% of its total French stores. In Brazil, 18 hypermarkets out of a total of 102 stores have been updated since the programme was launched. Renovations began in other countries as well, particularly in China.

Since Carmila was established, in which Carrefour owns a 42% stake, hypermarket renovation and modernisation projects have occurred in conjunction with those underway at adjoining shopping centres, the aim being to improve the consistency and efficacy of the retail ecosystem.

1.5 Intellectual property

Carrefour owns a number of international brands. The national product brands are the property of the subsidiary which uses them.

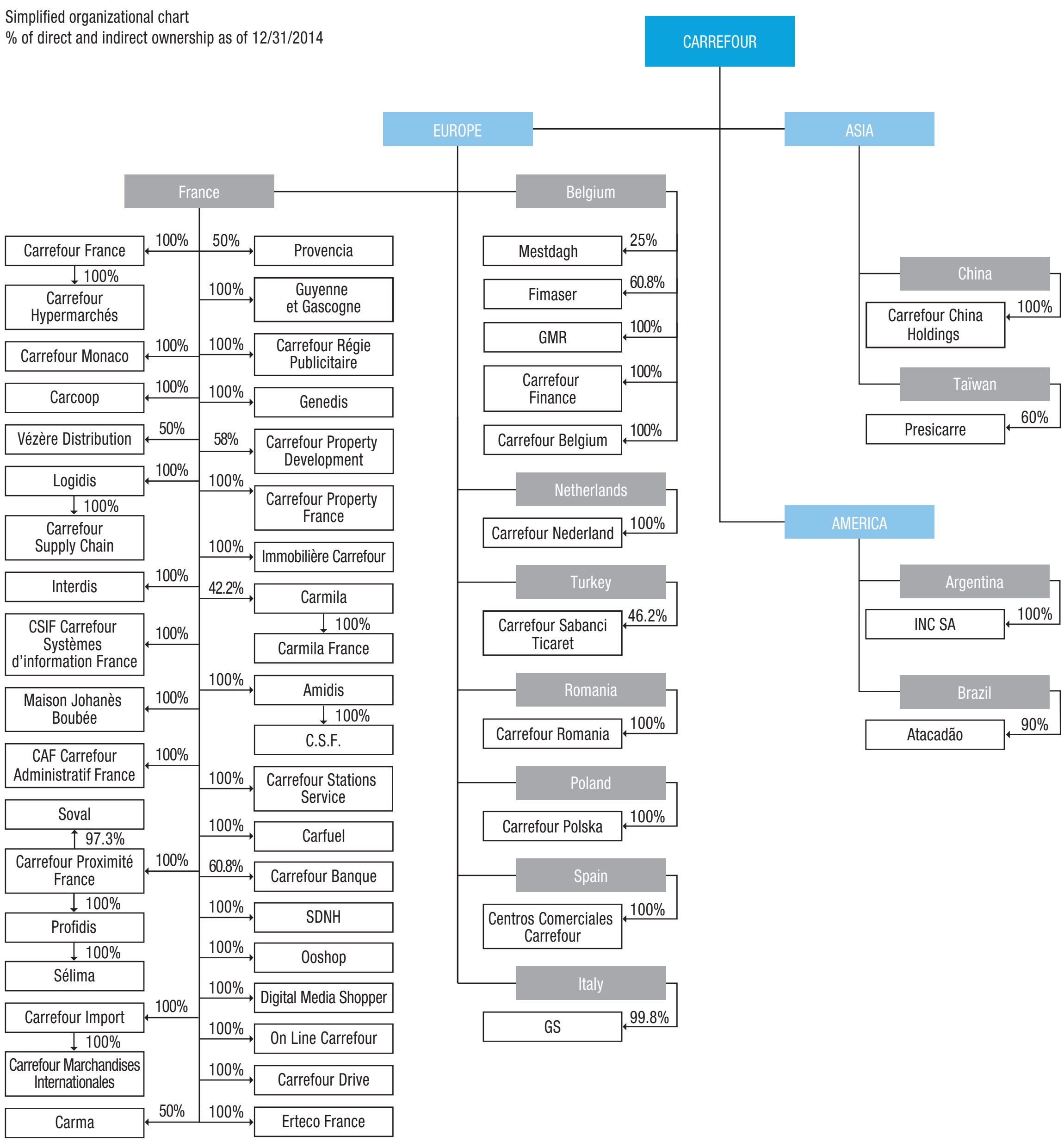
Carrefour Legal department registers and renews brands, monitors them and defends Carrefour's rights against any third parties.

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 friendly takeover bid/tender offer for Comptoirs Modernes in October.
1999	Carrefour launches a friendly public echange 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 first Carrefour hypermarket opens in Japan.
2001	Carrefour disposes of its 73.89% stake in Picard Surgelés. Carrefour takes over management of its Norte subsidiary (139 supermarkets) in Argentina. Carrefour disposes of its 42% stake in Cora. The Group begins operating in Romania.
2002	The Group speeds up roll-out of the Carrefour banner at international level.
2003	Paul-Louis Halley, one of the founders of Promodès, is killed in a plane crash.
2004	Strong organic growth: 914 new stores created, including 793 abroad.
2005	Disposal of hypermarkets in Mexico and Japan. Carrefour increases its stake in Hyparlo. Carrefour acquires Penny Market from German group Rewe and sells Prodirest, its collective catering subsidiary.
2006	Withdrawal from 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. Renewal of the partnership with Guyenne & Gascogne.
2010	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 friendly 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 its 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. Carrefour celebrates the 50th birthday of its first hypermarket in France with its customers.
2014	Creation of the Carmila company aimed at enhancing the shopping centres adjacent to Carrefour hypermarkets in France, Spain, and Italy. Incorporation of 128 Coop Alsace convenience stores in France. Acquisition of more than 800 Dia stores in France. Acquisition of 53 Billa supermarkets and 17 Il Centro stores in Italy. Península becomes shareholder of a 10% stake in the capital of Carrefour's subsidiary in Brazil. Carrefour France and Cora/Supermarchés Match sign a purchasing cooperation agreement.

1.7 Organisational chart



SOCIAL RESPONSIBILITY

2

2.1 CSR at Carrefour

In 2014, Carrefour's approach to CSR focused on stepping up the CSR acceptance by the businesses and the implementation of projects in various countries, at the initiative of the country management teams, to reflect the three components of Carrefour's CSR strategy.

Highlights of 2014 included:

- each country accepting the results of the CSR projects implemented in 2014, which were presented at a meeting of all country directors on 3 February 2015. The countries proposed projects to reflect the three components of Carrefour's strategy;
- a transition to an "integrated report" by including a tool to consolidate extra-financial data into the Group's new financial consolidation tool and having an expert third party conduct a practicality test;
- renewing the CSR strategy to improve prevention of human rights abuses and developing an action plan that goes beyond performing audits and applying corrective measures;
- in 2014, the benefits from the projects initiated in 2013 reported in Carrefour's Waste Reduction Plan. The Group's countries strove to build on the results of existing projects to effectively manage distribution costs (markdown, transportation, energy, etc.) and start new projects (packaging, food industries, supplier involvement, etc.). This included running campaigns to educate customers about food waste;
- in November, signing a set of shared principles for accountability in relationships between companies across the food industry, as a preamble to the Responsible Supplier Relations certification;
- receiving multiple prizes and awards recognising company Carrefour CSR policy and actions in areas including waste reduction, diversity, and innovation.

2.1.1 Carrefour's mission

"Doing our job well" at Carrefour means provide high-quality products to our customers ; act and invest to limit the depletion of our natural resources ; guarantee the sustainability of our offer.

This commitment is endorsed by of the women and men who work for Carrefour ; the focus is on three main areas:

- working to eliminate all forms of waste ;
- protecting biodiversity ;
- providing support to the company's partners.

2.1.2 Developing the approach

2.1.2.1 2012-2013: An approach based on the ISO 26000 standard

In 2012, Carrefour embarked on a methodical approach based on the ISO 26000 standard to identify the social responsibility issues it faces.

The Group uses two complementary methods: the analytical method and the stakeholder method.

The first is based on identifying and ranking challenges according to the ISO 26000 standard (based on the criteria of performance and importance). By analysing the seven central questions of this standard and their 36 associated action areas, the analytical method revealed a list of nearly 300 issues in 2012 and 450 in 2013. In 2014, Carrefour corroborated its approach with a practicality test (see below).

The second, recommended by the ISO 26000 standard, takes into account the views of stakeholders in identifying CSR priorities. This ongoing dialogue, which takes place throughout the year with the various stakeholders, receives special attention at stakeholder meetings each year (see page 23). Carrefour's method of dialogue consists of soliciting the opinions of those stakeholders with the greatest expertise in a given area to determine the specific actions to take over the short or medium term.

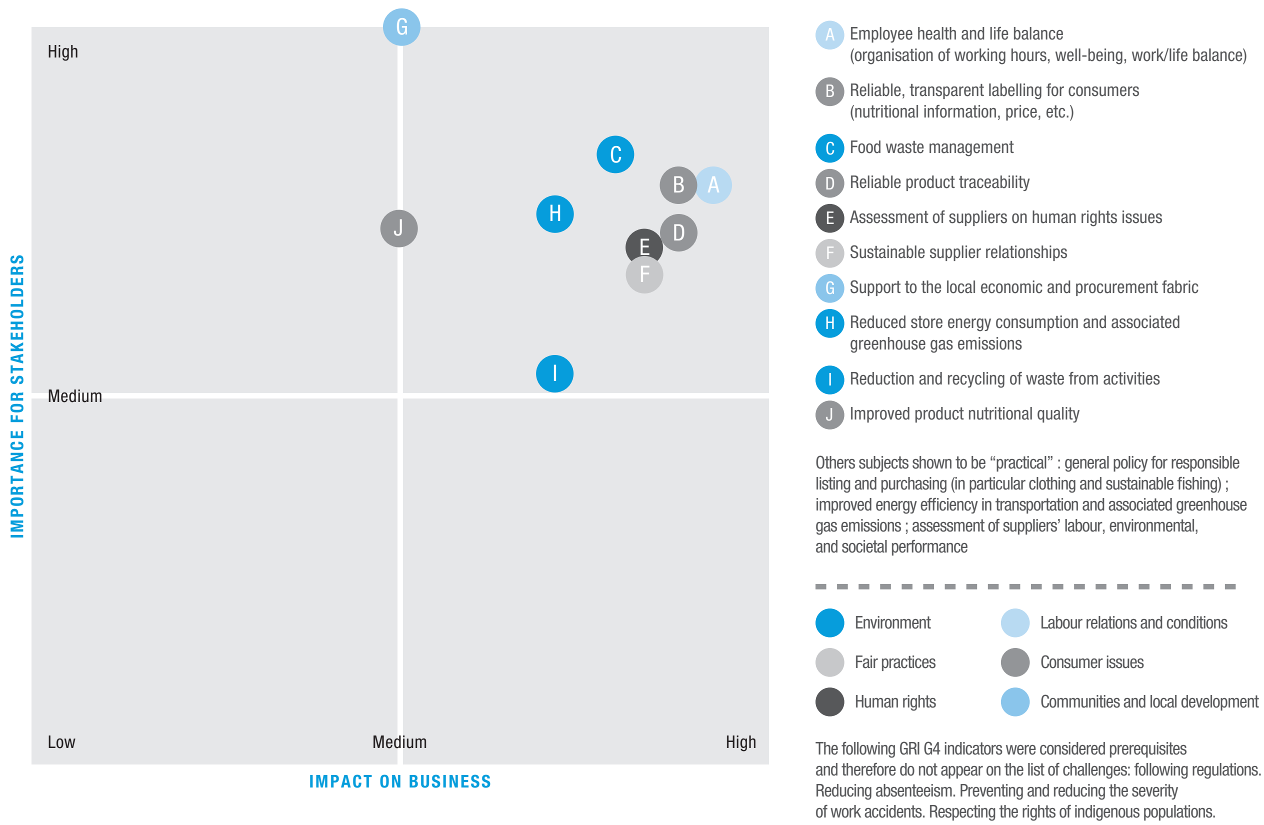
2.1.2.2 2014: A practicality test to validate the approach

Analysing the practicality of CSR challenges consists of defining the Group's priorities based on its business, the benefits to stakeholders, and its capacity to act on a particular issue. This involves analysing the external and internal factors related to challenges and opportunities that affect Carrefour, such as regulations, stakeholder expectations, and sector-specific practices.

The aim of the practicality test was to compare internal perceptions (based on the analytical and stakeholder methods described above) with an external perspective. It was conducted by KPMG using a three-step method:

- reviewing the literature for significant challenges in the retail sector based on analysis of Carrefour's publications, a benchmark of non-financial reporting and communications practices in the retail sector, and analysis of media coverage and the main references;
- gathering opinions from a panel of stakeholders at Carrefour. Five internal Carrefour employees (store, property, purchasing, and the Sustainable Development department) and ten external persons (extra-financial investors, consumer representatives, NGOs, and trade unions) were chosen and then interviewed in person or over the phone using a questionnaire to determine their expectations. Carrefour chose to hire an external third party to gather this information so as not to influence the opinions of the stakeholders;
- classifying the challenges based on the consultant's practicality rubric (70 challenges in total). Each challenge is classified according to its financial and regulatory impact on investor confidence, customer loyalty, employee satisfaction and reputation.

The 10 challenges that were shown to be "practical" were:



This analysis shows that Carrefour's CSR approach is effectively aligned with the practical challenges identified: tackling wastage and protecting biodiversity were among the most practical challenges. Carrefour and its stakeholders also share the same opinion on challenges related to supporting partners: promoting human rights and supporting the local economic fabric both emerged as practical challenges.

Carrefour plans to build upon the practicality test by asking a panel of stakeholders who were not already involved in 2014 to give their opinions on this mapping.

2.1.2.3 2014: assessing country risks as part of a CSR approach

Risk assessment provides essential input when developing and updating our CSR approach.

Within the Carrefour group, the mechanism for identifying and addressing risk factors has multiple levels and includes CSR-related risks (environmental, labour, and societal risks).

The Group's approach to mapping risks is organised around 23 risk factors (see pages 92 to 97 of this document) grouped into five categories, including CSR risks when they are significant (business environment, strategy and governance, operations, finances and financial services). This is the mapping of major risks. A risk registry describes the type of risks in detail. It is illustrated by real cases, including dates, details and consequences, to help understand what happened. The final components of the mechanism are indicators to measure exposure and loss. In 2014, the countries reviewed this risk mapping, assessing the criticality of each risk factor in their environment and identifying the events they feared.

A country risk mapping has also been prepared each year since 2008, with monthly follow-ups describing the main events and what to watch. It uses nine criteria, including one that covers all issues related to CSR (environment, labour, and societal issues). An extra-financial rating agency conducts the CSR risk assessment of this evaluation for each Group country.

In 2014, the mapping of natural risks was updated and expanded, including exposure to risks related to climate change. This process identified the stores most vulnerable to earthquakes and floods.

To address environmental risks, in 2014 Carrefour mapped the risks and challenges it may face. The aim of this exhaustive approach is to improve our knowledge and understanding of the challenges and better address risks in order to protect the Group's business and employees. A breakdown of operational responsibilities related to risk control is being developed to address the issue from all angles.

2.1.3 Rolling out the CSR approach

The CSR approach is different for each business, since each adapts the rules and three-pronged approach to its day-to-day activities.

2.1.3.1 Carrefour's guiding principles: driving the approach

The Group has established guiding principles to ensure operational excellence and sustained results.

The principles apply to all store formats and sizes, which share the same values and management principles despite their diverse concepts. They are created for everyone - employees, managers, and directors - and everyone is responsible for implementing them.

Whether they refer to people, assets, merchandise, or money, these principles serve as a reminder of the Group's basic business practices while encouraging innovation. As with all its strategies, the Group has structured its CSR approach around these four pillars.

So as to "doing its job well", the Carrefour group has adopted a decentralised organisation based on the principle of subsidiarity. Responsibilities are delegated to the hierarchical level that is closest to the field of operations.

This principle of subsidiarity is applied at all levels of the Company. For example:

- each country conducts its own strategy with the aim of increasing market share and making the Carrefour banners a benchmark within its borders;
- each store's management assumes full operational responsibilities, with no need to refer to other functions or levels when making day-to-day decisions.

Finally, innovation is a major business principle that guides the actions of people at every level. Sharing ideas and working as a team help foster creativity within the Group. Individual initiative and self-expression are encouraged. The Group's diversity contributes to its capacity for innovation. Supporting innovation also means recognising that people have the right to make mistakes.

2.1.3.2 The role of stakeholders

Discussing and debating with partner organisations

Carrefour has built partnerships with organisations that enable it to combine its own specialist skills with those of outside experts, thus improving the approach. This type of cooperation is essentially operational in nature: experts from NGOs confer 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, and seafood, and promoting responsible consumption amongst consumers (see page 54).

The partnership of almost 20 years between Carrefour and 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 of the International Labour Organisation (ILO). The agreement is applied in all countries in which the Group operates. In 2013, the partnership contributed to the signature of the Fire and Building Safety agreement in Bangladesh (see page 53). The first audits for this agreement took place in 2014.

Since 1997, Carrefour has also worked in partnership with the International Federation of Human Rights (FIDH). The cooperation was formalised through the creation of a joint association: INFANS. The association runs practical projects in partnership with local NGOs to prevent human rights abuses (see page 52).

Dialogue with staff representatives

The agreement between Carrefour and 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 Consultation and Information Committee (ECIC), and in 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 a wide range of topics, including CSR. The annual ECIC plenary meeting is dedicated to subjects affecting the Group's activities, including Human Resources and CSR.

A Sustainable Development Committee within the ECIC meets three or four times each year. Changes to the CSR approach are presented and members work on drawing up action plans, such as the in-store Waste Reduction Plan.

Cooperating with 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. In 2014, the Group reinforced this model by holding three consultation meetings to discuss energy, marine resources, and gender equality within the Company. The aim was to listen more effectively and improve the quality of information exchange, and to identify pragmatic, effective actions. Depending on the topics of the meeting, customers, experts, NGOs, representatives of Ministries, agricultural suppliers, food industry suppliers and rating agencies, etc. are invited.

RESULTS OF CONSULTATION MEETINGS WITH STAKEHOLDERS IN 2014

The first meeting, on the topic of energy, offered two sub-topics for consideration: "Purchasing energy and renewable energy" and "Energy efficiency and customer service". It inaugurated the Group's action plan to eliminate energy consumption and reduce CO2 emissions while promoting customer involvement.
On the topic of marine resources, the consultation meeting held on 10 June 2014 allowed the Group to identify the following work priorities: developing a policy on seafood, limiting the use of resources, communicating with consumers, developing sustainable procurement criteria for fishing and aquaculture (see page 47), and ensuring traceability and quality.
At the third meeting, held on 2 October 2014 to discuss gender equality, many stakeholders worked together to address the following two questions: "Under what conditions is gender equality beneficial to the Company?" and "How can we do more to achieve gender equality at every level, without positive discrimination or quotas?". The Group adopted several of the proposals, including creating an "International Diversity File" to more effectively share best practices, and supporting women, especially through mentoring *programmes*.

Interacting with the financial community

Carrefour responds to requests for interviews as well as occasional requests for information concerning policies and initiatives launched by the Group's various businesses. CSR teams also respond to 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.

KEY FIGURES

18 investor meetings took place in 2014
12 general questionnaires from non-financial rating agencies or investors and 8 topic-specific questionnaires from NGOs and institutions were completed

2.1.3.3 CSR challenges: a source of innovation

Carrefour believes that innovation is a powerful driver of progress in CSR. The Group launches pilot initiatives every year in all fields (energy, waste, packaging, and supplier relations) and is looking for new solutions. The waste reduction plan launched in 2013 is a good example: the programme is restrictive, requiring determination and innovation from everyone within its job.

In many areas, the Carrefour group's culture of pragmatic innovation makes it a player in transforming the retail sector. When stores in Poland, for example, were equipped with CO_2-cooled refrigeration systems in 2014, the Carrefour teams needed to train the service providers responsible for equipment maintenance and upkeep. Carrefour was thus the driving force behind a new industry that was gradually created, allowing all retailers in Poland to adopt the innovation, a highly effective weapon in the fight against climate change.

Another example is that the Carrefour group is the only general retailer among the companies invited by the European Commission to submit a project as part of its effort to define an Organisation Environmental Footprint (OEF). The Group is a member of the technical secretariat responsible for defining the methods (2014), testing them (2015), and ultimately disseminating them (2016). The aim of the OEF is to provide a common method for calculating a multi-criteria environmental footprint (more comprehensive than a carbon footprint) for all organisations.

2015: YEAR OF THE CLIMATE

Carrefour's ambition is to play a positive role in climate negotiations and encourage governments to make the COP21, the big international conference in Paris early December 2015, an ambitious agreement.

The Group sees climate issues as a challenge for everyone, so it hopes to involve its employees as well as its partners through three initiatives:

- **helping partners, customers, and suppliers to make their own positive contribution;**
- **presenting the solutions in Carrefour stores in various countries to fight climate change: "natural" refrigeration, efforts to combat deforestation, and energy production using bio waste;**
- **getting the retailers and suppliers involved in supporting the COP21 through the consumer goods forum and the Solutions COP21 club.**

The Group's CO_2 emissions have fallen as a direct result of its waste reduction and biodiversity action programmes.

2.1.3.4 Business ethics

The Carrefour group conducts its activities ethically and has therefore developed a control framework and structures adapted to its business and corporate culture.

Carrefour sent in 2013 a new version of the Group's rules to country directors as a framework for internal audits, applicable to all entities. The priority is on business ethics and legal compliance. It entails working with both Carrefour's teams and suppliers. The Carrefour group's actions are based on major universal principles and on tools specific to Carrefour.

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 in particular:

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

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. It has been rolled out to every country, and in particular to all of the employees and directors in six countries (Brazil, China, Spain, Poland, Romania and Taiwan).

Ethics Committees

Since 2010, Carrefour has had a Group Ethics Committee, chaired by the Group General Secretary, and Country Ethics Committees in each country, 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 accordance with local regulations.

These systems operate to inform the Country Ethics Committee of any behaviour or situation that runs counter to Carrefour's ethical principles.

Supplier Charter: a frame of reference for Carrefour's suppliers

The Group's Supplier 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. This charter includes Carrefour social and ethical requirements. The Group has developed a method of inspection *via* social audits to ensure it is applied in practice (pages 52 and 53).

In 2014, Carrefour worked to develop a new Code of Ethics, based on the Group's policies, to be finalised and disseminated in 2015.

Fighting corruption

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

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

As part of its efforts to strengthen its ethics commitments and to share best practices, the Carrefour group is also involved in the work of the Business in Society Commission in the French section of the International Chamber of Commerce (ICC France). 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, the 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.

2.1.4 Organisation of CSR

2.1.4.1 Business lines

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

- define a strategic framework within which the countries can work and innovate;
- help the businesses for the conduct of projects to reflect the three components of the strategy;
- consolidate and use results to improve performance;
- jointly develop and innovate through ongoing dialogue with the Group's stakeholders on subjects relating to CSR.

To achieve this, the Group's CSR department works in close collaboration with the country-level executive directors and its operational and cross-functional departments (European public affairs, quality, merchandise, purchasing, human resources, communications, assets and logistics, and so on) to draw on specific expertise within each business. The Group also calls on the support of scientists and outside experts to carry out its mission and ensure dissemination of best practices both internally and externally. Finally, the CSR department works with in-country representatives to ensure operational deployment of the approach based on the local situation.

The Group uses a range of information, awareness and training tools to ensure effective implementation of its CSR approach, 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.

2.1.4.2 The Quality and Sustainable Development Committee

The Quality and Sustainable Development Committee (QSD) was created in 2012 at the instigation of the Chairman and Chief Executive Officer. Its mission 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. In 2014, the QSD Committee met to discuss the following topics: endocrine disruptors, crisis management in Europe, product safety system (organising country inspections and support) and nutrition.

2.2 Action plans

2.2.1 Carrefour's human resources policy

Carrefour's men and women are there to serve customers around the world. To foster a commercial mindset, Carrefour develops professionalism in its store employees in order to best meet customer expectations and has a simple organisation that allows employees to be responsive to customers.

This commercial mindset and the Group's efficiency are both rooted in a sense of motivation and fulfilment for employees at work.

Carrefour maintains this motivation by helping the Group's men and women through career advancement and training, while recognising their contribution with fair compensation.

It provides conditions that allow employees to flourish at work - knowing that they are represented and heard through a valuable workplace dialogue - and provide good working conditions.

Finally, Carrefour firmly believes that diversity is an asset in labour and human terms, as well as an opportunity to create the conditions for the innovation the Group needs to keep developing.

2.2.1.1 The customer, a priority for Carrefour's men and women

More than 380,000 employees serving customers around the world

At year-end 2014, Carrefour had 381,227 employees in 10 countries. On a like-for-like basis (excluding India), the workforce rose by 4.7% between 2013 and 2014.

The breakdown of workforce geographically and by store format reflects the multilocal and multiformat, retail model the Group develops in countries where it is present.

Workforce by geographic region	2014	2013	% vs. 13
Europe	212,405	199,325	+ 6.6%
Latin America	96,863	88,814	+ 9.1%
Asia	71,959	75,850	(5.1)%
TOTAL GROUP	**381,227**	**363,989**	**4.7%**

2013: excluding India

Workforce by format	2014	2013
Hypermarkets	71.1%	72.9%
Supermarkets	16.0%	16.3%
Others	12.9%	10.8%
TOTAL	**100%**	**100%**

The vast majority of Carrefour's staff works in stores, serving customers. 88.8% of the workforce are employees, as seen in the breakdown of workforce by category.

Workforce by category	2014	2013
Senior directors	0.1%	0.1%
Directors	0.6%	0.5%
Managers	10.5%	10.6%
Employees	88.8%	88.8%

These overall figures change throughout the year: Carrefour hired 178,975 employees in 2014.

Number of new hires	2014	2013
Permanent contract		98,436
Fixed-term contract		77,232

Excluding Erteco France.

Over the same period, 96,673 employees with permanent contracts left the Group. Note that when employees leave the Company due to restructuring, there is a long process of social dialogue and the employees are supported by a set of measures to help redeploy them or find them a job outside the Company, as appropriate.

Departures by reason	2014	2013
Redundancy		19,013
Resignation		53,637
End of trial period		24,731

Excluding Erteco France.

Employees trained to meet customer expectations

Targeted training is offered for each of the 120 business functions represented at Carrefour in order to ensure excellence in the basics.

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

Customer focus

All the countries provide training to foster a customer-oriented culture. The approach involves developing a detailed understanding of what customers expect in stores.

In 2014, field surveys were conducted to measure the stores' progress in terms of their customer path. The results showed a real improvement, demonstrating the effectiveness of the approach.

In Brazil, a large-scale programme called "Servir" was implemented to develop the six attitudes considered to be very important when providing customer service. The role of managers in rolling out the programme is emphasised to ensure continuity of initiatives launched in the field.

Fresh Produce business functions

Improving professionalism in the Fresh Produce segment is a priority for the Group. In France, in 2014, 224 Fresh Produce apprentices were recruited and trained; Meat Professional Qualification Contracts were launched in April 2014, and 1,216 employees were trained in the fruit & vegetable and meat sections.

Everywhere else within the Group, specific training is provided for business functions, particularly the meat, fruit & vegetables, fish, and bakery & pastry sections. In Italy, for example, with support from the Università dei Sapori, Carrefour trained 32 employees as trainers in fresh produce. China, Spain, Taiwan and Poland have also been particularly active in this area. Carrefour Spain, for example, has created in 2012 a Fresh Produce School that trains unemployed young people under the age of 30 and helps them join the fresh produce business functions. Since the initiative was launched, 721 young people have been hired, including 118 in 2014.

Closer responsibility towards customers

Carrefour intends to adopt a simple, decentralised organisation. Based on the principle of subsidiarity, it is designed to provide greater responsiveness for the benefit of customers. As much as possible, responsibility in this system is assigned as close as possible to the operational level.

The eight Human Resources Fundamentals give store directors and their managers tools to improve in their day-to-day management functions: recruitment, integration, objective-setting, remuneration and employee benefits, employee recognition, communications, training and career management.

A dedicated intranet site, available in all Group languages, makes it easier for managers to access tools and encourages them to share best practices. In accordance with the principle of subsidiarity, each manager is encouraged to use the tool and adapt it to their own specific environment.

The Group hopes that comparing practices and results within stores, between stores, between regions and with competitors will stimulate new ideas and help employees, regardless of their position within the Group, to take initiatives.

In 2013 and 2014, the Group carried out two activities simultaneously:

- sharing best practices between stores, regions and countries;
- measuring the impact of implementing the Human Resources Fundamentals. The analysis, conducted on two pilot regions in two countries, shows a significant improvement in results and customer satisfaction after implementation. The results were shared with all countries.

At the end of 2014, the Group launched a survey of a representative sample of Human Resources and store managers in all countries to assess the implementation and application of the Human Resources Fundamentals: 80% of store directors now refer to the Human Resources Fundamentals in their daily management functions (vs. 50% in 2012). Once analysed, the results of the survey will be used to determine initiatives for 2015.

A flexible organisation that respects employees

Carrefour is committed to implementing organisational models that ensure a constant quality of service, while taking into account employee expectations and complying with local regulations.

Part-time work and fixed-term contracts enable the Group to adapt its store-based activities to suit customer flows.

	2014	2013	2012
% of part-time employees	23.2%	23.2%	23.8%

Workforce by type of contract	2014	2013
Permanent contract	92.2%	93.3%
Fixed-term contract	7.8%	6.7%

Wherever possible, Carrefour seeks to increase the number of hours of part-time employees who so wish or to provide flexibility in their organisation. Several initiatives have been developed: reducing part-time work through job versatility, developing work-schedule pooling and experimenting with remote working.

Carrefour has developed a job versatility option in its hypermarkets, initially in France and then gradually in Belgium. It offers employees who are interested in 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 remuneration, diversify their workplace experience and discover new business functions.

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

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. A variety of pilot projects have been run within the Group to study this option, which has been offered to all employees of the Belgium and Italy head offices. 158 employees have been working from home in Belgium since the option was launched in 2013.

2.2.1.2 Maintaining employee motivation

Carrefour believes that there are no satisfied customers without engaged, motivated employees. Motivation depends on the employee's development - through their career path or training - and on the balance between what they give and what they receive in return.

Internal promotion at the heart of the Carrefour development model

Promotion gives the Company impetus and is within everyone's reach.

Offering a variety of career path options

With over 120 different business functions and a presence in 10 countries, Carrefour offers some highly varied career paths and real mobility opportunities. Developing a career depends on a series of different professional experiences.

The Group aims to provide 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 expertise and facilitate communication.

In France, more than 4,000 employees change position every year and 56% of managers have been promoted from within the Company. The "enviedebouger" (want to move) intranet site makes internal mobility easier. The average length of service among French employees is 11.4 years; this figure stands at 7.8 years for the Group as a whole.

The Group also offers international career paths and now has approximately 170 expatriates (34% in Europe, 14% in Latin America, 48% in Asia and 4% in Africa).

Serving as a social ladder

Employee development is based on their performance and ability to take on new responsibilities, in keeping with the business's needs.

This approach, taking personality and individual merit into account alongside academic experience and qualifications, ensures 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 advancement of women and support them so that they might reach positions at the highest level of responsibility (see page 35).

Rate of internal promotion	2014	2013
Senior director promotion	46.6%	56.0%
Director promotion	64.3%	54.3%
Manager promotion	47.2%	49.0%
TOTAL	**48.0%**	**49.3%**

Excluding Erteco France.

In order to give everyone the same opportunities for advancement, training is provided for employees with literacy problems based on the EvoluPro programme. The course is run by Carrefour hypermarkets in France and provides store employees who so wish the opportunity to learn or improve their French. Since 2008, 905 people have benefited from the programme. An additional 79 people joined the September 2014 class.

A Talent policy to prepare for the Carrefour of the future

At Carrefour, the notion of talent is not the sole reserve of directors or high potential staff. It more broadly covers middle management positions and experts in all the 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.

In an ongoing effort to adapt its resources to its strategy and policies, the Group began an overhaul of the career management and talent identification process in 2014.

No longer aiming simply to identify future managers, it now also clarifies their career management options and opportunities. The benefits of this open discussion held with each manager include greater short-term visibility for charting a career path through multiple business functions, which the Group hopes to encourage.

Training to support collective and personal efficiency

In a constantly evolving environment, training employees with a rhythm faster than that of change is an essential step in nurturing their propensity for change, thereby ensuring sustainable growth.

Shared between the Group and countries or entities, the training plan is organised around two key areas:

- developing Carrefour business function skills in order to provide a better customer service (as described in the previous section);
- encouraging employees' managerial and personal development.

	2014	2013	2012	2011	% vs. 11
Average number of training hours per employee	15.5	16.5	17.2	17.8	(12.9)%
Total number of training hours over the year *(in millions)*	4.5	4.7	4.9	5.2	(13.6)%

Like-for-like BUs (scope: 86% of 2014 consolidated sales, excl. VAT) - excluding: BR.
2014: excluding Erteco France.

Beyond these two areas, training in the Group guiding principles was a priority in 2014. After they were launched, the policies were circulated to all Group employees, with many training sessions across the entire Group.

Encouraging employees' managerial development

Carrefour wishes to develop managerial skills that encourage accountability and independence.

The eight Human Resources Fundamentals are designed to help store directors and their managers improve in their day-to-day management functions (see description on page 28).

In 2014, the Group focused on training directors to develop their management skills by giving them with the tools and techniques they need to handle a broader range of situations in the field.

High-level training to prepare tomorrow's directors

Since 2013, the Group has offered a selection of training seminars designed for Senior directors and directors. The wide-ranging, innovative curriculum was developed in collaboration with operational managers to guarantee the relevance of each programme on issues such as customer focus, business innovation and leadership. In 2014, 210 directors benefited from these programmes.

For example, around 30 Senior directors were chosen to participate in the Master Carrefour programme: three weeks of training that aims to give an overall understanding of the new challenges facing the sector, reinforce managerial skills and, as a team, reflect on the company's major challenges and future issues. The flagship programme provides a unique opportunity to share and exchange ideas with General Management. Since its creation, nearly 300 directors have been on this programme, including most executive directors.

Recognising contributions with fair compensation

Every employee contributes to the life and growth of the company; Carrefour wishes to reward each one in accordance with that contribution, fairly and objectively. Compensation is tied to the employee's level of responsibility and performance, and is assessed on goals.

In addition to financial compensation, Carrefour also offers attractive employee benefits to meet the needs of employees and their families.

Ensuring employees are committed to their own responsibilities and goals

For employees to be truly committed, responsibilities must be clear and specific and targets must be perfectly understood. These are all made clear and transmitted early in the year, and must be set in relation to employees' scope of responsibilities and priorities.

Carrefour encourages managers to provide regular feedback to their employees 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.

Remunerating employees fairly

Carrefour is committed to offering its employees fair and competitive remuneration, according to their responsibilities.

In every country, the annual remuneration review is designed to ensure the consistency and fairness of internal remuneration levels: proposals for changes are analysed by each entity to ensure that they are consistent with the responsibilities and 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 surveys carried out by specialist firms.

Recognising each individual's contribution through variable pay

The variable portion of the salary recognises the goals met: employees share in the Group's success through simple, motivating compensation plans. Carrefour considers it important to recognise employees who have made a decisive contribution to the results achieved.

All the Group's managers are eligible for annual variable 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 annual variable remuneration. In some countries, these plans are specific to store directors and their management teams.

◗ Offering benefits for employees and their families

The Carrefour group is a responsible employer that offers benefit schemes to all 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.

The approach is part of Carrefour's desire to meet its employees' changing social protection needs. It also means providing information on the various Group benefit schemes to highlight the components that make up employees' remuneration.

For example, in 2014, Atacadão in Brazil launched a vast Cooperata programme offering economic, social and educational benefits to 84% of company employees (low-interest loans, school kits, and educational activities, etc.).

In France, Carrefour also renewed its Group profit-sharing agreement in 2013 for a period of three years. Carrefour encourages employee savings in Company mutual funds by offering a Group Savings Plan (PEG) and a Collective Group Retirement Savings Plan (PERCO). Carrefour offers an employee stock ownership plan, Carrefour Actions, as one of the six funds available. At 31 December 2014, Carrefour employees held 1.06% of the Company's share capital through the Group savings plan. Since July 2014, the Carrefour employee savings plan has also offered employees a second solidarity fund, Carrefour Prudence Solidaire, where they can put their money to work while helping others.

2.2.1.3 Creating the conditions for employees to flourish

Carrefour wishes to offer all employees the opportunity to flourish at work and strives to create the necessary conditions by cultivating social dialogue, listening to its employees and monitoring working conditions.

◗ Developing and encouraging social dialogue

◗ The culture of social dialogue at Group level

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

The agreement signed in 2001 by Carrefour with the UNI (Union Network International, now the UNI Global Union) reflected its historic practice of social dialogue and respect for basic rights in its various activities. It helps maintain an ongoing, constructive dialogue between Carrefour, UNI, and the affiliated trade union organisations. By respecting fundamental rights in the workplace, Carrefour recognises and promotes union rights and the right to collective bargaining. These values benefit its employees around the world. Renegotiation of the agreement was started in 2014. The new agreement will address various CSR issues and reconfirm respect of the fundamental principles. Carrefour's European works council's 2012 joint declaration on gender equality will also be appended.

Carrefour created one of the first European works councils, the European Consultation and Information Committee (ECIC), whose constitutional agreement was signed in 1996 with the FIET (now part of the UNI). A supplementary agreement signed in 2011 has helped to strengthen social dialogue and give new impetus to the Committee's operations. Since 2012, an additional training/information meeting has been organised on a theme defined in advance. In May 2014, the seminar addressed occupational health, providing a comprehensive overview of all initiatives taken and the action plans slated for the end of 2014.

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 presented 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 and Europe contribute regularly to discussions, which 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 all 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 UNI, they support maintaining or gradually improving the level of social dialogue in countries where the Group is present. A meeting to exchange and share views with representatives of Brazilian and Argentinean trade unions was organised in October 2014 as part of this effort to promote social dialogue.

Respect for union rights and strong, constructive social dialogue means that staff representatives are present in all Group activities.

OVERVIEW OF COLLECTIVE BARGAINING AGREEMENTS

The following table shows the main agreements signed in 2014. The list is not exhaustive. Clauses for 2014 added to previous agreements are not listed.

Country/format	New in 2014
Brazil	Collective Agreement with the Trade Union of Employees of São Paulo
Romania	Collective labour agreement for 2014 and 2015
Poland	Agreement on additional bonus pay for holidays and vouchers
Belgium	Agreement on pensions (early retirement at ages 56 and 60) Agreement on collective bonuses
Spain	Improved agreement on employee discounts (increased number of beneficiaries) Agreement on continuing education for employees in 2015
France (all entities)	Agreement to implement the economic and social database Agreement to introduce an additional guarantee for reimbursing healthcare costs and insurance coverage
France (Hypermarkets)	Agreement on gender equality in the workplace Mission Handicap agreement 2014-2016 Collective profit-sharing agreement 2014-2016 Compulsory annual negotiations
France (Supermarkets)	Disability agreement 2014-2016 Collective profit-sharing agreement 2014-2016 Compulsory annual negotiations
France (Supply chain)	Agreement on donating holiday leave Compulsory annual negotiations
China	Renewal of 82 store agreements

Support for company restructuring

The provisions of the agreement on Gestion Prévisionnelle des Emplois et des Carrières - GPEC (job and career planning) negotiated and signed by Carrefour in France in 2011, and renewed at the end of 2014, not only satisfy legal obligations but also create a useful discussion forum for issues related to economic, organisational, and technological changes in the activity. They help the implementation of new projects by identifying their consequences and by focusing on anticipation and the quality of support provided to the employees concerned.

For example, French Management anticipated the consequences of moving a large part of its centralised staff to the new Massy site (Massy 2014 project). A joint committee was formed to support the project's implementation through regular, constructive social dialogue. A collective discussion was held regarding reception, working, and living conditions at the new site. The employees transferred to the new site received support through tailored social measures.

In 2014, Supply Chain France carried out a large transformation programme to support internal changes. The project, which covered both quantitative and qualitative issues, was accompanied by social dialogue and consultation between management and staff. GPEC measures and regular updates on labour information were provided throughout the operations.

Listening to employees

Each entity implements mechanisms for listening to employees' expectations, which contribute to developing the Group's culture and fostering commitment.

Employee opinion surveys were conducted in Poland in 2014 (nearly 3,000 people were invited to participate). Carrefour China's regional directors have introduced a day of listening to employees.

The in-house opinion poll was relaunched in France. From March to December, the survey covered the Carrefour France head office along with some 30 hypermarkets and 40 supermarkets. Subjects addressed included perceptions of the Company, store image, management and professional satisfaction (comfort at work and training). The surveys were conducted as meetings in which a representative panel of employees by status were asked their opinions. In total, an average of 20% to 30% of the workforce in the surveyed stores participated. The surveys protected employee anonymity and resulted in corrective actions where it was necessary.

In addition, as part of employee support for the Massy 2014 project, five rounds of studies were carried out with Senior directors, managers, supervisors, and employees to measure perceptions, project expectations, and the level of information provided so that the Company could provide suitable, concrete responses.

Providing good working conditions for everyone

The approach starts by ensuring 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.

A proactive approach to health and safety

In addition to regulatory requirements, the Group ensures that all its employees understand health and safety rules; provides preventive training (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 Ile-de-France health insurance fund (Cramif) on 25 January 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, specific training was made available to store directors in 2013, continuing in April 2014. It also enabled them to ensure compliance with regulations in their stores, and to sustain their actions over time. Thanks to the training, store directors were able to assess the occupational health and safety risks facing their employees, increase use of the "Numérisques" tool, and meet the regulatory obligation to publish a single risk-assessment document. In 2014, Carrefour launched a revised version of the "Numérisques" tool as part of the French National Coordinated Action Plan (PNAC).

RATE OF WORK ABSENCES AND ACCIDENT FREQUENCY AND SERIOUSNESS

	2014	2013	2012	2011	% vs. 11
Rate of absence due to workplace and travel-related accidents	0.62%	0.62%	0.60%	0.60%	+ 3.0%

Like-for-like BU figures (scope: 80% of 2014 consolidated sales, excl. VAT) - excluding: BR, IT.

	2014	2013	2012	% vs. 12
Workplace accident frequency rate (number of accidents/ millions of theoretical work hours)	23.2	22.4	22.0	+ 5.4%
Workplace accident seriousness rate (number of days absent due to workplace accident/1,000 work hours).	0.61	0.63	0.64	(4.7)%

Like-for-like BU figures (scope: 94% of 2014 consolidated sales, excl. VAT) – excluding: IT.

ABSENTEEISM RATE BY REASON

	2014	2013	2012
Illness *(including professional illness)* (1)	4.83%	4.64%	4.36%
Workplace accident (2)	0.56%	0.56%	0.55%
Travel accident (2)	0.06%	0.06%	0.05%

(1) Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).
(2) Like-for-like BU figures (scope: 80% of 2014 consolidated sales, excl. VAT) - excluding: BR, IT.

Workplace ergonomics and combatting musculoskeletal disorders (MSDs)

The main occupational illnesses identified by the Carrefour group are musculoskeletal disorders. 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.

In 2014, Carrefour implemented a new National Coordinated Action Plan with the French national health insurance body for salaried workers (CNAMTS). The new plan, which aims to prevent musculoskeletal disorders among employees, covers the period from 2014 to 2017 and comes with a performance requirement.

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 develop appropriate action plans. Numerous actions have been taken at local level at the instigation of countries and entities: stress management training, a free remote listening and psychological support system and in-store risk assessments followed by corrective action plans.

In 2014, Carrefour France continued its mission to prevent psychosocial risks in all of its entities. Carrefour France has also launched a major campaign to educate and train staff on how to identify and alert when an employee appears to be at risk:

- the hypermarkets piloted a psychosocial risk analysis method in several stores with a view to expanding this to all 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 victims of antisocial behaviour and aggression, and prevention of workplace stress;
- the logistics action plan includes measures to prevent workplace strain and psychosocial risks in management;
- since 2013, the head offices have raised manager awareness of psychosocial risks over the course of 27 sessions attended by 312 people.

After Carrefour signed an agreement with CRAMIF in January 2013, the two entities joined forces to create a training curriculum for Professional Risk Prevention Coordinators. Some 20 sessions have been held across France.

The managers who took this training in 2014 earned their certificate for Proficiency in Risk Prevention.

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 2014:

- 596 hypermarket and supermarket employees and store managers were given training in stress management to identify stress linked to the workplace, and in managing and adapting working methods to optimise performance and improve the quality of working life;
- 3,862 employees took part in the SOS Conflict course in supermarkets, hypermarkets and the Supply Chain. More than 30,000 people have followed the course since 2004.

Romania offered training for its check-out assistants as part of a general programme for the improvement of organisation and working conditions: “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.

OVERVIEW OF AGREEMENTS SIGNED ON HEALTH AND SAFETY AT WORK

The following table shows some of the agreements and supplementary agreements signed in 2014 with trade unions or staff representatives on workplace health and safety. The list is not exhaustive. Clauses added to previous agreements are not included.

New in 2014
Collective Group agreement in France to introduce an additional guarantee for reimbursing healthcare costs for the entire workforce
Occupational health agreement at supermarkets in France covering prevention of professional risks, prevention of workplace strain and prevention of psychosocial risks
Agreements to protect women in China

Protecting the work/life balance

To ensure that all employees flourish in their professional activities, Carrefour is committed to promoting work/life balance.

In 2008, Carrefour was one of the first 30 groups in France to sign the Parenthood Charter and to commit to introducing concrete initiatives. Since then, Carrefour has also been a member of the Observatoire de la parentalité en entreprise (corporate parenthood monitoring group). Promoting a work/life balance is one of the four components of the Women Leaders programme (see below). A number of measures have been implemented within the Group, benefiting both women and men.

In Argentina, for example, all members of the Executive Committee signed the Meeting Charter in April 2014 which was then circulated to all directors. Its goal is to promote a better life balance, one of the main obstacles preventing women from advancing. Since April 2014, women managers within Carrefour Argentina have had the option of working part-time after their maternity leave while continuing to receive their full salary.

Carrefour Romania has launched a programme called FAST (Flexible, Agile, Simple, Time) to improve work organisation and achieve a better work/life balance.

In France and Spain, agreements on gender equality mean that employees have more opportunity to balance their working and family life. Measures include adjustments to working hours, inter-company day-care centres, adjustments to paternity leave, assistance in financing childcare, etc.

In 2014, the members of the Carrefour France Executive Committee signed “15 commitments for a balanced life”, a text drawn up by the Observatoire de la Parentalité (parenthood monitoring group) and the Ministry of Women’s Rights.

Work-schedule pooling (see page 28) also helps ensure a better work/life balance.

Innovative actions for a better working life

Having a better working life is at the heart of current social thinking so Carrefour is implementing programmes to improve the work environment.

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. In 2014, over 39,220 people took part in group activities, including *La Vuelta* (an indoor football tournament), a padel tennis tournament, Christmas celebrations and a staff lip dub competition. Thanks to Carrefour Life, 1,200 of the staff’s children attended summer camps at the country’s biggest sports clubs.

Carrefour Argentina launched a programme in 2014 called *Vivir Mejor*, offering different activities each week to promote a more balanced life, nutritional advice, and sports coaching.

2.2.1.4 A proactive policy to support diversity

As a multi-local, neighbourhood Group, Carrefour has always been committed to reflecting the social mix of the areas where it operates and incorporating diversity. With some 100 nationalities represented, diversity has long been a reality within the Group. Its teams include 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 make the most of it. Every year, it enters into new commitments to confirm its global and local approach. In 2014, for example, the Group focused on:

- reinforcing the Women Leaders programme to support equality between men and women;
- raising managers' awareness of combating discrimination and managing diversity;
- actions in support of those who have difficulty finding work.

Reinforcing the Women Leaders programme to promote gender equality

Women represent over 57% of Carrefour's total workforce, but are not as well represented at the highest management levels. In 2014, 37.5% of the Group's managers were women.

BREAKDOWN BY GENDER (MALE/FEMALE)

% of women by category	2014	2013
Senior directors	11.3%	11.5%
Directors	22.2%	21.8%
Managers	38.6%	38.0%
Employees	60.0%	60.4%
TOTAL GROUP	**57.5%**	**57.8%**

	2014	2013	2012	2011	% vs. 11
% of women in management	37.5%	36.9%	36.2%	35.0%	7.1%

Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).

The Women Leaders programme, launched in 2011, affirms Carrefour ambition for gender equality. The programme is based on four priorities:

- each country's definition of its own objectives (in keeping with the principle of subsidiarity which applies across the Group);
- making women more visible by promoting their achievements;
- making gender equality a core element in career development decisions;
- promoting work/life balance.

In 2014, the Group continued the process of supporting gender equality and promoting women at all levels of management and responsibility. Once again this year, many initiatives were carried out in all Group countries.

Concrete action plans demonstrate the countries' commitment

After the Women Leaders convention held on 28 November 2013, the Group countries received a list of actions and were asked to select which of them they would include in their own action plan. Georges Plassat, Chairman and CEO of the Group, spoke with his 40 country and support function directors to express his support for gender equality within the Group. In 2014, 100% of the countries made the commitment. Some of them undertook very significant efforts to raise awareness and change mentalities.

For example, Italy launched a mentoring programme for 22 women that included five members of the Management Committee as mentors. Training in gender equality and a women's network were also launched in 2014.

In France, Carrefour Market ran a series of initiatives to identify high-potential women and recruit them as store directors and earned the Égalité Hommes/Femmes label.

Carrefour signs a partnership agreement with the UN Women National Committee in France

Carrefour's 2013 signature of the UN Women's Empowerment Principles (WEP) made it the first company in the retail and mass distribution sector to join the 600 companies that had already signed around the world. The seven WEP are based on a commitment to and progress towards equality between men and women. In keeping with this commitment, the Carrefour group has signed a partnership agreement with the UN Women National Committee in France to promote the WEPs in France and around the world.

Gender Equality International Standard certification process launched

This international certification standard recognises the involvement of a company and the quality of its initiatives aimed at gender equality in business, education and training in issues related to life balance, salary, involvement of trade unions, etc.

In 2014, four entities earned certification: Carrefour Hypermarkets France, Carrefour Market France, Carrefour Argentina, and Carrefour Romania. The Group was rewarded for its global approach and also received the certification in November 2014. The certification is renewed every two years.

The Group's ambition is that all Carrefour countries should be eligible for certification within the next few years.

Raising managers' awareness of fighting discrimination and managing diversity in all entities

Diversity lies at the heart of the Group's social model. Carrefour fights discrimination primarily by running dedicated training courses and raising awareness amongst managers. Every year, Carrefour's entities develop initiatives adapted to 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 and then in 2014, following the decisions of the Diversity Committee, the Diversity policy was circulated to all managers in Brazil. They received an awareness manual called "We value diversity" to help its immediate implementation. A manual was also circulated to store directors and 2,800 managers received them. 142 senior managers were also trained in diversity as part of leadership training plans.

In France, the hypermarkets have continued to run training courses in non-discrimination during recruitment. These are aimed at store directors, section managers and managers.

Support for those who have difficulty finding work

In 2014, Carrefour focused on actions in support of employment for young people, older people, and people with disabilities.

The table below shows that 21% of the Group's workforce are under age 25, while 11% are over age 50.

WORKFORCE BY AGE GROUP

	2014
> Age 65	0.1%
Age 65 ≥ age > 60	0.6%
Age 60 ≥ age > 55	3.6%
Age 55 ≥ age > 50	6.8%
Age 50 ≥ age > 45	10.3%
age 45 ≥ age > 40	13.8%
Age 40 ≥ age > 35	14.2%
Age 35 ≥ age > 30	15.1%
Age 30 ≥ age > 25	15.1%
Age 25 ≥ age ≥ 18	18.9%
< Age 18	1.7%

Actions in support of employment for young people

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 maintained its commitment to youth employment in 2014 in partnership with government authorities through actions including:

- the Jeunes et Entreprises (Young people and companies) initiative launched by AFEP in 2013. Carrefour became a partner to the "engagement des jeunes" website and posts its job openings online;
- the Entreprises et Quartiers (Companies and neighbourhoods) Charter signed with the French Ministry responsible for Urban Affairs, which sets forth the general principles of Carrefour's efforts to promote jobs in difficult areas;
- the future jobs convention, signed with the Ministry, representing the Group's commitment to hire 1,000 *"non qualifiés"* young people under full-time, permanent contracts (300 hires in 2013, 700 in 2014).

A work/study day was held for the second year in 2014, with 8,500 CVs received. In 2014, Carrefour recruited some 5,000 work/study employees and 500 student interns. Carrefour Market implemented Butchery Recruitment Days to recruit professionals and young people for training.

Carrefour is also pursuing its partnership with an association called "Talent in our neighbourhood". More than 400 young people have been sponsored since this partnership began and 180 have found employment.

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 of young people experiencing economic and social exclusion by giving them access to a first job. To date, 1,948 people have been trained and 874 hired, including 484 by Carrefour.

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 Spain launched a partnership with the University of Córdoba in 2014 to recruit young people and help fund tuition for the most disadvantaged students.

In Poland, Carrefour employees participated in Talent Day, the largest job and internship fair in Poland, receiving nearly 200 CVs.

In Argentina, the "Youth with the Future" programme aims to offer job opportunities to young people from difficult areas. In 2014, 60 young people were trained and given internships with Carrefour.

Older workers' employment and working conditions

Carrefour pays particular attention to employing older people 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 younger 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 a plan of 18 actions, following a detailed analysis of the employment of staff over the age of 45 and a collective work effort.

Carrefour Argentina launched a programme called "I Work" to offer job opportunities to unemployed people over the age of 40. Since the programme was founded in 2013, 97 people have been hired, including 29 in 2014.

Concrete actions to integrate disabled workers and keep them in employment

At the end of 2011, Carrefour was the first large company to enter 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.

In 2014, in honour of the International Day of Persons with Disabilities (3 December), Carrefour collected testimonials from employees with disabilities and managers in every country and sent the compilation to all the country teams in an effort to change people's behaviour and overcome stereotypes.

In France, in early 2014, the hypermarkets and supermarkets renewed their Disability agreements. The sixth Disability agreement signed by the hypermarkets with all trade union organisations includes four components: hiring, integration/retention, access, and training/communication, education/management of the approach. Training for in-store disability supervisors and manager education were both reinforced. The fourth agreement on promoting employment among persons with disabilities, signed with Carrefour *market*, calls for a commitment to hire 120 workers with disabilities (including 10% as work/study hires), a support fund for workers with disabilities who are experiencing difficulties in their private lives, one day of paid leave per year for parents of a child with disabilities who need to complete administrative tasks, and equal access to training and career advancement.

For the second year, Carrefour Supply Chain participated in the Free Handi'se Trophy race from 23-31 May 2014: three teams, each made up of two employees with disabilities and two able-bodied employees, covered 682 km on tandem bicycles and in canoes. This initiative was featured in the ILO Disability Network's newsletter.

In France, the logistics entity has renewed an agreement to develop employment for people with disabilities for the period 2013-2016. The entity 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.

Carrefour Poland, which has long been committed to promoting employment for people with disabilities, received the Credible Company award in 2014 in recognition of its diversity policy in particular. Since 2006, Carrefour Poland was the first business to act for the employment of people with a hearing impairment. By year-end 2014, it employs 227 disabled people. Carrefour is also demonstrating its commitment in France, where it has been working with the Arpejeh association since January 2014 on awareness-raising, job introduction, and equal opportunity initiatives targeting high school students.

Carrefour Brazil, meanwhile, is prioritising employment and promotion for people with disabilities through its global Diversity programme. In 2014, 287 people were hired thanks to partnerships with NGOs and associations supporting jobs for people with disabilities. Carrefour Brazil and Atacadão employed more than 1,600 disabled employees by year-end 2014.

	2014	2013	2012	2011	% vs. 11
% of employees recognised as having a disability	3.0%	2.8%	2.7%	2.6%	+ 15.4%

Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).

	2014	2013	2012	2011	% vs. 11
Number of employees with a disability	11,218	9,709	9,602	9,248	+ 21.3%

Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).

2.2.2 The action plan to combat waste

Carrefour believes that above all, preserving natural resources means combating waste. The first step involves reducing resource consumption and seeking efficiency in all its operations. 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.

2.2.2.1 The Antigaspi Waste Reduction Plan and how it is managed

Carrefour developed a waste reduction plan called Antigaspi in 2012 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. Initially made up of seven projects, it was streamlined in 2014 into three components:

- ensuring effective management of distribution costs (see below: waste reduction/markdown, waste reduction/energy, waste reduction/logistics and waste reduction/water);
- integrating waste reduction into merchandise-related operations (see pages 43 and 44);
- offering customers and employees solutions to help them combat waste (see page 54).

The Carrefour group considers this plan an essential tool in controlling its environmental footprint, particularly its carbon footprint, as well as an opportunity to create value with the Group's various stakeholders.

Antigaspi is a strategic plan, deployed throughout the Group and 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 resources, finance, communication, transport & logistics, CSR 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 quarterly by the working group and shared with both country directors and Finance directors.

It is also reviewed at Carrefour Managerial Meetings (RMCs) to provide decision-making guidance and accountability for the Executive directors.

2.2.2.2 Waste reduction/markdown: combating waste

Reducing breakages and unsold stock

To improve store efficiency and avoid unsold stock, most of the Group's countries 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.

More efficient stores mean not only lower costs, but also less unsold stock.

Donating unsold stock

In a further attempt to combat waste, unsold stock is donated in priority to non-profit associations. In most of its countries, Carrefour stores work in partnership with charities to which they donate food products and textiles (see page 56). When unsold stock cannot be donated, it is recovered as waste.

Recovering waste

Carrefour's goal is to recover 100% of its waste (apart from donations). To achieve this, Carrefour's teams are constantly seeking solutions based on a circular economic model and local waste management. In 2014, an international meeting of all Carrefour group buyers was held to share best practices on waste recovery across all Group countries.

Cardboard, the primary source of waste, is sorted and recycled in all countries. The sorting of other materials (plastic, metal, glass, biowaste, etc.) is organised based on the local recycling systems and is gradually becoming more widespread.

With this in mind, over the past few years Carrefour France has been developing a full loop of activities to process organic waste from stores *via* methanation, which produces biomethane to fuel the vehicles in the Supply Chain. By fuelling its lorries with energy generated from its own waste, Carrefour is reducing its CO_2 emissions and its dependence on traditional fuels. After a pilot with five lorries, the project is slated to expand to 200 lorries by 2017.

	2014	2013	2012	% vs. 12
Proportion of waste recycled – including donations *(% of waste)*	64.8	61.3	58.5	10.7%

Like-for-like BUs (scope: 92% of 2014 consolidated sales, excl. VAT) - excluding: HM: AR/SM: IT, AR.

RECYCLED WASTE BY TYPE, INCLUDING DONATIONS TO CHARITIES

	2014	2013	2012	% vs. 12
Recycled waste *(in thousands of tonnes)*	**402.4**	**379.8**	**389.8**	**3.2%**
Cardboard/paper waste	70%	74%	73%	
Donations	10%	9%	10%	
Organic waste	12%	9%	8%	
Other waste *(including plastic)*	8%	8%	9%	

Like-for-like Bus (scope: 92% of 2014 consolidated sales, excl. VAT) - excluding: HM: AR/SM: IT, AR.

Cooperating with suppliers

In 2014, Carrefour continued to work on identifying waste reduction opportunities with its suppliers. In France, for example, a working group conducted a quick assessment of thousands of food items to identify products for which a longer life span appeared technically feasible (some 1,000 items). Next, the quality managers called for suppliers to conduct aging tests (microbiological analysis and organoleptic testing at end of life). If a product passes the tests, it is recommended that the product manager extend the life span.

Since this approach began, the best-before date on more than 50 items (such as sugar, vinegar, etc.) has been removed and the life span of nearly 300 items (such as yogurts, cream desserts, crisps, organic dried fruits, compotes, cereals, rice, and lardons) has been extended. Of these, 165 items bear a use-by date and 135 have a best-before date.

2.2.2.3 Waste reduction/energy: adopting a strategy that goes further than reducing consumption

Carrefour's policy to reduce kWh per sqm achieved its goal of -31.1% in 2014 vs. 2004 (the commitment was to reach -30% by the end of 2020). A new phase of energy management seemed necessary.

The energy strategy, developed in 2014 after the meeting to consult with stakeholders, is tested with partners in France and gradually rolled out to the entire Group. This energy policy has helped reduce Carrefour's carbon footprint while allowing the businesses to continue buying power, equipping their stores, and selling products. It has four components: producing and connecting locally, being efficient in stores, optimising logistics (see Waste Reduction/logistics), and offering solutions to customers (see 54).

Producing and connecting locally: promoting renewable energy

For several years, Carrefour has been testing renewable energy sources for its activities, especially when new sites are opened, and depending on local context. After a meeting to consult with stakeholders on the topic of energy, it became clear that the Group needed to "produce and connect", meaning:

- connect facilities locally and use the sources of energy already available in stores, such as heat and organic waste (biomethanation project, see page 38);
- strive for demand-side management, which encourages the development of renewable energy by creating the flexibility required to use it;
- recovering the heat generated by cold production, which is particularly relevant with hypermarkets, where efforts are underway to develop this practice;
- use geothermal systems when the environment allows.

Consume energy efficiently in stores

The savings generated by a 5.2% reduction in kWh/m² in 2014 vs. 2012 thanks to the use of best practices helped balance rising energy costs.

Reduce kWh per sqm

Reducing energy consumption is an important factor in the Group's economic efficiency. In 2014, Carrefour continued to make investments in all its countries with an eye to reducing its energy consumption, such as adopting closed refrigeration units. In 2014, 173 stores in France were equipped with closed refrigeration units, generating an average 18% reduction in energy consumption. The goal is to equip 75% of hypermarkets in France by 2020.

The Group has also initiated a systematic effort to install energy-efficient lighting in Europe and Asia for all new store openings and renovations. Equipping a store with energy-efficient lighting represents a 50% savings in energy and up to 80% when smart controls are also applied, taking into account ambient lighting, activity, etc.

Other systems to reduce energy consumption are also being installed: night covers for refrigeration units, natural fluids in refrigeration systems (see below), heat recovery for hot water in kitchens and bathrooms, insulating walls and roofs, installing variable speed drives on compressors, centralised building management, etc.

A catalogue of techniques and technologies for cold production, air conditioning and lighting has been produced by the Group. It is used in Belgium, Brazil, China, Spain, 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.

Implementing an Energy Management System (ISO 50001)

In early 2014, the Group, by implementing an efficient energy management system in partnership with all parties involved and raising awareness among all its employees, became the first French retailer to obtain ISO 50001 certification for all its consolidated sites: stores, warehouses and head offices. Carrefour's goal is to take this approach even further by adopting a specific management system for controlling energy consumption for each format.

KEY FIGURES

In 2014, the energy consumption (electricity, fuel and gas) of the Group's stores dropped by 31.1% (compared with 2004 levels, per m² of sales area)
Goal achieved: 30% reduction by 2020 compared with 2004 per m² of sales area

BREAKDOWN OF STORE ENERGY CONSUMPTION

Electricity	87.3%
Gas	10.3%
Fuel	2.4%

AVERAGE ELECTRICITY CONSUMPTION IN HYPERMARKETS

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

Average consumption from a survey.

CHANGE IN STORE ENERGY CONSUMPTION

	2014	2013	2012	% vs. 12
Energy consumption – Electricity, Gas and Fuel *(in kg/m² of sales area)*	552.0	572.2	582.6	(5.2)%

Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).

☑ *2014 figures verified with a result of reasonable assurance.*

Reducing emissions from cooling

Refrigerants used to run the positive and negative 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 aiming to:

- 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;
- eliminate hydrofluorocarbons fluids (HFC): Carrefour has also pledged to stop using HFC fluids in its new cooling facilities as of 2015 in the majority of its stores in Europe;
- gradually equip the Group with closed refrigeration units that can run on natural fluids.

The Group has launched a diagnostic analysis aimed at measuring fluid leak rates and identifying their causes so as to introduce corrective measures. Between 2012 and 2014, the quantity of refrigerant gas refilled in cooling and air conditioning facilities following leaks dropped by 4% per m² of sales area.

Carrefour is developing alternative systems that use natural fluids like carbon dioxide (CO_2), which have a lower impact on climate change and the ozone layer. Moreover, CO_2 requires very tightly-sealed refrigeration facilities which significantly reduce leaks. The new-generation equipment consumes both less fluid and 10% to 20% less electricity.

After the first conclusive tests, when replacements were needed the Group began to gradually convert facilities that ran on fluorinated fluids to ones that use scalable mixed CO_2 solutions or 100% CO_2. This makes Carrefour a pioneer in its European countries, having rolled out natural solutions to 170 stores in seven countries as of the end of 2014. Roll-out of the solution in Brazil also began in 2014, with three stores now equipped with hybrid systems.

The Group is also developing a fully-integrated air conditioning solution, which consists of producing cold at a single point for both air conditioning and food refrigeration. This technique allows stores to eliminate their consumption of chemical fluids and reduce their energy consumption. A test took place in Italy in 2014, and three more are planned for Belgium and France.

	2014	2013	2012	% vs. 12
Quantity of refrigerant refilled due to leakage *(kg/1,000m² of sales area)*	48.7	47.7	50.8	(4.2)%

Like-for-like BUs (scope: 96% of 2014 consolidated sales, excl. VAT) - excluding: HM: AR/SM: AR.

◗ Reducing Carrefour's energy waste and carbon footprint

The Group has set itself an ambitious goal of reducing its CO_2 emissions by 40% by 2020 in comparison with 2009 in four European countries – France, Spain, Italy and Belgium. This represents 38% of the Group's emissions. The Group is committed to reducing its emissions everywhere it operates. Through this commitment, the Group is striving to limit its impact on climate change.

As the Carrefour group's carbon footprint shows, greenhouse gases (GHG) linked to store activities are mainly attributable to the energy the stores use and the refrigerant fluids that keep food cold. These are the two areas in which the Group is concentrating its efforts.

Carrefour's policy directly contributes to reducing its carbon footprint. It includes reducing kWh/m², addressing refrigerant leaks, using natural fluids to refrigerate food, optimising the transportation of goods, and adopting a demand-side management approach introduced in 2014 to offer energy producers greater flexibility in consumption. This allows the producers to regulate production more effectively and thus avoid more GHG-emitting modes of production.

In 2014, total greenhouse gas emissions (direct and indirect) were 3.58 million t. CO_2 eq. vs. 3.60 million t. CO_2 eq. in 2013, a drop of 0.5%. Emissions are calculated according to the guidelines in the international GHG Protocol standard.

KEY FIGURES

45 stores equipped with 100% CO_2-cooled refrigeration units
30.5% reduction in CO_2 emissions linked to refrigerant and energy consumption by stores in France, Spain, Belgium and Italy compared to 2009 levels (goal: -40% by 2020)

GHG EMISSIONS BY SOURCE (IN T. CO_2 EQ.) IN 2014

Scope 1	Refrigerants, Gas and Fuel	1,629.8	45.5%
Scope 2	Electricity	1,643.4	45.9%
Scope 3	Logistics	308.6	8.6%

Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).
☑ *2014 figures verified with a result of reasonable assurance.*

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

France	20%
Europe (excluding France)	36%
Asia	25%
Latin America	19%

Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).
☑ *2014 figures verified with a result of reasonable assurance.*

2.2.2.4 Waste Reduction/logistics: optimising the supply chain

◗ Reducing kilometres travelled and optimising volumes

The Group is continuing with its programmes to optimise the number of kilometres travelled and improve logistics.

Cooperation between the logistics and store teams has helped to adapt order and delivery processes, for example by pooling deliveries to different store formats in all Group countries. A logistics transformation programme is underway in France to reduce kilometres travelled by bringing loading sites and delivery sites closer together with a system of multiformat, multiproduct warehouses.

In 2012, Carrefour carried out assessments on the optimisation of distribution lorry loads which led to a project to optimise the loading volumes. In 2014, a volume indicator was adopted to measure loading by cubic volume and not only by floor space, boosting loading volume by +1 to 28%. The loading volume is also being improved by efforts to reduce and redesign packaging and delivery aids (see below), and in France, by launching a new stackable metal crate.

The Group has also stepped up the implementation of delivery run optimisation tools by its carriers in Poland, Argentina, and Italy, countries with a large proportion of small stores. France, Spain, and Romania will complete this transition in 2015.

In France, as part of the Group's Waste Reduction plan, the French logistics teams have adopted a programme called Opti'Transport, one of the goals being to optimise and reduce the carbon footprint of the Supply Chain. The programme calls for operational changes across the entire chain, including:

- revising the rules for pallet preparation;
- adapting and optimising delivery frequency;
- bringing twin-deck lorries (beam trailers) into use on routes between warehouses (low rotation).

	2014	2013	2012	% vs. 12
CO_2 emissions per shipping unit *(kg CO_2/pallet)*	6.4	6.9	6.9	(6.4)%

Like-for-like BUs (scope: 85% of 2014 consolidated sales, excl. VAT) - excluding: HM & SM: BR.

Improve the performance of vehicle fleets for transporting merchandise as well as service vehicles and company cars

In France, Carrefour signed the "CO_2 Objective Charter" (covering its own fleet) with the ADEME in 2012, and it encourages its carriers to make the same commitments. In 2014, 383 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.

For the 2011-2014 period, CO_2 emissions for flows delivered by the Group's own vehicles were reduced by more than 15%. Carrefour has renewed its commitment to the ADEME for a further three years. Its goal is to reduce the GHG emissions of its own-vehicle fleets in France by 12% over three years in comparison with 2014 level.

The commitment to offer incentives to transportation service providers was also renewed, with the aim of identifying areas for cooperation on sustainable progress, such as new clean transportation technologies, driver working conditions and information systems. A group called the "Cercle des Transporteurs" was created to provide a forum for Carrefour France and public carriers in order to promote collaboration on transportation techniques and organisation.

In all its countries, Carrefour strives to improve its fleet with cleaner, quieter lorries. In the most advanced countries, for example:

- in Belgium, since 2012, 100% of lorries have been Euro 5-compliant;
- in France, 98.5% of all distance in 2014 was travelled by a dedicated fleet that is Euro 4 and 5 compliant (compared to 97% at the end of 2013).

The fleet is renewed regularly. Carrefour France favours vehicles that run on biomethane fuel generated by recovering the organic waste from its stores, and has six such vehicles in its fleet.

The fleet of service vehicles and company cars in France has nearly 2,500 vehicles. These are replaced constantly, helping the Group reduce its environmental footprint every year. In 2014, for example, average CO_2 emissions dropped by more than 14% compared to 2013. Carrefour France operates an incentive policy to promote the use of hybrid vehicles, and has chosen to have a fleet made up exclusively of French vehicles by the 4th quarter of 2014.

Preventing sound pollution

Carrefour store activities 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. Any obsolescent equipment that produces noise is replaced. In all countries, maintenance teams ensure respect for noise regulations.

However, the transportation of goods may generate noise, particularly for local residents during delivery periods. In 2014, Carrefour continued its policy to reduce noise in France, with the aim of developing the Certibruit certification for stores located in dense urban areas. One Carrefour Market store has already been certified in Lyon.

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 infrastructure exists.

In France, for upstream shipping - from suppliers to warehouses - multimodal delivery routes have been developed:

- 2,500 containers were shipped by river, representing 27% of imported products and nearly 500,000 fewer kilometres by road;
- 3,150 containers were shipped by rail, representing 1.7 million fewer kilometres by road.

Combined road/rail solutions are also being used for downstream shipping (from warehouses to stores). 2.7 million kilometres were saved in this way in 2014.

Pooling shipping resources between upstream and downstream, as well as with consolidation centres, helps reduce the number of kilometres travelled empty. After making a delivery to a store, the same lorry goes to a nearby supplier to reload with merchandise to ship back to the warehouse. By reusing the downstream transport for upstream shipping, one lorry is saved with each run.

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

2014 KEY FIGURES FOR SHIPPING IN FRANCE

210 million road kilometres travelled for store deliveries, *i.e.* 6% fewer than in 2013
109.9g of CO_2 per package shipped, *i.e.* 13% less than in 2013
9,454 tonnes of CO_2 avoided thanks to alternative transport and optimisation, *i.e.* 13 million km of road not travelled

2.2.2.5 Waste Reduction/water: preserving resources

Reducing water consumption and pollution

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 changes in land 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

Water consumption varies depending on the size and activities of the store. The activities that use the most water are: food preparation (meat, fish, bread, pastries and deli), cleaning equipment and floors, ice for seafood displays, hand-washing and staff restrooms, and watering indoor plants and outside green spaces.

From 2010 to 2014, water consumption per m² dropped by 8.9% at Group level. This is the result of a long process involving consumption monitoring and awareness raising as well as country action plans to reduce consumption and limit leakage.

Stores around the world are gradually adopting solutions to limit consumption, such as water-saving taps, motion-detection taps or water-free urinals, and systems for collecting and recycling rainwater for non-drinking use – a solution that could reduce a hypermarket's consumption by 10%.

	2014	2013	2012	% vs. 12
Quantity of water consumed *(m^3/m^2 of sales area)*	1.59	1.68	1.74	(8.9)%

Like-for-like BUs (scope: 91% of 2014 consolidated sales, excl. VAT) - excluding: HM: BE, AR/SM: BE, AR.

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 through evaporation.

Offering products with a small water 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 for aquatic organisms. In anticipation of new regulations coming into effect in 2022, the Group keeps raising awareness among its customers about the use of plant care products compatible with organic agriculture.

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 are regularly highlighted in catalogue pages, including a spread in honour of World Water Day.

KEY FIGURES

5.8% water saved in one year per m^2 of sales area Group-wide
15.5 million m^3 consumed at Group stores in 2014

2.2.2.6 Integrating waste reduction into merchandise-related operations

Reducing packaging waste

Store activities generate packaging waste of various kinds: mainly secondary packaging (such as packing 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. As such the warehouses are also involved in efforts to reduce packaging waste.

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

In France, some 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 while improving handling conditions and significantly reducing the tonnages transported.

Eliminating unnecessary packaging for customers

Spain launched a new initiative in 2014 to systematically eliminate unnecessary packaging (for protection, preservation, transport, etc.). The teams responsible for Carrefour brand product packaging have identified 12 strategic levers for redesigning packaging in order to reduce it and optimise lorry load volumes. The packaging design teams for national brand products are also involved. 320 Carrefour employees were trained in 2014 in Spain and France. The Spanish teams estimate that this saves more than €6 million per year.

The Group is planning to extend the initiative to all countries by 2017.

In France, a working group has drawn up a road map describing all the levers to optimise packaging:

- defining packaging rules for Carrefour products;
- launching 34 optimisations in different areas (reducing packaging at source, mineral inks, phthalates, optimised recycling, FSC certification, sorting pictograms); 11 of these optimisations (representing 166 items) are available in store aisles as of the first quarter of 2015 with a procurement gain of €1.5 million in one year;
- adding sorting instructions to 1,900 packagings currently in store aisles;
- creating a form on packaging characteristics for suppliers to fill out as well as providing informational materials for them;
- working with the design teams to assess 10 proposed innovations.

2.2.2.7 Reducing the environmental footprint

In addition to its Waste Reduction Plan (Antigaspi), Carrefour is continuing programmes undertaken as part of its commitment to fight climate change and protect the environment.

Air, water and soil pollution

The Carrefour group's sales and distribution activities release low levels of emissions into the air, water and soil, apart from greenhouse gas emissions. The initiatives aimed at reducing greenhouse gas emissions are described on the previous pages.

Equipment operating on fossil fuels that generate emissions (dust or smoke) such as generators, compressors and condensers are equipped with recovery systems or filters. Given the store activities, the wastewater leaving sites do not carry major pollutants. Wastewater treatment and recycling systems have been introduced in some countries.

Carrefour service stations 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 paving around the filling area to avoid fuel infiltration into the ground;
- decanting systems to avoid contamination of the sanitation network, and a system 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.

Eliminating plastic bags

Carrefour stopped handing out free plastic bags in 2012 in consolidated stores in all its countries except Argentina and Brazil, where the process is underway.

In anticipation of future European regulations, the Group is working to identify alternatives to the plastic bags currently used for loose purchases of fruits and vegetables.

2.2.3 The biodiversity protection programme

The fifth report issued by the Intergovernmental Panel on Climate Change (IPCC) makes it clear: human activity has caused climate changes. These changes will lead to a loss of biodiversity, food resource problems, ocean acidification and a change in the services provided by nature on a daily basis. Carrefour has therefore decided to take action, in its sphere of influence, to protect biodiversity and ensure that nature continues to produce the resources that mankind needs. This challenge, together with efforts to combat waste, is regularly discussed with WWF France, Group partner, as well as with other NGOs and companies committed to protecting the oceans, marine resources, forests and, more generally, biodiversity.

2.2.3.1 Carrefour product quality and safety

The quality approach

Carrefour demands quality in each phase of a product's life and in the operation of its stores worldwide. The high standards include control processes that cover all issues of health, safety, hygiene and quality to guarantee optimal health and safety.

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 that bind suppliers are monitored by the quality departments at the country level. Factory audits and management of non-compliance are also handled at the country level;

- the Group Quality department provides effective support for quality management in all countries to adapt to local markets and ensure consistency worldwide. To achieve this, group experts act on a variety of issues at the country level;
- internal control then confirms the relevance of and compliance with procedures and declarations through a programme of strict 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 goals: optimise processes, align quality levels at the country level with the Group's requirements, and facilitate the monitoring of implementation of standards. In future, this harmonisation will help develop stronger, more customer-focused quality processes.

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

- expert teams: organisation of country-level quality teams, expertise of quality managers and in-store employee training (food health and safety, compliance with rules);
- audits: audit policy for stores, warehouses and suppliers on knowledge of food hygiene and safety rules, specifications for auditor selection, identification and contracts, implementation of store/warehouse action plans;
- specifications: procedures to manage food health and safety in each department;
- control plan: control products in stores, sort and select fresh produce delivered to the warehouse, microbiological analysis of products handled in-store and of food contact surfaces, specifications and contracts with laboratories, action plans in case of non-compliance;
- database: archive of supplier and product controls, compilation of quality/safety indicators.

With the help of the Group Quality department, indicators were sent in 2013 to every country where Carrefour is present and implemented in 2014.

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

All Carrefour brand products are audited every year, three-quarters by a third party. In 2014, 75% of audits received a score of A+. The Group does not sell products with a score of less than B-.

Ongoing improvement of quality standards

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 to work together.

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 comply 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 each supplier for certification of food safety/quality standards at its production site or has it audited by an expert or independent third party to ensure that it has the skills and tools that 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 potential non-compliance: 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 non-compliance requiring a product recall, the Group uses an international alert system known as "Alertnet" to inform its stores as quickly as possible. Accessible *via* the Internet, it provides maximum responsiveness. This tool is currently used by Argentina, Brazil, France and Poland.

Continuous monitoring of substances

Quality teams monitor data provided by the scientist community and health agencies. They rely on a network of scientists who help them anticipate risks and take the appropriate decisions. As a result, the Group has developed a formal risk mapping and management methodology based on classification by risk category.

In 2014, Carrefour restricted the use of ingredients that are not yet regulated but have become the focus of much attention in the scientific community. For example, in the cosmetics sector, Carrefour developed a range of around twenty nanoparticle-free suncare products for the French, Spanish and Belgian markets.

In the food sector, in 2013, official publications on the potentially harmful effects of acrylamide led Carrefour's merchandise teams to develop and implement an action plan to thoroughly assess the presence of this newly-formed molecule in foodstuffs, quantify it for each product concerned and verify that the content does not exceed the levels recommended by the European Food Safety Authority (EFSA). In 2014, any exceedance resulted in a careful study of the manufacturing process in order to limit its presence as far as possible.

2.2.3.2 The development of agroecology through the Carrefour Quality Lines

The tool: Carrefour Quality Lines

Carrefour Quality Lines (CQLs) are a partnership between Carrefour and farmers and processors. The partnership is based on Carrefour's commitment to ensure a long-term commercial outlet in exchange for a guarantee of product quality and the use of agroecological farming practices. CQL partnerships include specifications and an improvement plan which are audited regularly by an independent third party. In 2014, these lines continued to expand throughout the Group, particularly in Argentina, China, Poland and Taiwan, in cooperation with the local farming community.

Group	2014	2013	2012	% vs. 12
Sales (incl. VAT) of Carrefour Quality Line products *(in € millions)*	850	1,034	898	(5.3)%
Number of Carrefour Quality Lines *(number of partnerships)*	552	414	418	32.1%

Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).

Promoting agroecology through the CQL

To promote agroecological practices, Carrefour relies on the collaborative approach reflected in CQLs, particularly the associated action plans, to help its producer partners implement these innovative practices that contribute directly to protecting biodiversity. Carrefour helps more than 21,000 producers to integrate agroecology into their production method. This direct relationship with producers and the control of all the steps is unique to Carrefour. Through the development of common specifications, those involved in the Carrefour Quality Lines adopt agroecology based on several mandatory key principles: integrated pest control, crop rotation, a ban on spreading sludge from water treatment plants, the exclusion of soil-free plant production and the absence of post-harvest chemical treatment of fruits and vegetables. The 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.

The development of antibiotic-free animal product lines, along with consultations and efforts to promote responsible plant proteins in its supply chain, is also part of this agroecology expansion approach.

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 the European Union, no own-brand food product in any of our ranges contains GMOs. Outside the European Union, the Group has taken steps to offer an alternative to GMOs whenever possible, while adapting to local regulatory requirements.

Carrefour France has extended its commitments to the feeding of animals used for Carrefour fresh products and has developed a traceable, GMO-free soya meal network. The Group offers more than 350 Carrefour and CQL products in France labelled "Reared without GMOs" to meet customer and consumer demand for transparency. This commitment has prompted the Group to turn to French producers of soya and other plant protein sources to support the guarantee that certain products are GMO-free. Carrefour's goal is to adopt this approach in other CQL, such as it did with eggs in 2014.

Antibiotic-free animal product lines

In 2013, Carrefour launched its first CQL of chickens raised without antibiotics thanks to a partnership with 150 breeders. The Group maintained this approach in 2014 with three new products: pork, eggs and salmon. The use of phytotherapy helps to strengthen the immune system, amongst other things, thereby preventing disease. It also ensures the animals' well-being and provides high-quality results. As part of the close relationship that Carrefour maintains with farmers who are committed to using high-quality production methods, the Group has been able to develop these products with demanding specifications.

A beekeeping line

In response to the Beekeeping Sustainable Development Plan launched by the French government, the Group decided in early 2013 to sell CQL honey in France. This honey has the notable feature of being produced by the beekeepers themselves and is carefully controlled at every stage, from beekeeper to consumer. A new "*Miel de Corse AOP*" product line that offers three types of honey was introduced in 2014 and a responsible beekeeping line was also created in Poland.

Promoting organic agriculture

The Group has developed a selection of organic products. The Carrefour BIO range offers a wide selection of textiles (under the TEX brand), cosmetics and food products, with new items added each year. In 2014, Carrefour stores sold more than 4,000 Carrefour BIO products worldwide.

Group	2014	2013	2012	% vs. 12
Number of controlled BIO food products *(in units)*	2,268	2,153	1,998	13.5%
Sales (incl. VAT) of BIO food products *(in € millions)*	651	580	545	19.5%

Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).

2.2.3.3 Protecting marine resources

To take into account the need to protect fish stocks in 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 also works with partners who support it in building its approach to sustainable fishing:

- Carrefour has been working with WWF France since 2007 to identify fishing areas and species to be preferred;
- the Group also uses the guide published by the Seafood Choice Alliance, an NGO that works with the entire line, to help it make procurement choices with endangered species in mind;
- Carrefour sits on the board of the Marine Stewardship Council (MSC), a globally recognised programme for the certification of products from responsible fishing.

In 2014, Carrefour in France pursued its commitment to sustainable fishing along three lines:

- discontinuing the sale of deep-sea fish: Carrefour has stopped selling scabbard fish, grenadier and cusk. Between 2007 and 2013, Carrefour had already stopped selling blue ling cod and deep-sea perch, and had decreased fourfold the sales volume of scabbard fish, grenadier and cusk. Carrefour bolstered its commitment to sustainable fishing by halting their sale in 2014;
- doubling of Carrefour France MSC-certified products, increasing them from 22 in 2013 to 50 at the end of 2014. Carrefour offers one of the largest ranges in France (all brands combined) and will continue to actively promote the label in the coming years. Carrefour is aware that the challenge for tomorrow will be to increase MSC-labelled marine resources and provide support for the line. To that end, the Group has helped a supplier obtain the MSC label for its "sole" line;
- CQL farmed salmon: 100% of fresh Norwegian salmon now comes from the CQL. This Norwegian line, created in 1995 and expanded to cover all of Carrefour's fresh salmon, ensures full traceability of salmon from birth to the stores. All sites and stages of production are audited by an independent company, and the products meet highly demanding specifications.

To educate customers, Carrefour also provides information in its fish and seafood departments about its commitments to sustainable fishing, species to be preferred and MSC-labelled products.

In 2014, Carrefour made a commitment to the Aquaculture Stewardship Council to support the production of panga, the first fish certified based on this responsible aquaculture production label.

The protection of marine resources was also the subject of a consultation with the Group's stakeholders in 2014 (see page 23).

2.2.3.4 Protection of forests

To protect biodiversity, Carrefour has gradually developed a comprehensive policy to reduce the forest footprint of its supply chain. This responsible supply policy, particularly in terms of raw materials, consists of initiatives in all lines directly or indirectly connected to forestry use and is carried out in association with NGOs and dedicated working groups. Thus, as part of its membership in the Consumer Goods Forum, the Carrefour group supported the adoption of a specific objective: zero deforestation by 2020.

Promoting sustainable sourcing of palm oil

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. Its mission is to develop a production certification system and ensure traceability in the supply chain.

In 2013, Carrefour was involved in revising the principles and criteria for responsible production of palm oil developed by the RSPO, after which the Group agreed to test on 50 products the criteria that it would like to see applied to palm oil production, including:

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

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 has not been substituted. The following results were achieved in 2014:

- 73% of the palm oil used in Carrefour brand products is RSPO certified (including 36% Book & Claim, 56% Mass Balance and 8% Segregated), compared with 62% in 2013 (consolidation of data for Argentina, Belgium, Brazil, France, Italy, Poland, Romania and Taiwan);
- palm oil has been replaced in more than 400 Carrefour products in France, with no negative impact on quality, taste or product preservation. The Group substitutes another oil for palm oil when this improves the nutritional profile of its products, based on local context and technical feasibility.

Promoting sustainable sourcing of soya

Carrefour gives priority to responsible plant proteins. Plant proteins (legumes including soya, cereals, oilseeds, etc.) are used in animal feed for breeding purposes. With little production currently in Europe, soya is frequently imported from Brazil, where it is a cause of deforestation. Most of the production also comes from GMO crops.

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

- develop responsible GMO-free soya production: the Group is a member of the *Round Table on Responsible Soy (RTRS)*, supporting the soya moratorium. Launched in 2006, this international organisation brings together soya producers, industry representatives, mass retailers and NGOs. Since 2006, Carrefour supported the soya moratorium in the Amazon. This initiative, taken by industry professionals in coordination with Brazilian authorities and civil society, is designed to combat the deforestation of the Amazon for soya cultivation. In 2014, Carrefour Brazil participated in the *Soy Working Group* tasked with renegotiating the soya moratorium. After lengthy negotiations with soya producer organisations and NGOs, the moratorium commitments were extended until May 2016;
- Carrefour uses geographic traceability and the Pro Terra standard [(1)] to track the absence of deforestation for its supplies of soya for the "fed without GMOs" CQL and other Carrefour brand products;
- Using this approach, in 2013 Carrefour launched 100% French eggs from laying hens reared on GMO-free feed grown exclusively in France.

Promoting deforestation-free beef

In some parts of the world, including the Amazon, some breeding practices lead to significant deforestation. Carrefour is mindful of this issue and is taking the necessary steps to break the link between beef production and deforestation.

For example, in 2013 Carrefour Brazil was the first retailer to launch beef products certified by the Rainforest Alliance NGO. 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 *via* the Internet and systematic food safety inspections throughout the chain.

Since 2009, Carrefour Brazil has participated in the Working Group on Sustainable Beef (*Grupo de Trabalho da Pecuaria Sustentavel – GTPS*), which aims to create a responsible beef supply chain. In 2014, one of the largest beef producer became part of the Carrefour Quality Line initiative, thereby ensuring responsible production throughout the country for a full year.

Ensuring the origin of wood and paper and promoting labels (FSC, PEFC)

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

To control its supplies of wood and wood products, Carrefour has made a commitment to sustainable forest management. Under the Wood Charter, the European purchasing office's suppliers that use wood, pulp, paper and derivatives have made a commitment to ensure:

- the legality of their supplies;
- respect for local populations;
- no sourcing from high conservation value (HCV) forests;
- that supplies are not sourced from 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).

Carrefour also appended the Wood Charter to all contracts signed by suppliers, those of the European purchasing office's, of products that contain wood fibres. All suppliers that manufacture products made of wood and wood derivatives have received the Wood Charter. In 2014, 100% of the garden furniture made of tropical wood sold by the Group was certified or in the process of being certified.

For the non-food sector, the Wood Charter includes a questionnaire that helps us to work with suppliers in examining how to improve their sourcing to comply with the charter (species, production areas, 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 continuously improve, Carrefour always strives to enhance the expertise of its teams, training them in local regulatory issues, risk analysis, standards and supplier evaluation. The Group has also collaborated with WWF France and the WWF's GFTN [(2)] (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 made from FSC, PEFC and recycled materials.

Commercial publications and consumption of office paper not from deforestation

Since 2005, the Carrefour group has taken a comprehensive approach to its commercial publications in line with its commitment to sustainable procurement. For example, 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 limited the quantity of paper used for its publications by reducing paper weights, going digital and optimising distribution. Carrefour also works with printers to reduce the impact of its commercial publications.

(1) Certification standard for supply chains producers and suppliers of non-GM soybeans, developed in 2006 by Cert ID, to make a significant contribution to improving the sustainability of the soy supply chain.

(2) GFTN France is a discussion forum that brings together loggers and wood purchasers around the world that are committed to responsible operations.

	2014	2013	2012	% vs. 12
Quantity of paper purchased for commercial publications *(in kg/m² of sales area)*	16.0	16.0	18.3	(12.5)%

Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).

In future years, Carrefour hopes to further improve the environmental quality of its office paper. As of 1 January 2014, 100% of the office paper purchased in France is FSC-certified. This approach is gradually being extended to the other countries.

KEY FIGURE

99.3% of paper in Carrefour catalogues is certified and/or recycled

2.2.4 The action plan to support Carrefour's suppliers

Due to the nature of its activities, Carrefour has close ties to its customers, suppliers, teams, communities and investors, and is more broadly linked to stakeholders which include universities, other players in the sector, trade federations, governments and public services. Convinced that isolated actions taken by companies, individuals or countries will not effectively address future societal challenges, the Group involves its stakeholders in its strategy to ensure optimal leverage and meet together numerous CSR stakes. To accomplish this, Carrefour teams that have contact with stakeholders are responsible for driving change and lending support to partners within the Group's sphere of influence.

2.2.4.1 Supporting our suppliers

Relationships with suppliers are key factors when creating a collective momentum to incorporate CSR. These relationships are contractually based, but are also built on cordial and constructive professional dialogue.

The Carrefour group deploys a three-fold approach in order to:

- strengthen its partnerships with suppliers;
- help its suppliers achieve growth;
- contribute to the improvement of working conditions in countries that require special vigilance.

Strengthening partnerships with suppliers

With SMEs: the SME plan

With the 2014 launch of its SME plan, Carrefour has broadened the scope of its efforts to improve cooperation with SMEs across all food and non-food consumer goods sectors. The Group's primary goal is to develop ties with SMEs by adapting and simplifying procedures and relationships.

The plan includes:

- simplified listing, with an accelerated listing process (within 10 days, instead of two months through the platform) for SMEs which deliver directly to stores, especially local businesses;
- reorganisation of contacts between Carrefour's teams and SMEs: each SME will be assigned an administrative contact and a supply chain contact;
- strengthening relationships with SMEs through a variety of presentations by the Group, at meetings and during working groups. These presentations will mainly cover procedures to make relationships between Carrefour and SMEs smoother, share the Group's vision with its suppliers, and encourage innovation. In France, during 2013, 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, established a guide for best practices in commercial relationships. The Group organises and takes part in numerous fairs to expand its range of local products (12 regional fairs during 2014), and to encourage innovation. Thus, in September 2014, Carrefour organised the Salon national des PME et de l'Innovation (National SME and Innovation Fair) which mobilised 350 SMEs and 600 Carrefour employees, followed by the first edition of the SME Innovation Awards (28 November 2014). The awards brought together 150 candidates for 13 Awards, five of which focused on CSR issues. The fairs also provided an opportunity to strengthen ties between Carrefour's teams and suppliers.

With food suppliers: Sustainable Relations Charter

In France, the Carrefour group is among the mass retailers which have signed common principles on responsible inter-company relationships. These principles have led to a certification under the Responsible Supplier Relations label for the agri-food sector. The label recognises French companies which have demonstrated sustainable and balanced relations with their suppliers. The certification associated with this label specifically concerns the following points:

- respect for the interests of suppliers and subcontractors: fair financial treatment of suppliers, promoting sustainable and balanced relations, equal treatment of suppliers and subcontractors and preventing corruption;

- incorporate environmental and societal factors into the purchasing process: integrating supplier and subcontractor environmental and social performance and contributing to local development;
- conditions for quality supplier/subcontractor relations: increasing professionalism of Purchasing departments and procedures, building relationships and commercial mediation.

With the farming sector: developing long-term cooperative relations

The 1992 launch of the first Carrefour Quality Commitment (CQC) products in France marked the beginning of Carrefour's commitment to French producers. The initiative was subsequently renamed Carrefour Quality Lines (CQLs), and the partnership with farmers was enhanced 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 CQL has given rise to long-standing partnerships designed to develop a quality approach, together with all supply chain players, and to ensure outlets for the products. The lines therefore help sustain and promote local business and regional expertise. Carrefour works closely and establishes trust with all network players (agricultural producers, animal breeders and processors) over time, taking into account their needs and helping them to stay abreast of regulatory developments, implement more eco-friendly practices, reduce pesticide use and improve animal well-being.

KEY FIGURES

8.5% of Group sales of fresh products come from Carrefour Quality Lines
552 lines worldwide, +33.3% compared to 2013
Over 21,000 producer partners throughout the world (including over 18,000 in France)

Helping suppliers achieve growth

Local suppliers

The Group has always 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 France, for example, in summer 2014, the Group signed an agreement with French tomato, cucumber, peach and nectarine producers, as well as an unprecedented agreement with Légumes de France, the federation of vegetable producers under the FNSEA. Through this agreement, Carrefour launched promotions in 1,200 stores across France to promote fruit and vegetable production and to encourage their consumption by the general public. These operations were carried out in response to exceptional weather conditions, which resulted in a 30% rise in fruit and vegetable production volumes as compared to previous years. Carrefour's action prevented prices from collapsing and took the producers' business needs into account.

% OF SALES OF CONTROLLED FOOD PRODUCTS FROM NATIONAL SUPPLIERS

	2014
Europe	73%
South America	93%
Asia	27%
GROUP TOTAL	**73%**

Local suppliers are also promoted by developing regional product ranges. These include the Reflets de France brand, involving nearly 220 local French producers (excluding fruit and vegetables) and achieving total sales of over €340 million with more than 500 regional products. Thirty new products were launched in stores during 2014. To take this support of French SMEs even further, Reflets de France has adopted an international outlook since October 2013, helping French SMEs to export their products.

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 offers a national range of over 300 regional products to customers. The range, first launched some ten years ago, is exported to several of the Group's European countries (such as Belgium and Romania). In Spain, De Nuestra Tierra is the equivalent of the Reflets de France products in France.

In addition to these measures, Carrefour gives priority to French producers for its Carrefour BIO product ranges. Carrefour launched its first organic product in 1992: the Boule BIO. 22 years later, the Carrefour group offered more than 2,250 organic food listings under its BIO brand in 2014. In France, the banner offers over 900 Carrefour BIO food listings and over 950 BIO cotton textile products.

More than 70% of the Carrefour BIO food products in French stores come from French production sites. Carrefour works with over 200 French 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.

Support for exports

Carrefour supports SMEs in their export operations, sparing them exploratory trips and intermediation expenses. During 2014, 16 French SMEs were listed in Poland and 18 in China. The Group also initiated the reverse process: Romanian SMEs met with teams from Carrefour France in preparation for a possible listing.

Supporting suppliers' sustainable development initiatives

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

Launched in France in 2006 and deployed in the food sector starting in 2007, our sustainable development self-assessment tool is a detailed self-evaluation framework designed in conjunction with WWF France. It is accessible to suppliers online and includes 35 assessment criteria, enabling them to assess their practices against four central pillars which reflect the principles of ISO 26000:

- organisational governance;
- human rights and working conditions;
- environmental responsibility;
- fair practices;
- consumer issues;
- communities and local development.

Carrefour aims to ensure that all of its suppliers answer all questions and implement practical sustainable development initiatives. Through this tool, Carrefour provides them with support to achieve this goal. The self-assessment questionnaire covers all the topics related to CSR, such as responsible purchasing, local suppliers, eco-design, waste management, energy consumption, biodiversity and employee health and safety. 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 sector. Carrefour also arranges for consultants to visit some businesses to identify their best practices, help them to pinpoint areas for improvement and draw up action plans.

In 2014, for the ninth consecutive year, Carrefour repeated the self-assessment process in countries where the Group operates. The process culminated in a variety of events:

- in France: CSR and innovation awards for SMEs recognised the best initiatives of 2014;
- in Poland: awards were presented to Carrefour suppliers to showcase their initiatives;
- in Argentina: a supplier convention brought together a number of partners who shared best practices and their keys to success.

Support for development (fair trade)

In 2014, the Group had nearly 2,000 fair trade listings (own-brand and national brands) throughout the world. Sales volume grew by 15.9% between 2013 and 2014.

The top-selling products are coffee, chocolate, flowers, tea, honey and sugar.

In addition, March 2014 saw the launch of a new Max Havelaar product in France - the fair trade organic banana - of which approximately 10,000 tonnes have been sold. As the top selling fruit in the world, the banana trade is a source of jobs and income for four million households in the southern hemisphere. The Carrefour group is committed to developing a line of fair trade, organic bananas which ensures:

- a minimum price for small producers;
- respect for workers' fundamental rights;
- a €0.04 per kilo bonus paid to grower associations to finance development projects, such as the construction of schools and health centres;
- fair trade-certified production methods which prohibit the use of the most harmful chemical products, ensuring better waste management and the protection of natural resources.

Fair trade organic bananas distributed by Carrefour originate from several grower associations located in the Dominican Republic, Peru and Ecuador.

Group	2014	2013	2012	% vs. 12
Sales (incl. VAT) of fair trade products *(in € millions)*	127.6	110.1	98.9	29.0%
Number of own-brand fair trade products *(number of listings)*	112	89	115	(2.6)%

Like-for-like BUs (scope: 100% of 2014 consolidated sales, excl. VAT).

Contribution to improvement of working conditions in countries requiring special vigilance

The 2015-2017 action plan, in collaboration with the FIDH

The goal of conducting social audits of all Carrefour product manufacturers in countries requiring special vigilance has been achieved, and the sourcing and purchasing teams adopted the purchasing rules that were rewritten at the end of 2013. In 2014, based on recommendations by the FIDH and Carrefour's assessment of its actions, a 2015-2017 action plan was developed to encourage improvements in its suppliers' working conditions, focused on the following five points:

- define indicators to measure results with respect to Carrefour's employee working condition requirements;
- strengthen effectiveness of inspections and audits;
- establish partnerships with suppliers;
- consolidate control standards used by buyers;
- implement programmes to prevent human rights abuses which are supported by the Carrefour Foundation and conducted by FIDH and its partners.

The programme was presented to the European Committee (EICC) steering committee, which brings together trade unions and employers' organisations, and progress will be tracked at each Committee meeting. The action plan is also subject to internal monitoring by a committee dedicated to human rights which brings together the departments concerned.

Proposed programmes to prevent human rights abuses supported by the Carrefour Foundation and conducted in cooperation with FIDH and partners

In 2015, the Carrefour Foundation will set up a partnership programm with FIDH which may propose, subject to the approval of the Carrefour Foundation Board of Directors, the financing of projects to promote respect for human rights in the supply chain and the support of actions by non-governmental organisations and other independent local players concerned.

Recap of applicable rules

Inspections of working conditions at manufacturing sites began in 2000. The process begins before any orders are placed, and is a prerequisite. 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 and Chief Executive Officer of Carrefour in September 2013. Training was provided to all purchasing teams. In 2014, the purchasing teams worked to implement these rules.

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.

The Supplier Charter includes the following eight commitments:

- prohibition of the use of forced labour, bonded labour, debt bondage or prison labour;
- prohibition of child labour;
- respect for freedom of association and recognition of the right to collective bargaining;
- prohibition of all forms of discrimination, harassment or violence;
- health and safety;
- decent salaries, benefits and terms of employment;
- working hours;
- business ethics.

The eight commitments are broken down into specific requirements. Under this charter, the Group prohibits reliance on subcontracting and reminds each supplier of its responsibility for its own supply chain. It further specifies Carrefour's commitment to avoiding the use of practices which could prevent its suppliers from complying with the Supplier Charter, such as imposing delivery deadlines which result in exceeding the lawful number of working hours.

As part of our ongoing monitoring efforts, all potential suppliers 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 factory working conditions. A guide entitled Good Factory Standards was published based on photos in the textile sector;
- 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. 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;
- 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 2014, the teams responsible for implementing the Bangladesh Accord (see below) carried out fire safety, electrical compliance and structural audits in Asia (including alarms and operation of equipment).

KEY FIGURES

In 2014, 46.6% of the 1,508 social audits carried out were follow-up audits
All Carrefour product suppliers located in sensitive countries (source: MAPLECROFT) are audited prior to listing

Number of social audits (including initial audits *)	2014	2013	2012
Bangladesh	99 (32)	59 (33)	58 (43)
China	1,005 (435)	944 (489)	785 (384)
India	116 (70)	100 (50)	55 (45)
Other countries	288 (165)	231 (173)	146 (104)
TOTAL	**1,508 (702)**	**1,333 (745)**	**1,044 (576)**

* *Initial audits: audits to check compliance with the Social Charter prior to listing.*

Number of audits with alerts * in 2014	Initial	Follow-up
Bangladesh	17	60
China	137	93
India	38	33
Other countries	44	25
TOTAL	**236**	**211**

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

Breakdown of alerts by non-compliance in 2014	Health & safety	Working hours	Remuneration	Others *
Bangladesh	80%	15%	5%	0%
China	58%	18%	12%	12%
India	68%	14%	8%	9%
Other countries	58%	18%	13%	12%
TOTAL	**63%**	**17%**	**11%**	**9%**

* *Others: alerts linked to chil labour, forced labour, freedom of association, discrimination or disciplinary practices.*

The audits recorded in these tables were carried out within the scope of the ICS and ordered by Carrefour. They cover all food and non-food suppliers with which Carrefour works or would like to work. Carrefour was involved in the creation of the Initiative Clause Sociale (ICS – Social Clause Initiative) which brings together 20 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.

Promoting collective agreements

Consolidation of supplier inspection standards

During his speech to the OECD, Carrefour's General Secretary reaffirmed the fact that "respect of working conditions in manufacturing should not be a matter of competition". In 2014, during discussions within the UN's Council on Human Rights, this position - which guides Carrefour in its respect for human rights - led Carrefour to promote the development of international standards (UN) on the issue of corporations and human rights and, in 2015, to consolidate inspection standards.

Carrefour aims to assume its direct responsibilities and influence its suppliers. The Group's influence over its suppliers' supply chains remains indirect. Accordingly, Carrefour asks its suppliers to impose the same standards of working conditions on their own suppliers, and to agree to cooperate as necessary to advance labour relations practices. 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 should help to avoid duplication of social audits at production sites. The objective for 2015 is to consolidate these methodologies.

Summary of the Accord on Fire and Building Safety in Bangladesh

In May 2013, Carrefour was one of the first retailers in France to sign the Accord on Fire and Building Safety in Bangladesh. The Accord now has more than 200 signatories and its 2014 implementation resulted in inspections of building structures, fire safety measures and dissemination of the list of over 1,700 factories concerned. During 2014, all factories working with Carrefour were inspected pursuant to the Accord, and a specific organisation was established to oversee the inspections. Progress of the Accord can be followed on: *www.accordbangladesh.com.*

2.2.4.2 Supporting customers

Carrefour strives to offer its customers freedom of choice in their consumption. Carrefour provides them with support in making choices based on their needs and expectations. In 2014, the Group gave its support to the combat against food waste and proposed solutions for achieving a balanced diet.

Offering customers and employees solutions to combat waste and raise awareness of better purchasing habits

As part of its Waste Reduction Plan, Carrefour strives to offer consumers solutions to reduce 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. The Group has also developed promotions for unsold products (non-graded fruit and vegetables, short expiry dates) and developed storage solutions to preserve fruits.

The Tous conso malins (clever consumers) website in France (*http://www.anti-gaspillage.carrefour.fr/*) is dedicated to best practices in day-to-day waste reduction.

Throughout the year, stores offer promotions on products with short sell-by dates and transform fruits and vegetables into soups, thereby limiting waste and raising awareness of waste reduction practices.

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, and include batteries, electric and electronic waste, printer cartridges, light bulbs and other lighting consumables. Carrefour has also launched many awareness campaigns targeting customers to encourage them to sort their waste.

An internal awareness and commitment campaign targeting employees was launched across the Group in 2013, and was actively continued during 2014. The campaign's symbol is a bee, which embodies the responsibility of an entire community and a balanced ecosystem. The campaign aims to encourage all employees to take steps to combat waste in their day-to-day lives. It is an opportunity to rally and unite all employees, embody Carrefour's approach to CSR and identify opportunities (ex: the 'hive of ideas'). It was implemented locally in different ways in Group countries in 2014.

The Group also provides its customers with information to encourage more responsible consumption.

In France, for example, its 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 the school year, 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.

A balanced diet for everyone

Given the public health challenges represented by excessive weight and obesity, Carrefour is developing 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.

Specifically adapted product ranges

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

Carrefour Baby meets the latest expectations of parents seeking high-quality and affordable products for their infants by offering foods for children aged 0 to 3, developed in cooperation with a paediatrician and a dietician who are experts in child nutrition.

The Carrefour Kids range, intended for children aged 3 to 10, currently offers products specifically tailored to children's needs.

Lastly, the Carrefour No Gluten range, available in Europe, was developed especially for people who are gluten-intolerant. In Spain, Carrefour offers one of the widest ranges of gluten-free items, with more than 500 products. These include cold 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 products.

Informing consumers about the need for a varied and balanced diet

In all countries where it operates, the Carrefour group makes every effort to promote a balanced diet and a 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 and sponsorships, and promotional efforts aimed at assembling affordable, balanced meals.

In addition to the product information which has been provided for a number of years (including nutritional information, the Guideline Daily Amounts (GDA) system for its own-brand products in Europe and the phrase "Eat a varied, balanced diet and get regular exercise!"), in 2014 Carrefour launched the "aquellefrequence" programme. Developed in cooperation with food and public health experts, this nutritional information is presented on Carrefour products, indicating how often they should be consumed as part of a balanced and varied diet.

2.2.4.3 Playing an active role in society

Connecting stores with their communities

Environmental protection is an integral requirement whenever Carrefour builds or renovates a store. The Group strives to go still further, playing an active role in local life by connecting its stores to their surrounding community.

Designing shopping centres that respect the environment and are integrated with their surroundings

Carrefour Property, the Carrefour group subsidiary which manages real estate assets and shopping centres, has adopted documents that guide its practices to better respect the environment: the Eco-Construction Charter, the Landscaping Charter, as well as the Green Site Charter.

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

During the design phase, store architecture is chosen to optimise energy consumption, preference is given to natural, eco-friendly materials, and renewable energies are considered whenever possible. Each project is designed to integrate seamlessly into the natural or urban landscape and to minimise environmental impact.

During the construction phase, companies that worked on construction sites for Carrefour stores in 2014 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. The environmental appendix is firmed for each new lease agreement since September 2013.

The shopping centre renovation plan, which Carrefour undertook with the creation of the Carmila company in April 2014, enables environmentally-friendly solutions to be incorporated into new improvements. For example, shopping centre relamping in LEDs should result in energy savings. Studies forecast more than 50% of energy savings for lighting items.

In addition, landscaping will be redone at renovated sites to incorporate local species, such as at Nice Lingostière, where Urginea Maritima - a plant known to flourish in the sunshine of Nice - was used as a decorative symbol for the shopping centre.

INSTALLATION OF APIARIES AT CARREFOUR GROUP SITES

The banner aims to support beekeeping and local beekeepers in France. The installation of apiaries raises awareness among both customers and employees of the need to protect biodiversity and the role of bees as pollinators in supporting plant species. The first apiaries were installed in France during 2014 at Carrefour stores in Villiers en Bière, Portet sur Garonne and Troyes, and at the Garonne and La Chapelle Saint Luc hypermarkets.

Tapping and supporting each community's potential

Resulting from 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.

Based on the "smart city" model where buildings and stakeholders can connect, Carrefour has developed "smart stores", linked to their local communities through:

- transport networks which ensure access to all stores, including for people with disabilities, and which promote a wide range of transport modes;
- energy distribution networks, adapting the store's electricity consumption to the network on which it relies, energy production by the store itself, and efforts to optimise consumption by using energy-efficient equipment;
- networks of community stakeholders, including customers, local suppliers, local associations and neighbours;
- water collection networks: to avoid overuse of the local water system, the store favours rainwater infiltration and storm basin construction;
- waste collection systems, to consolidate collection methods with the community after sorting the waste;
- the natural environment, seeking to preserve existing species at the sites during renovation, construction and facilities maintenance (no use of chemical products).

The Salaise-sur-Sanne and Nice Lingostière shopping centres demonstrate Carrefour's desire to connect its stores to their environment and to best tap their potential.

The renovation and expansion of the Salaise-sur-Sanne shopping centre, which began on November 4, 2014, incorporates centralised technical management, waste sorting, rainwater collection, as well as lower energy consumption through the use of geothermal power. The system, which supplies the entire shopping centre, provides heating during the winter and cooling during the summer. Thanks to this renewable energy source, each year the centre will lower its CO_2 emissions by seven tonnes and save 111 MWh.

The Nice Lingostière shopping centre has established a partnership with the Nice metropolitan area and with "autobleues" - electric vehicles available through a car-share programme - to inform users of the charge terminal presence on the site.

Stores that drive employment

With nearly more than 10,800 stores, Carrefour is a major player in the socioeconomic development of the regions in which it operates. Carrefour stores are important as 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. For example, with over 116,000 employees, Carrefour is the second-largest private employer in France.

A Carrefour hypermarket in France 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 concrete action to promote employment for young people and help those experiencing employment difficulties to enter the workforce.

Some stores make a special effort to promote employment. This was the case for the Salaise-sur-Sanne shopping centre during 2014 when, in partnership with Pôle Emploi (French employment agency), it worked to introduce job seekers to new shops opening during the site's renovation/expansion. The result: Pôle Emploi received 2,500 CVs from the four departments bordering the shopping centre, and 71 permanent jobs were created.

Also in 2014, the Hérouville Saint-Clair shopping centre hosted the seventh edition of the Parcours pour l'emploi (Employment Pathways) forum organised by the town, helping to bring together companies and jobseekers. With 82 exhibitors taking part over two days in a 2,130m^2 space, this year the forum welcomed more than 5,100 visitors (nearly 10% more than the previous year).

Promoting access to employment for those who have difficulty finding work

Carrefour France is also pursuing its partnerships with key players in employment and social integration, as well as with Missions locales, 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.

Solidarity actions

Carrefour's sponsorship initiatives include all of the solidarity activities the Group carries out every day in its stores and in the 10 countries where it operates. These include the social projects funded by the Carrefour Foundation throughout the world, as well as those created and implemented by local Carrefour teams.

The Carrefour Foundation's solidarity programmes

Carrefour's corporate foundation, established in 2000, engages in activities to promote the general good and fight exclusion throughout the world. It conducts sponsorship programmes related to the retail sector in countries where the Group operates. The Carrefour Foundation works in two specific areas: food solidarity and emergency humanitarian aid.

It is involved in nutritional programmes, donation campaigns and consumer-good collection drives, supports the opening of social grocery stores, promotes food industry careers and fosters the development of farm production.

The Foundation also takes action during emergency situations, delivering humanitarian aid by providing logistical support.

It has a budget of €6.5 million. During 2014, thanks to the Group's teams and their skills, it funded 60 projects in 12 countries.

All of the Foundation's actions and partnerships are described at *www.fondation-carrefour.org*.

Several examples of projects are presented in the following paragraphs.

Food donations in France

Carrefour stores enter into local contracts with food aid charities to provide them each day with products nearing their expiration date, removed from the shelves each morning and reloaded onto pallets by employees trained in the process, including fruits, vegetables, fresh products, and grocery products.

In 2014, this represented nearly 88 million meals provided by Carrefour, including 77 million in France where all consolidated hypermarkets and supermarkets make daily donations to various associations, and where Carrefour is the key partner to more than 800 local food aid organisations, including Banques Alimentaires (French food banks), Secours Populaire, Restos du Cœur and social grocery stores. Through its stores and warehouses, Intradon - a system established in 2007 devoted to donations - enables products donated to associations to be traced from the store shelves to the recipient.

Carrefour's sponsorship actions are also demonstrated through its logistical support. Using food as a way to fight exclusion, the Carrefour Foundation allocates nearly 91% of its budget to fund food solidarity projects.

It provides refrigerated vehicles to transport fresh products, as well as cold storage areas to ensure compliance with the cold chain. Far from being anecdotal, donation of such equipment enables associations to expand their collection area to new stores (across all banners), thereby collecting even more foodstuffs.

Since 1994, Carrefour has funded the purchase of 160 refrigerated vehicles and 21 cold storage areas, along with refrigeration chambers and other equipment to support the associations' work. As the leading private partner of Banques Alimentaires, the Carrefour Foundation funded 12 refrigerated lorries for this association in 2014, along with three others for Restos du Cœur and Secours Populaire, enabling volunteers to carry out daily collections of foodstuffs at Carrefour stores while respecting the cold chain.

In the same spirit, in Taiwan the Carrefour Foundation funded a 10-tonne cold storage area and a new refrigerated truck for the "1919" food bank, allowing food to be properly stored.

International collection with food banks in ten countries

In November 2014, riding the momentum of International Solidarity Week and with support of the European Food Bank Federation and the Global Food Banking Network, the Carrefour Foundation coordinated a massive international food drive in the ten countries where it operates: Argentina, Belgium, Brazil, China, Spain, France, Italy, Poland, Romania and Taiwan.

Carrefour's teams have partnered with the Food Bank Federations since 1994, working alongside volunteers, with more than 1,300 voluntary employees lending a helping hand to volunteers in nearly 2,300 of the brand's stores: customers, volunteers and Carrefour employees were all called to take part in the drive which enabled a collection equal to more than 42 million meals. The initiative will continue in 2015.

The international collection drive supplements the daily food donations given by the Carrefour Foundation year round (see previous point).

Helping vulnerable people access employment

The Carrefour Foundation supports organisations that train, prepare, and support talented youths in finding jobs. Some examples:

Since 2012, the Foundation has supported the Rede Cidada association in Brazil, both through its Foundation (financial support) and through its stores activity (recruitment and skills-based sponsorships). The association fights unemployment among disadvantaged young people aged 16 to 30, especially through its flagship Conexão programme. Combining academic and professional training, it enables young people from low-income families to find job opportunities in the food industry, such as bakers and butchers. In 2014, 1,948 people were trained and 874 found jobs, more than half of whom were hired by Carrefour.

Since 2008, Carrefour Spain, the Carrefour Foundation and Fundación Exit have supported the Conecta project, a joint initiative to help young people aged 16 to 21 at risk of social exclusion. Thanks to this programme, beneficiaries can take part in training and in-store internships, and receive guidance as they seek employment. Jobs include positions in the bakery, fish, cold meat, delicatessen and fresh produce departments, as well as department heads. Since its launch, the partnership between the Carrefour Foundation and Fundación Exit has provided training for more than 300 young people and hosted around 100 interns through a variety of programmes, providing an introduction to the world of work and helping them to seek employment. In 2014, 63 young people were trained in 24 stores with the support of 10 Carrefour volunteers, and 18 young people were hired.

In France, the Carrefour Foundation supported Apprentis d'Auteuil by funding the renovation of a technical facility (a vocational training store equipped with commercial furnishings and two classrooms equipped with computers) at the Saint-Jean private vocational school in Sannois (95), to benefit young people holding the Specialised Sales Employee vocational certificate (CAP). 30 students will be able to use this equipment each year. At the same time, Carrefour and Apprentis d'Auteuil joined forces to offer young people a training programme and introductory internships at Carrefour hypermarkets and Carrefour Market supermarkets, with a focus on the food business.

Since 2011, the Carrefour Foundation has supported the social integration project of the Emmaüs Défi association in France, helping set up and develop a Solidarity Equipment Bank in Paris. The system involves selling and delivering new home equipment to underprivileged families at low prices. Carrefour and its Foundation support the project both financially and through product donations. This includes 30,000 items (furnishings, home appliances and household linens) with an actual value of €600,000, which can be sold to 940 disadvantaged families, enabling them to equip themselves while raising €160,000 for the association. Carrefour's logistical teams are deeply involved in this effort, since they are responsible for identifying unsold stock in the various warehouses and delivering them regularly to Emmaüs Défi. But the process goes even deeper, since Carrefour has created pathways to employment for Emmaüs Défi employees. In addition to awareness-raising activities and in-store internships, four people were hired by Carrefour in 2014.

Agricultural development

In China, the Carrefour Foundation supports the Humana People to People association, which helps to increase the production of small producers in Fengdu, located in the southeast. Through a network of clubs, the project offers training to farmers, shares best practices and studies production to achieve optimal results so as to better monitor it and provide access to markets. The initial goal of opening 20 clubs was met, raising awareness among 3,129 people, and 70% of the farmers saw their income increase by 20%.

After supporting the creation of SOLAAL (SOLidarité des producteurs Agricoles et des filières Alimentaires) in 2013, Carrefour continued to support this association, which develops ties between donors in the farming and food sectors and food aid associations. It brings together a large number of organisations in the agricultural, industrial and mass retailing sectors, farming and food industry trade associations and wholesale markets. In 2014, SOLAAL pursued the following objectives: increase nutritional diversity, specifically by providing fresh products; improve logistics, which is the weakest link in the donation chain; and create regional committees to optimise and improve the flow of community-based donations. SOLAAL also strived for legislation allowing donations of milk and eggs, which led to 35,000 eggs being donated in 2014.

Emergency humanitarian aid

The Carrefour Foundation provides funding and takes action to help populations affected by natural, technological or humanitarian disasters. The Foundation demonstrated its commitment in 2014 by offering assistance during several large-scale emergencies. Help was provided to families in China who suffered damage from Typhoon Rammasun in July and the Zhaotong earthquake in August. In France, teams mobilised in response to flooding in the southeast during January, and in the Gard region during September. In November, two aid efforts were launched to help populations affected by flooding in Carrare, Italy and in Buenos Aires, Argentina.

the Company also raises customer awareness through appeals for donations, and supports humanitarian aid in cooperation with teams having logistics expertise and local humanitarian organisations.

Since its creation in 2000, the Foundation has provided emergency aid 97 times in 32 countries, for a total amount of €10,241,545.

KEY FIGURES

A corporate foundation with a budget of 6.5 million
60 sponsorship programmes run by the Carrefour Foundation in 2014
12 countries of operation
5 local sponsorship organisations within countries (Argentina, China, Spain, France, Taiwan)
Nearly 88 million meals donated worldwide during 2014, including 77 million meals in France

Solidarity in countries where Carrefour operates

To meet the needs of local communities, Carrefour and its teams work on solidarity initiatives every day, through projects supported by the Carrefour Foundation, actions taken by local foundations and country-level sponsorship teams, as well as through local initiatives launched by stores and warehouses. Here are a few examples of local initiatives carried out at country level.

Voluntario, skills-based sponsorship in Brazil

Carrefour Brazil fights social inequality and discrimination. Through its volunteer programme established in 2001, Carrefour Brazil employees devote four hours of their working time each month to a charitable association of their choice, sharing their knowledge and expertise with the beneficiaries. Carrefour Brazil also provides transportation and the materials necessary for training. Since its creation, Carrefour Brazil's Voluntario programme has mobilised 12,000 employees in support of 800 associations (educational support, environmental awareness and other initiatives).

KEY FIGURES FOR THE VOLUNTARIO PROGRAMME DURING 2014

1,286 Carrefour volunteers
3,416 solidarity initiatives
113 NGO partners
15,335 beneficiaries

Fundación Solidaridad Carrefour in Spain

Created in March 2001, the **Fundación Solidaridad Carrefour** in Spain mainly supports initiatives that promote social assistance, health, education, employment and the environment in Spain, primarily for people affected by disabilities or exclusion. The 24,000 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, the ambassadors monitor projects in the field.

For example, employees contribute, alongside Carrefour, to the development of partnerships with food aid associations and regularly participate in various collection operations. In 2014, 5,664,315 kg were donated to the Spanish Federation of Food Banks (FESBAL), as a result of the different days of collection from customers in addition to regular donations directly from stores. These products will help more than 70,000 people.

In addition, at the beginning of each school year, teams in stores organize a national collection of bags and school supplies. In Spain, the supplies donated by customers are matched by the Company for the benefit of more than 25,000 children in 2014.

Les Boucles du Cœur in France

Carrefour France supports and provides expertise for actions undertaken by employees to help children and the poor. For the fourth consecutive year, customers and employees of Carrefour and Carrefour Market stores in France (totalling 1,153 stores and more than 30,000 people) rallied to support Les Boucles du Cœur. An eleven-week effort to support the ELA (European Leukodystrophies Association) and 240 local associations resulted in the collection of nearly €1,500,000 to help children in need.

Sumando Voluntades, a solidarity programme in Argentina

Established in 2002, the **Fundación Carrefour Argentina** works to promote nutrition, access to employment and environmental protection. Since 2009, Carrefour has worked with local communities through its Sumando Voluntades programme (United in our Resolve), helping employees offer their expertise to various associations. Each year, more than 240 ambassadors and 4,800 volunteers dedicate over 20,000 hours to the programme.

In 2014, over 200 volunteers helped the **Fundación Huerta Niño** to build and develop eight vegetable gardens at isolated rural primary schools, building ties with the students, their families and their teachers and raising awareness about better nutrition.

2.3 Results

2.3.1 Review of CSR in 2014

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

A tool to measure and report CSR performance of stores (energy and water consumption, waste production, offer of responsible and local products, etc.) has been deployed at Group and country level to monitor and manage performance. The countries have defined environmental performance goals in key areas, and have a scorecard for monitoring purposes. In 2014, the CSR reporting tool was integrated into the Group's financial reporting platform so it now has a centralised architecture and can evolve smoothly.

2.3.1.1 Review of programmes and action plans

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 2014 based on three areas: combating waste, preserving biodiversity, and supporting the Company's partners.

CARREFOUR'S APPROACH TO CSR WAS HONOURED IN 2014

La Nuit de la RSE - 24/11/14:
- 1st prize in the best CSR project category for the waste reduction plan;
- Bronze in the overall CSR policy category.

2014 National Corporate Citizen Award - 21/11/14:
- Special Jury Prize in the Large Companies category for the partnership with Emmaüs Défi and the creation of the Banque Solidaire de l'Equipement.

Waste reduction prize awarded to the winners of the call for projects entitled "Et vous, quel sera votre acte anti-gaspi" by the French Ministry of Agriculture - 16/10/14:
- Winner of the 2014 Waste Reduction prize in the Retail Sector category.

The Enjeux Les Echos challenge with the Institut RSE: award for the most responsible CAC 40 companies – October 2014:
- tied for 1st place particularly in food waste.

Essec Grand Prize for Responsible Retailing - 6/02/14:
- Honourable mention for Student CSR.

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

Priority areas	Commitments	Indicators	2013	2014	Progress
Combating waste					
Combating waste by reducing breakages and unsold stock	Set up waste reduction committees and adapt store stocks accordingly	% reduction in food markdowns (compared with 2012)	NC	12.4%	●
		Quantity of waste generated in kg/m² of sales area*	84.0	83.7	●
Promote green habits to reduce waste in offices and in stores	Increase the proportion of recycled waste and recovery in stores by developing waste recovery options (methanation, etc.)	% of waste recovered at Group level*	61.3%	64.8%	●
Consume energy efficiently	Reduce energy consumption (electricity, gas, fuel) by 30% per m² of sales area in 2020 compared with 2004	Energy consumption in kWh/m² of sales area *	572.2	552.0	●
		Reduction in energy consumption per m² of sales area compared with 2004	28.6%	31.1%	●
Optimise transport and logistics	Reduce CO_2 emissions per shipping unit	CO_2 emissions per shipping unit (kg CO_2/pallet)*	6.8	6.3	●

Priority areas	Commitments	Indicators	2013	2014	Progress
Protecting biodiversity through the product range					
	Use 100% certified sustainable palm oil in Carrefour brand products by 2015	% of RSPO-certified sustainable palm oil in Carrefour brand products *	62%	73%	
	Promotion of Carrefour Quality Lines	Number of Carrefour Quality Line suppliers worldwide *	22,452	21,702	(3.3)%
	Promotion of organic agriculture	Number of Carrefour BIO food products *	2,153	2,268	+5.3%
	Contribute to responsible fishing	Number of MSC-labelled Carrefour group products	NC	101	
Develop responsible Carrefour lines and products	Offer an alternative range of non-GMO products	Number of products labelled "Reared without GMO" in France	300	350	
Supporting the company's partners					
With suppliers	Support suppliers' CSR approaches	Number of suppliers taking part in self-assessment within the Group*	5,289	5,931	+12.1%
	Employee development	Average number of training hours per employee within the Group*	16.5	15.5	(6.5)%
Acting as a responsible employer	Encourage diversity and equal opportunity	% of women in management*	36.9	37.5	+2.1%
		Number of audits carried out in the Group	1,333	1,508	+13.1%
Ensure Carrefour suppliers comply with human rights	Ensure the social compliance of 100% of controlled products	Number of supplier audits with an alert in the Group	428	447	+4.4%
		% of customer complaints and requests processed in France by the Consumer service	100% (of 67,805)	100% (of 62,287)	
Meet the expectations of all customers and consumers	Listen to customers	Processing time for customer complaints and requests in France (in days)	6.3	4.1	
Be a dynamic player in employment and the local economic fabric	Promotion of local suppliers	% of sales of controlled food products from national suppliers *	72.8%	73.1%	
		Number of projects supported	48	60	
Be a socially-responsible retailer (Carrefour Foundation)	Combat food-related exclusion	Number of meals equivalent donated to food aid associations	77 million	88 million	

Goal achieved
Goal in progress
Goal behind schedule

* *The scope of indicators is detailed in the dedicated chapter for each topic.*

2.3.1.2 Sharing value with stakeholders

The data below provide a financial summary of the benefits of Carrefour's financial results for stakeholders in 2014.

INCOME

Customers	Partners	Financial income
Carrefour's sales excluding VAT reached **€74,706 million** (excluding customer loyalty programmes – **€609 million**).	**€2,221 million** Other miscellaneous income for Carrefour: income from financial companies, leasing revenues and other.	Carrefour earned **€91 million** from its financial and strategic investments in the form of interest and dividends.

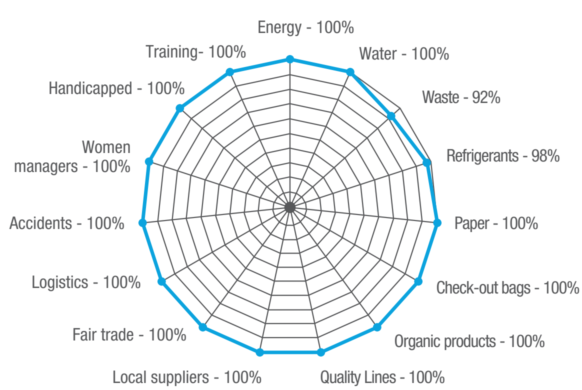
EXPENSES

Suppliers	Employees	Government and local communities	Financial institutions	Shareholders
Carrefour spent **€64,225 million** on goods and services from suppliers.	The Carrefour group paid almost **€7,762 million** to its 381,226 employees in 10 countries. This amount includes gross salaries, social security charges and benefits.	Carrefour paid **€1,333 million** in taxes, including **€800 million** in corporate income tax.	Charges – mainly linked to financial transactions – were **€654 million.**	The Carrefour group paid: ■ **€149 million** in dividends to parent company shareholders; ■ **€70 million** to minority shareholders in other Group companies.

2.3.2 Performance indicators

2.3.2.1 Global indicator

2014 SCOPE OF COVERAGE



The average coverage of the 2014 reporting indicators is 99.39% of Group scope in terms of sales, excluding VAT.

The product, store and logistics indicators are calculated year-to-year, from October 2013 to September 2014.

The human resources indicators are calculated over the year 2014.

2.3.2.2 Key indicators

	Total Group 2014	Definition of indicators
Products		
Number of controlled organic food product listings *(in units)*	2,268	Number of listed food products certified as organic or eco-friendly and developed as own brands.
Sales of organic food products *(in € millions)*	651	Sales (incl. VAT) of food products certified as organic or eco-friendly.
Sales of Carrefour Quality Line products *(in € millions)*	850	Sales (incl. VAT) of Carrefour Quality Line products [1]: agricultural products meeting specifications that ensure product traceability and include social and environmental requirements.
Sales (incl. VAT) of fair trade products *(in € millions)*	127.6	Sales (incl. VAT) of fair trade products certified by an independent body according to recognised criteria (FLO, ESR, etc.). Outside Europe, a product is considered fair-trade if it meets the certification criteria.
% sales of Carrefour brand products from local suppliers	73.1	% sales of Carrefour own-brand listings produced in the country where they are marketed.
Logistics		
CO_2 emissions per shipping unit *(in kg/pallet)*	6.3	Calculated on the basis of kilometres travelled (1 litre of fuel consumed = 2.6667 kg of CO_2 emitted) to ship goods from warehouses to stores. Shipping unit: 120 x 80 cm pallet.
CO_2 emissions *(in thousands of tonnes)*	308.5	

(1) Carrefour Quality Line contracts: contracts that meet the CQL criteria defined by Carrefour with its suppliers.

	Total	Hypermarket	Supermarket	Others	Definition of indicators
Stores					
Energy consumption *(in kWh/m² of sales area)* ☑	552.0	517.0	713.1	554.2	
Energy consumption (electricity, gas, fuel) *(in GWh)*	5,894	4,464	1,336	94	Consumption of electricity, gas and fuel required to run consolidated stores.
CO_2 emissions generated by fuel, gas and electricity consumption *(in 1,000 t CO_2 eq)* ☑	1,784	1,485	266	33	In tonnes of CO_2 eq. emissions linked to electricity, gas and fuel consumption required to run consolidated stores.
Water consumption *(in m³/m² of sales area)*	1.62	1.72	1.23	1.21	
Water consumption *(in millions of m³)*	15.5	13.1	2.3	0.2	Water consumption of consolidated stores.
Refrigerant consumption *(in kg/1,000 m² of sales area)*	53.8	50.3	70.3	64.6	Quantity of refrigerants used (CFCs, HCFCs, HFCs and others). Scope: food cold cabinets and air conditioning in consolidated stores. Excluding: SM/AR
CO_2 emissions of stores (scopes 1 and 2) - *(1,000 t of CO_2 eq.)* ☑	3,273.2	2,525.3	686.4	61.6	CO_2 eq. emissions linked to electricity, gas, fuel and refrigerant consumption required to run consolidated stores.

	Total	Hypermarket	Supermarket	Others	Definition of indicators
% of recycled waste, including food donations *(% of total waste)*	64.8	66.6	56.6	58.6	Recycled waste of consolidated stores: paper/cardboard, plastic, organic waste, other (batteries, printer cartridges,neon, cooking oil, etc.). Excluding: HM – AR/SM –AR,IT
Recycled waste – excluding donations *(in thousands of tonnes)*	402.4	333.5	67.3	1.6	
Batteries collected *(in tonnes)*	858.4	546.0	308.8	3.7	
Paper purchased for commercial publications [(1)] *(in kg/m² of sales area)*	16.0	19.5	11.3	2.4	Consumption of paper for commercial publications in kg per m² of sales area.
Paper purchased for commercial publications *(in thousands of tonnes)*	205.5	167.2	35.6	2.6	Paper purchased for commercial publications (flyers, brochures, newspapers, etc.).
% of paper certified or recycled	99.3	99.4	99.2	95.2	% of paper purchased for commercial publications certified by a recognised body (FSC, PEFC, etc.) and/or recycled.
Number of disposable plastic bags distributed free of charge at check-out [(2)] *(in millions of bags)*	1,204.3	963.8	169.1	71.3	Number of disposable plastic bags purchased by stores and distributed free of charge at check-out.
Human resources					
Absenteeism due to workplace accidents *(in %)*	0.54	0.47	0.76	0.58	Number of hours of absence due to workplace and commuting accidents/ number of theoretical work hours during the period (excluding work-related illnesses).
Women in management positions *(in %)*	37.5	32.2	38.3	44.1	Proportion of women in management positions ("manager" defined as a self-governing employee with decision-making authority holding a supervisory position).
% of employees declared as having disabilities	3.0	3.2	3.4	1.8	Status defined by the legislation in force in each country (by default, this is any person with at least a 10% physical disability)/Average number of employees during the period.
Hours of training *(in thousands)*	5,303	4,353	511	439	Number of training hours.

(1) Paper weight: the definition used by the Group is the quantity of paper purchased for commercial publications reduced to the surface area of paper purchased for commercial publications (in g/m₂).

(2) Check-out bags: the number of check-out bags published corresponds to the number of bags purchased by the BU during the reporting period – Column 'Others': including the data for franchised convenience stores for France.

☑ 2014 figures verified with a result of reasonable assurance.

2.3.3 Reporting methodology for CSR indicators

2.3.3.1 Reporting methodology for CSR indicators

The CSR department has a steering committee for the preparation of the 2014 management report. It includes 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 CSR 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 meet the expectations of its 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 CSR department, or at local level by the countries, the banners and the stores.

Materiality

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.

Regularity

For the past 14 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. Its CSR reporting describes the implementation of its policy in the 10 consolidated countries, and the Key Performance Indicators (KPIs) cover 99.4% of the Group's consolidated sales excluding VAT.

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

Scope of reporting for fiscal year 2014

Scope of environmental indicators (energy, water, refrigerants, waste, check-out bags and commercial publications):

The reporting on CSR KPIs applies to all of the Group's BUs. The chart below shows the Group's BUs in 2014.

Country	Abbr.	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
Rumania	RO	Group BU	Group BU	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

Format	Abbreviation
Hypermarket	HM
Supermarket	SM
Convenience store	PRX
Cash & Carry	C&C

Group BU
NS - Activity under deployment
NA - No format in the country

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

The scope includes consolidated stores open from October 1 to September 30 of the reporting period. Since 2012, the reporting on 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 2014, the water and waste indicators that correspond to the Atacadão format and 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 storage areas, food preparation areas 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.

Scope of HR indicators

The scope includes all of the Group's Bus, head offices and other administrative offices, trade services, Carrefour Banque and Carrefour Property.

In 2014, the indicator linked to the workplace accident seriousness rate (number of days absent due to workplace accident/1,000 work hours) that correspond to the Atacadão format and consolidated for hypermarkets in Brazil was not included in the report.

Carrefour Banque and Carrefour Property Development, as companies issuing securities on a regulated market, have published their corporate, 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, 2014, it is not included in our reporting. It should be noted that the employees of Erteco France were integrated in December 2014.

If a BU was sold or closed in 2014, it is excluded from our reporting on environmental data for the whole year.

CSR Indicators

Principles applied

CSR reporting adheres to the following principles:

- **accuracy**: the Carrefour group strives to ensure the accuracy of its published data by stepping up the 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 KPIs associated with its strategic priorities for CSR. 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 2014 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 254 to 257). As an addition to the annual report, it also complies with the requirements of Art. 225 of the French Commercial Code.

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

Furthermore, through BFC, a computerised reporting application which serves as the Group's non-financial data management tool, each reporting liaison has access to a data collection procedure, a user's guide for the BFC reporting application, definitions for each KPI, and a check-list of control points, which are distributed internally to the CSR 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 CSR department.

Methodological particularities: specificities and limitations

All of this information is indicated in the Group's CSR 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.

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).

Environmental information

CO_2 emissions: to evaluate the CO_2 emissions related to the stores' energy consumption (electricity, gas and fuel) and refrigerants, conversion factors (of kWh and kg, expressed as kg of CO_2 equivalent) are used. These 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 road transport (shipping of merchandise between warehouses and stores) are taken into account. 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) is used. 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 journeys;
- emissions related to outbound rail transport (mainly in France) and maritime transport.

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

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.

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.

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, in some cases, there is an insignificant overvaluation of consumption (consumption of water for the shopping centre, costs related to and indissociable from the costs of water consumption).

Refrigerant Fluids 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. For BUs that purchase and store fluids in advance, reports on year-N consumption include fluid still stored in containers.

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 authorities, no information is available. When waste is collected and grouped at the warehouses, the corresponding quantities are not systematically included in the reporting.

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.

Product Data

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

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

Human Resources Information

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

Workplace accidents: 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 hours of absence due to a workplace accident.

Limitation related to current legislation: the definition of certain indicators (workplace accidents, employees declared as disabled workers) is defined by the laws in effect in each country, which may cause discrepancies in the method used.

Methods of data collection, consolidation and control

Reporting period

Reporting is performed once annually for the management report submitted to the Board of Directors for approval.

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

Starting in 2012, to meet the requirements of Article 225 of Grenelle II, the indicators corresponding to the stores, merchandise and logistics are now 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.

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 new BFC application deployed in 2014 handles reporting for key environmental performance indicators. Key social performance indicators are reported through the Group's Human Resources reporting tool. Reporting liaisons identified in each country are responsible for coordinating environmental and social reporting for their respective countries.

Data consolidation methods

The CSR department consolidates all CSR indicators at Group level using the BFC application. The Group also uses this application for financial consolidation and reporting.

Environmental data control methods

BFC, the computerised reporting application, features automatic consistency checks to prevent data entry errors. It also provides the ability to insert explanatory comments, which makes auditing and internal control easier. Each reporting manager verifies the data entered before it is consolidated at 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 CSR 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 the 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 ☑ symbol have been reviewed with reasonable assurance.

2.3.4 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, 2014

To the Shareholders,

As independent third-party, members of Mazars' network, Statutory Auditor's of Carrefour, whose accreditation was accepted by COFRAC under the number 3-1058, we hereby present our report on the consolidated social, environmental and societal information provided in the management report prepared for the year ended December 31, 2014, (hereinafter referred to as "CSR Information"), pursuant to Article L. 225-102-1 of the French Commercial Code (Code de commerce).

The Company's responsibility

The Board of Directors of Carrefour is responsible for preparing a management report including the CSR Information required under Article R. 225-105-1 of the French Commercial Code, in accordance with the Indicators reporting protocol and KPI definitions of the Company (hereafter the "Reporting Criteria") and available on request to the society headquarter.

Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics and by the provisions of Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes documented policies and procedures designed to ensure compliance with deontological rules, professional standards and applicable legal texts and regulations.

Responsibility of the Independent Third Party

Based on our work, our role is to:

- attest that the required CSR Information is disclosed in the management report or, that an explanation has been provided if any information has been omitted, in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness of the CSR Information);
- provide limited assurance that, on the whole, the CSR Information is fairly presented, in all material respects, in accordance with the adopted Reporting Criteria (Fairness report regarding CSR Information);
- provide, at the request of the Company, a reasonable assurance as to whether the information identified by the symbol ☑ in the Part 2.3.2.2 "Key indicators" of the management report was prepared, in all material respects, in accordance with the adopted Reporting Criteria.

Our work was carried out by a team of 4 people between September 2014 and March 2015, during 12 weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the legal order dated May 13, 2013 determining the methodology according to which the independent third party body conducts its mission (1) and, on the reasoned opinion, in accordance with ISAE 3000 (2).

1. Attestation of presence of CSR Information

We got acquainted with the direction that the Group is taking, in terms of sustainability, with regard to the social and environmental, consequences of the Company's business and its societal commitments and, where appropriate, the actions or programs that stemmed from it.

We compared the CSR Information presented in the management report to the list set forth in Article R. 225-105-1 of the French Commercial Code.

In the event of omission of some consolidated information, we checked that explanations were provided in accordance with the third paragraph of the Article R. 225-105 of the French Commercial Code.

We checked that the CSR Information covers the consolidated scope, which includes the Company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code (Code de commerce) and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code (Code de commerce), subject to the limits set forth in the methodological Note presented in the management report (Part 2.3.3 "reporting methodology for CSR indicators").

Based on our work, and taking into account the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Fairness report with respect to CSR Information

Nature and scope of procedures

We conducted the interviews that we deemed necessary with twenty persons responsible for the preparation of CSR Information from the departments in charge of the process of gathering information and, where appropriate, responsible of the internal control and risk management to:

- assess the appropriateness of the Reporting Criteria in terms of relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector's best practices;
- verify the set-up within the Group of a process to collect, compile, process and check the CSR Information with regard to its completeness and consistency. We familiarized ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information.

We determined the nature and extent of tests and controls depending on the nature and importance of CSR Information in relation to the characteristics of the Company, the social and environmental issues of its operations, its strategic priorities in relation to sustainable development, and the Industry best practices.

(1) *Decree of May 13, 2013 establishing the methodology according to which the independent third party conducts its mission.*
(2) *ISAE 3000 – Assurance engagements other than audits or reviews of historical information.*

Concerning the CSR information that we considered to be most significant [1]:

- at Group level (HR and Sustainability Directions), we consulted source documents and conducted interviews to corroborate the qualitative information (organization, policies, actions); we implemented analytical procedures on the quantitative and verified, on the basis of sampling techniques, the calculations and consolidation of the information and we verified its consistency with the other information contained in the management report;
- at the level of a representative sample of Business Units selected [2] based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we conducted interviews to verify the proper application of procedures and conducted substantive tests, using sampling basis, to verify the calculations performed and reconciled data with supporting evidence.

The selected sites contribution to Group data equals to 28% of headcount and between 26% to 63% of the quantitative environmental information tested.

Regarding the other CSR consolidated Information, we assessed its fairness and consistency based on our knowledge of the Group

Finally, we assessed the relevance of the explanations relating to, where necessary, the omission of certain information.

We deem that the sampling methods and sample sizes we have learned by exercising our professional judgment allow us to formulate a conclusion providing limited assurance; a higher level of assurance would have required more extensive work. Because of the use of sampling techniques, and because of other limits inherent to any information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be completely eliminated.

Conclusion

Based on our work, we did not identify any material misstatements that would lead us to believe that the CSR Information, taken as a whole, has not been fairly presented, in all material respects, in accordance with the Reporting Criteria.

3. Reasonable assurance report on a selection of CSR Information

Nature and scope of procedures

Regarding information selected by the Group and identified by the symbol ☑, we conducted similar work as described in paragraph 2 above for CSR information that we consider to be most significant but of greater depth, especially regarding the number of tests.

The selected sites contribution to Group data equals between 51% and 55% of the quantitative environmental information identified by the symbol ☑.

We deem this work allows us to express a reasonable assurance on the information selected by the Company and identified by the symbol ☑.

Conclusion

In our opinion, the Information selected by the Group and identified by the symbol ☑ was prepared, in all material respects, in accordance with the Reporting Criteria.

Paris-La Défense, April 24, 2015

The Independent Third Party,
MAZARS SAS

Emmanuelle Rigaudias
Sustainable Development Partner

(1) ***Social information:*** *workforce and breakdown by geographic region, by age group, by gender, % in women in the management, number of new hires, % of part-time employees, turnover, number of accidents, number of trainings hours, number of employees with a disability.*
Environmental information: *water consumed by m², recycled waste including donation by m²; energy consumption, energy consumption by m², CO_2 emissions generated by energy consumption, CO_2 emissions generated by refrigeration consumption, CO_2 emission per shipping unit, paper purchased for commercial publications in kg/m² of sales area, number of controlled organic product listings, number of Carrefour Quality Lines.*
Societal information: *number of own-brand fair trade products, sales of controlled products from national suppliers.*

(2) ***Carrefour France Hypermarket and Supermarket Carrefour Poland Hypermarket et Supermarket:*** *all indicators specified above.*
Carrefour Chine Hypermarket: *energy consumption by m², CO_2 emissions generated by energy consumption, CO_2 emissions generated by refrigeration consumption by m².*
Atacadão: *recycled waste including donation by m², CO_2 emissions generated by refrigeration consumption, water consumption by m², gas consumption by m².*
Carrefour Brazil Hypermarket and Supermarket: *water consumption by m², CO_2 emissions generated by refrigeration consumption, training hours.*
Carrefour Argentine Hypermarket et Supermarket: *water consumption by m².*

2.3.4.1 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 and sales;
- number of Carrefour Quality Line contracts signed and sales;
- number of listed responsible and fair trade products and sales;
- ratio of amount of sales (incl. VAT) of food products purchased from local suppliers.

CORPORATE GOVERNANCE

3

3.1 Corporate Governance Code

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 July 28, 2008, the Company adopted the form of a public limited company with a Board of Directors. 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 was 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), Georges Ralli (Vice-Chairman), Bernard Arnault, Thomas J. Barrack Jr, Nicolas Bazire, Jean-Laurent Bonnafé, Thierry Breton, René Brillet, Bertrand de Montesquiou, Amaury de Seze (Independent member), Charles Edelstenne, Diane Labruyère-Cuilleret, Mathilde Lemoine and Anne-Claire Taittinger.

At its meeting on October 15, 2014, the Board of Directors appointed Mr Philippe Houzé as Observer of the Board. He attends the meetings of the Board of Directors in an advisory capacity. His appointment as a member of the Board will be proposed to the Annual General Meeting of Shareholders.

The Board of Directors benefits from the presence of highly committed members with complementary experience (retail, financial, industrial, economic 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. 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 2014 fiscal year are Georges Plassat, Nicolas Bazire, Mathilde Lemoine, Diane Labruyère-Cuilleret, Bertrand de Montesquiou and Georges Ralli.

The terms of office of Amaury de Seze, Bernard Arnault, Jean-Laurent Bonnafé and René Brillet were renewed for a period of three years by the Shareholders' Meeting of April 15, 2014.

Three women sit on the Board of Directors. The Board is therefore in conformity with the law of January 27, 2011 regarding balanced representation of women and men, which sets the minimum proportion of directors of each gender at 20%.

In accordance with the AFEP-MEDEF Corporate Governance Code for listed companies, as revised in June 2013, and at the recommendation of the Appointments Committee, the Board of Directors decided, after examining the situation, on March 4, 2015, that nine of its members could be considered independent directors. Thus, Diane Labruyère-Cuilleret, Mathilde Lemoine, Anne-Claire Taittinger, 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 guided the Board of Directors in considering a member to be independent are those specified in the AFEP-MEDEF Corporate Governance 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.

None of the independent directors has any significant business relationship with the Group, directly or indirectly.

At its meeting on 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 Board of Directors 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.

At its meeting on February 8, 2015, the Board of Directors, after receiving recommendation from the Chairman of the Appointments Committee, appointed George Ralli Vice-Chairman of the Board of Directors. The Vice-Chairman is called on to fill in for the Chairman if he is absent, temporarily unavailable, resigning, or deceased, or his term of office is not renewed. If he is temporarily unavailable, this substitution is valid for the limited time of his unavailability; otherwise, it is valid until the new Chairman is elected.

3.2.1.1 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 have:

- been convicted of fraud;
- been involved in a bankruptcy, receivership or liquidation;
- been subject to official public sanction by statutory or regulatory authorities;
- 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 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 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.

3.2.1.2 Corporate officers' biographies

3

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 of Directors: 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).

2014 POSITIONS HELD WITHIN THE GROUP

- Chairman and Chief Executive Officer of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- N/A

FORMER POSITIONS HELD FROM 2010 TO 2013

- Chairman and Chief Executive Officer of the Vivarte Group (formerly Groupe André) (Expiration date of term: 2012)

Georges Ralli

Vice-Chairman

Independent member

Born on July 23, 1948. French.

Number of Company shares owned: 5,271

Date of appointment to the Board of Directors: 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.

2014 POSITIONS HELD WITHIN THE GROUP

- Vice-Chairman and member of the Board of Directors of Carrefour
- Chairman of the Accounts Committee of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- 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

FORMER POSITIONS HELD FROM 2010 TO 2013

- 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)
- Director of SILIC SA (Expiration date of term: 2013)

Bernard Arnault

Born on March 5, 1949. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: July 28, 2008

Renewal date: April 15, 2014

Term of office expires: Shareholders' Meeting convened to approve the Financial Statements for the fiscal year ending December 31, 2016

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-Chief Executive Officer in 1978. He remained there until 1984, when he became Chairman-Chief Executive Officer 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.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- 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 Foundation Louis Vuitton (corporate foundation)
- Chairman of Groupe Arnault SAS
- Director of Christian Dior Couture SA
- 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 2010 TO 2013

- Director of Cheval Blanc civil partnership (Expiration date of term: 2011)
- Member of the Supervisory Board of Lagardère SCA (Expiration date of term: 2012)
- Chairman of the Board of Directors of Château Cheval Blanc (Expiration date of term: 2013)

Thomas J. Barrack Jr

Born on April 28, 1947. American.

Number of Company shares owned: 1,000

Date of cooptation to the Board of Directors: January 15, 2014

Approval of the Shareholders' Meeting: 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.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- Director of Colony Financial, Inc. (United States)
- Director of First Republic Bank (United States)

FORMER POSITIONS HELD FROM 2010 TO 2013

- Director of Accor (Expiration date of term: 2013)
- Director of Challenger Financial Services Group Limited (Australia) (Expiration date of term: 2013)

Nicolas Bazire

Born on July 13, 1957. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: 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 Chief Executive Officer of Groupe Arnault SAS since 1999.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour
- Member of the Appointements Commitee of Carrefour
- Member of the Accounts Committee of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- Chief Executive Officer of Groupe Arnault SAS
- Director of LVMH Moët Hennessy - Louis Vuitton SA
- Director of Atos SE
- Chairman of the Appointments and Remuneration Committee of Atos SE
- Director of Suez Environnement Company SA
- Member of the Supervisory Board of Rothschild & Cie Banque SCS
- Director of Agache Développement SA
- Director of Europatweb SA
- Director of Financière Agache SA
- Director of Financière Agache Private Equity SA
- Director of Les Echos SA
- Vice-Chairman of the Supervisory Board of Les Echos SAS
- Director of LV 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 2010 TO 2013

- Member of the Supervisory Board of Rothschild & Cie Banque SCS

Jean-Laurent Bonnafé

Born on July 14, 1961. French.

Number of Company shares owned: 1,030

Date of appointment to the Board of Directors: July 28, 2008

Renewal date: April 15, 2014

Term of office expires: Shareholders' Meeting convened to approve the Financial Statements for the fiscal year ending December 31, 2016

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. In 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. On December 1st, 2011, Mr. Bonnafé has been appointed Deputy Chief Executive Officer and has been managing the Group's retail banking business.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- Director and Chief Executive Officer of BNP Paribas
- Director of BNP Paribas Fortis (Belgium)

FORMER POSITIONS HELD FROM 2010 TO 2013

- Director of BNP Paribas Personal Finance (Expiration date of term: 2012)
- Director of Erbe SA (Belgium) (Expiration date of term: 2013)
- Director of BNL – Banca Nazionale del Lavoro (Italy) (Expiration date of term: 2013)

Thierry Breton

Independent member

Born on January 15, 1955. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: 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.

In 1997 he became Chairman and Chief Executive Officer of Thomson until 2002 and then joined France Telecom in the same year as Chairman and Chief Executive Officer until 2005.

Thierry Breton was French Minister of Economy, Finance and Industry from February 2005 to May 2007, and professor at Harvard from 2007 to 2008.

Since 2008, he is Chairman of the Executive Committee of Atos and has been elected as Chairman and Chief Executive Officer of this Group in February 2009.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour
- Chairman of the Remuneration Committee of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- 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
- Director of Sonatel (Senegal)
- Member of the Global Advisory Council of the Bank of America Merill Lynch (United States)

FORMER POSITIONS HELD FROM 2010 TO 2013

- Chairman and Chief Executive Officer of Atos Origin (Expiration date of term: 2011)

René Brillet

Independent member

Born on August 1, 1941. French.

Number of Company shares owned: 270,250

Date of appointment to the Supervisory Board: April 20, 2005

Date of appointment to the Board of Directors: July 28, 2008

Renewal date: April 15, 2014

Term of office expires: Shareholders' Meeting convened to approve the Financial Statements for the fiscal year ending December 31, 2016

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.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour
- Member of the Accounts Committee of Carrefour
- Member of the Remuneration Commitee of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- Director of Electricité et Eaux de Madagascar

FORMER POSITIONS HELD FROM 2010 TO 2013

- N/A

Charles Edelstenne

Independent member

Born on January 9, 1938. French.

Number of Company shares owned: 1,000

Date of appointment to the Board of Directors: 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-Chief Executive Officer in 2000, a role he has held ever since.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour
- Member of the Remuneration Committee of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- 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 Thales SA
- Director of SABCA (Société Anonyme Belge de Constructions Aéronautiques) (Belgium)
- Director of Dassault Falcon Jet Corporation (United States)
- 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 2010 TO 2013

- 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 Dassault Falcon Jet Corporation (United States) (Expiration date of term: January 8, 2013)
- Chairman of Dassault International Inc. (United States) (Expiration date of term: April 29, 2013)

Diane Labruyère-Cuilleret

Independent member

Born on November 27, 1968. French.

Number of Company shares owned: 34,580

Date of appointment to the Board of Directors: 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.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour
- Member of the Appointments Committee of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- Chairman of the Institut Robin des Bois (Switzerland)
- Director of the Fondation Antenna Technologies (Switzerland)
- Member of the Executive Committee of Labruyère & Eberle

FORMER POSITIONS HELD FROM 2010 TO 2013

- N/A

Mathilde Lemoine

Independent member

Born on September 27, 1969. French.

Number of Company shares owned: 2,109

Date of appointment to the Board of Directors: 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.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour
- Member of the Accounts Committee of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- Member Executive Committee of HSBC France
- Member of the Board of Directors of *École Normale Supérieure*

FORMER POSITIONS HELD FROM 2010 TO 2013

- N/A

Bertrand de Montesquiou

Independent member

Born on July 1, 1947. French.

Number of Company shares owned: 198,261

Date of appointment to the Board of Directors: 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 was also Vice-Chairman and Chief Executive Officer of Sogara SAS and Vice-Chairman of Centros Comerciales Carrefour (Spain).

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour
- Chairman of the Appointments Committee of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- N/A

FORMER POSITIONS HELD FROM 2010 TO 2013

- 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)

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 Supervisory Board: April 20, 2005

Date of appointment to the Board of Directors: July 28, 2008

Renewal date: April 15, 2014

Term of office expires: Shareholders' Meeting convened to approve the Financial Statements for the fiscal year ending December 31, 2016

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-Chief Executive Officer 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.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- 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

FORMER POSITIONS HELD FROM 2010 TO 2013

- Director of Thales SA (Expiration date of term: September 2013)

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 of Directors: 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-Chief Executive Officer of the Compagnie Financière Deville. She later became Chairman-Chief Executive Officer of Compagnie Financière Leblanc and of ELM-LEBLANC, Deputy Chairman-Chief Executive Officer of the industrial division of DEVILLE, Chairman-Chief Executive Officer 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.

2014 POSITIONS HELD WITHIN THE GROUP

- Member of the Board of Directors of Carrefour
- Member of the Appointments Committee of Carrefour

POSITIONS HELD OUTSIDE THE GROUP 2014

- Chairman of Le Riffray SAS
- Director and Chairman of the Accounts Committee of Thales SA

FORMER POSITIONS HELD FROM 2010 ET 2013

- 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)
- 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)

3.2.1.3 Censor's biography

Philippe Houzé

Observer

Born on November 27, 1947. French.

Date of appointment to the Board of Directors: October 15, 2014

EXPERIENCE

Philippe Houzé is Chairman of the Executive Board of the Galeries Lafayette Group, France's largest chain of department stores.

After gaining a Bachelor's Degree in Political Science and graduating from INSEAD Business School, Philippe Houzé began his career with Monoprix in 1969. He was appointed Chief Executive Officer of Monoprix in 1982 and Chairman and Chief Executive Officer in 1994, holding the position until November 2012. He was Co-Chairman of the Galeries Lafayette Group from 1998 to 2004 and became Chairman of the Executive Board in 2005.

With his sales and marketing expertise, Philippe Houzé used innovative concepts to transform Monoprix, making it a leading local retailer in town and city centers.

As Chairman of the Executive Board of the Galeries Lafayette Group, he has succeeded in making Galeries Lafayette a créateur de désir with innovative collections, fashion items, refurbished stores and organized events.

Today his ambition is to make the Galeries Lafayette Group a multi-channel, international specialist in fashion, beauty and homeware.

The Galeries Lafayette Group, which was founded in Paris in 1894, has the novel aim of "making the good and the beautiful accessible to all". It has long been seen as a legendary symbol of French art de vivre by shoppers at home and abroad.

Philippe Houzé received in 2015 the price of "international retailer of the year" in the name of Galeries Lafayette from the National Retail Federation (NRF), the prestigious American Association of Retail bringing together key global players in the sector.

As a committed stakeholder in the French economy, Philippe Houzé has made a personal commitment to sustainable development: he has been heavily involved in the regeneration of town and city centers while taking into consideration the Group's environmental and social responsibilities. As outlined in his book La vie s'invente en ville, he intends to continue working on behalf of inner city areas and help build a brighter future for the next generations.

Following in the footsteps of the Group's founders, Philippe Houzé is continuing to support contemporary art and design. For example, he has been personally involved in the Centre Pompidou Mobile project, to which the Galeries Lafayette Group is one of the main partners. He is also keen to support the thirtieth birthday celebrations for France's Regional Contemporary Art Funds (FRAC) in 2013.

2014 POSITIONS HELD WITHIN THE GROUP

- Observer of Carrefour's Board of Directors

MANDATS HORS GROUPE 2014

- Chairman of the Executive Committee of the Group Galeries Lafayette
- Chairman of the Conseil France INSEAD
- Chairman of the Conseil de Novancia Business School
- Chairman and Member of the Union du Grand Commerce de Centre Ville (UCV)
- Chief Executive Officer of Didier Guérin SAS
- Chairman of Motier Domaines SAS
- Vice-Chairman and Chief Executive Officer of Motier SAS
- Vice-Chairman of the Association Alliance 46.2 Entreprendre en France pour le Tourisme
- Vice-Chairman of the Fondation France INSEAD
- Director and Chairman of the Appointements and Accounts Committees of HSBC France
- Director of the Fondation d'Entreprise Galeries Lafayette (collège des fondateurs)
- Director of IDBYME SA (Luxembourg)
- Permanent representative of Galeries Lafayette SA at the Board of Directors of Laser and Laser Cofinoga companies.
- Member of the Supervisory Board of Bazar de l'Hôtel de Ville – B.H.V. SAS
- Director of the INSEAD
- Elected member at the Chamber of Commerce and Industry of Paris Île-de-France (CCIP)
- Member of the Conseil Fondateur d'EXPOFRANCE 2025

FORMER POSITIONS HELD FROM 2010 TO 2013

- Chairman of MONOP' SAS (Expiration date of term: 2010)
- Chairman of MONOP STORE SAS (Expiration date of term: 2010)
- Chairman of MONOPRIX EXPLOITATION SAS (Expiration date of term: 2010)
- Chairman of the Board of Directors of ALDETA SA (Expiration date of term: 2010)
- Chairman of Aux Galeries de la Croisette SAS (Expiration date of term: 2010)
- Chairman of Naturalia France SAS (Expiration date of term: 2010)
- Director of CASINO GUICHARD PERRACHON (Expiration date of term: 2012)
- Director of HSBC Banque Plc (England) (Expiration date of term: 2012)
- Permanent representative of Monoprix SA at the Board of Directors of FIDECOM (Expiration date of term: 2012)
- Chief Executive Officer of MONOPRIX SA (Expiration date of term: 2012)
- Director of MONOPRIX SA (Expiration date of term: 2013)
- Chairman of the Board of Directors of ARTCODIF SA (Expiration date of term: 2013)
- Chairman of GALERIES LAFAYETTE HAUSSMANN – GL HAUSSMANN SAS (Expiration date of term: 2013)
- Chief Executive Officer of GALERIES LAFAYETTE PARTICIPATIONS SAS (Expiration date of term: 2013)
- Chairman of the Board of Directors of the Fondation d'Entreprise Monoprix (Expiration date of term: 2013)
- Director of the National Retail Federation (NRF –United States) (Expiration date of term: 2013)

3.2.2 Operation of the Board of Directors

During the course of the 2014 fiscal year, the Board of Directors met eight times, with an average attendance rate of 85%.

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, 2013 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, 2014;
- the examination of certain investments/disposals for the Group.

In accordance with the Board's of Directors 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 recommendation of the Appointments Committee, it draws up the list of directors considered independent, based on Code AFEP-MEDEF criteria;
- once a year, it examines the budget.

The by-laws of the Board of Directors, divided into three chapters, are 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 Board of Directors' committees, their common rules, composition and missions;
- the third chapter covers the rights and responsibilities of directors.

The Board of Directors by-laws deal with both the formal aspects of the Board of Directors' 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

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.

The director shall endeavour to avoid any conflict of interest that may exist between his moral and material interests and those of the Company.

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. The results of this assessment revealed that the Board of Directors and its Committees were run in a satisfactory manner.

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 of Directors 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 Corporate Governance 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 was as follows:

- Chairman: Georges Ralli (independent director);
- Members: Mathilde Lemoine (independent director), René Brillet (independent director), Nicolas Bazire.

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. 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.

Activity during the year

During fiscal year 2014, the Accounts Committee met seven times, with an average attendance rate of 100%.

In the course of those seven meetings, the following main topics were reviewed:

- review of draft corporate and consolidated accounts for the fiscal year ended at December 31, 2013 and the half-year consolidated accounts
- hard-close procedures;
- review of the Chairman's report on internal control and risk management;
- follow-up on Group Internal Audit missions;
- food safety inspection mechanism;
- governance of information system security;
- risk assessment – Group safety and security policy;
- scope of Statutory Auditors' missions.

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 Corporate Governance Code to which it refers.

The composition of the committee was as follows:

- Chairman: Thierry Breton (independent director);
- Members: René Brillet (independent director), Charles Edelstenne (independent director).

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.

Activity during the year

During fiscal year 2014, the Remuneration Committee met once, with an attendance rate of 100%.

In the course of that meeting, the following main topics were reviewed:

- components of the Chairman & CEO's compensation;
- 2013 Annual Variable Compensation for Group employees;
- group performance-based compensation.

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 Corporate Governance 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-Cuilleret (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.

Activity during the year

During fiscal year 2014, the Appointments Committee met once, with an attendance rate of 100%.

In the course of that meeting, the following main topics were reviewed:

- review of the Chairman of the Board of Directors' report on Board composition and the terms for preparing and organizing the Board's work;
- renewal of directors' terms of office at the next Ordinary Shareholders' Meeting;
- qualification of independent directors.

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.

At its meeting on February 8, 2015, on a proposal by the Chief Executive and after recommendation by the Chairman of the Appointments Committee, the Board of Directors appointed two Deputy Executive Officers: Pierre-Jean Sivignon, Chief Financial Officer, and Jérôme Bédier, General Secretary.

Chairman and Chief Executive Officer power's limits

By virtue of the Board of Directors' by-laws, 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 of Director'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 Remunerations 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 annual 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, 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;
- Committees members: 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 2013 and 2014 fiscal years, the members of the Board of Directors obtained director's fees (absence of other compensation except for the Chairman and Chief Executive Officer as detailed in section 3.4.2.

TABLE OF DIRECTOR'S FEES AND OTHER REMUNARATION RECEIVED BY CORPORATE OFFICERS

(in euros)	Amount paid during fiscal year N-1	Amount paid during fiscal year N
Georges Plassat	55,000.00	55,000.00
Sébastien Bazin	105,000.00	37,648.38
René Brillet	64,090.90	65,000.00
Thierry Breton	61,363.63	63,888.88
Anne-Claire Taittinger	54,090.90	53,888.88
Mathilde Lemoine	49,881.81	55,000.00
Amaury de Sèze	85,000.00	83,888.88
Nicolas Bazire	55,000.00	57,222.21
Charles Edelstenne	45,000.00	53,888.88
Bernard Arnault	38,636.36	38,333.33
Jean-Laurent Bonnafé	43,181.81	42,777.77
Bertrand de Montesquiou	65,000.00	65,000.00
Georges Ralli	70,757.57	85,000.00
Diane Labruyère-Cuilleret	55,000.00	53,888.88
Thomas J. Barrack Jr.	-	22,319.63
TOTAL	**847,002.98**	**832,745.72**

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, April 9 2014 and March 4, 2015.

3.4.2.1 Elements of the compensation due or awarded during fiscal year 2014 to the Chief Executive Officer

Fixed and variable remuneration :

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 165 % of fixed compensation.

50% of the performance objectives were based on meeting financial objectives (like-for-like gross turnover excluding petrol, current EBIT), while 50% were based on meeting individual qualitative objectives precisely defined and pre-established by the Board of Directors.

His variable part of compensation 2014 has been set at €2.197.500, the dynamic growth targets for the Group set by the Board having been achieved in 2014.

Directors' fees

The amount of directors' fees paid is €55.000 and is detailed into the elements contained in the previous page.

Defined-benefit pension scheme

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 2014.

Settlement payment

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 is 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.

3.4.2.2 Summary table on the elements of compensation of the Chief Executive Officer

	Period of the year (August 1st to July 31st)		Amounts for fiscal year 2014	
(in euros)	**Owed**	**Paid**	**Owed**	**Paid**
Fixed remuneration	1,500,000	1,500,000	1,500,000	1,500,000
Variable remuneration (1)	2,235,000	1,543,500	2,197,500	2,235,000
Directors' fees (2)	55,000	55,000	55,000	55,000
Benefits in kind	3,976	3,976	3,976	3,976
TOTAL	**3,793,976**	**3,102,476**	**3,756,476**	**3,793,976**

(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)

3.4.3 AFEP-MEDEF Recommendations: Table on Remuneration and Benefit 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 (since May 23, 2012)	
Remuneration owed for the fiscal year (set forth in Table 2)	3,793,976 €	3,756,476 €
Pricing of options granted during the fiscal year (set forth in Table 4)		
Pricing of performance-based shares granted during the fiscal year (set forth in Table 6)		
TOTAL	**3,793,976 €**	**3,756,476 €**

TABLE 2 - SUMMARY TABLE OF REMUNERATION FOR EACH EXECUTIVE OFFICER

Table presented on page 88.

TABLE 3 - TABLE OF DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY CORPORATE OFFICERS

Table presented on page 87.

TABLE 4 - SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FISCAL YEAR TO EACH EXECUTIVE OFFICER

None.

TABLE 5 - SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR BY EACH EXECUTIVE OFFICER

None.

TABLE 6 - PERFORMANCE-BASED SHARES GRANTED TO EACH EXECUTIVE OFFICER

None.

TABLE 7 - PERFORMANCE-BASED SHARES WHICH BECAME AVAILABLE FOR TRADING DURING THE FISCAL YEAR

None.

TABLE 8 - SUMMARY OF GRANTED SHARE SUBSCRIPTION OR PURCHASE OPTIONS - INFORMATION ON SUBSCRIPTION OR PURCHASE OPTIONS

Data December 31, 2014	Plan 06/06/2008	Plan 07/07/2008	Performance Option Plan 06/17/2009	Présence Option Plan 06/17/2009	Présence Option Plan 05/04/2010	Performance Option Plan 07/16/2010	Présence Option Plan 07/16/2010
Date of the Shareholders' Meeting	04/30/07	04/30/07	04/30/07	04/30/07	05/04/10	05/04/10	05/04/10
Date of the Board of Directors or Management Board meeting	06/06/08	07/07/08	06/17/2009	06/17/2009	05/04/2010	07/16/2010	07/16/2010
Total number of shares which may be subscribed for or purchased, including the number which may be subscribed for or purchased by the corporate officers:	4,545,183	17,109	1,252,994	6,974,861	60,000	1,439,017	1,941,610
José-Luis DURAN	148,278						
Jacques BEAUCHET	85,000						
Javier CAMPO	96,951						
José-Maria FOLACHE	85,000						
Guy YRAETA	90,976						
Thierry GARNIER	96,951						
Gilles PETIT	90,976						
Lars OLOFSSON			139,139			171,090	
Date from which options may be exercised	06/06/10	07/07/10	06/17/2011	06/17/2011	05/04/12	07/17/2012	07/17/2012
Expiry date	06/05/15	07/06/15	06/16/2016	06/16/2016	05/03/17	07/16/2017	07/16/2017
Price of subscription or purchase	€39,68	€39,68	€29,55	€29,55	€32,84	€29,91	€29,91
Exercise procedure (when the plan has several phases)	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years	50% after 2 years, 75% after 3 years, 100% after 4 years
Number of shares subscribed for as of December 31, 2014	0	0	0	0	0	0	0
Cumulative number of cancelled or void share subscription or purchase options	976,899	0	821,906	1,472,379	60,000	929,962	469,758
Share subscription or purchase options remaining at the end of the fiscal year	3,568,284	17,109	431,088	5,502,482	0	509,055	1,471,852

Data restated following the DIA spin-off in 2011

TABLE 9 - SUMMARY OF GRANTED PERFORMANCE SHARES - INFORMATION ON PERFORMANCE SHARES

None.

TABLEAU 10

	Employment contract		Supplement 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 Start of term: 05/23/2012		X	X		X			X

3.4.4 Transactions carried out by corporate officials with regards 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 2014 fiscal year by persons described in Article L. 621-18-2 of the French Monetary and Financial Code:

- on January 17, 2014, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €17,721,990, *i.e.* a unit price of €27.2646;
- on May 28, 2014, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €2,693,600, *i.e.* a unit price of €26.936;
- on May 28, 2014, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, has been delivered in respect of the option for the payment of the dividend in shares for fiscal year 2013 in the amount of €22,890,796.20, *i.e.* a unit price of €26.10;
- on May 28, 2014, the company Bunt, a legal entity linked to Bernard Arnault, director of the Company, has been delivered in respect of the option for the payment of the dividend in shares for fiscal year 2013 in the amount of €235,343.70, *i.e.* a unit price of €26.10;
- on May 29, 2014, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €2,691,200, *i.e.* a unit price of €26.912;
- on May 29, 2014, the company Cervinia Europe, a legal entity linked to Bernard Arnault, director of the Company, purchased shares in the amount of €1,309,818.31, *i.e.* a unit price of €26.799.

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 100 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.

3.5.1.1 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 general management, 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 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.

3.5.1.2 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 Group 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 22 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 Group'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 2.2.2.7 of the Registration Document (page 44 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.

3.5.1.3 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 49 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 2.2.1 (Page 26 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

Under the responsibility and coordination of the Group Assets and Development 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.

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. The completion of appraisal reports on the real estate assets may present a number of risks related to real estate and financial market drivers.

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.

For asset acquisitions or disposals, the cost of some acquisitions may require significant financial resources, particularly external financing which the Group cannot guarantee will be obtained in conditions that are satisfactory to it. In addition, if the economic situation or the real estate market should worsen, the Group may not be in a position to dispose of its commercial real estate assets under satisfactory financial conditions or deadlines, if such should prove necessary.

Finally, with the Group also carrying out real estate development activity for certain sites, the risks related to that activity might incur delays or even cancellations of investment transactions, their completion at a higher cost than initially projected, or lower profits than those expected at the outset.

Under the direction of the Group Legal department, the Group has also established an active and committed policy to protect all of its brands.

3.5.1.4 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 2014 (€3.11 billion) 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, and €4.45 billion in available and undrawn syndicated loans (maturity 2017, 2018 and 2019), leading to the conclusion that its liquidity is strong.

In 2014 the Group carried out one bond issues (€1 billion with maturity in July 2022) simultaneously with a buyback with €0,3 billion in nominal.

The Group's debt profile is balanced, with no peak in refinancing needs across the remaining life of bond debt, which averages 4 years 4 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 2014, Carrefour Banque completed two major public transactions to finance and expand its activities:

- a bond issue in March 2014 (€500 million for four years);
- a securitisation transaction in November 2014, raising €110 million.

This total refinancing of €610 millions 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.

In November 2014, Carrefour Banque secured its refinancing sources by rolling over its €750 million five-year syndicated line of credit and negotiating two one-year extension options, one year ahead of the facility's December 2015 expiry date.

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 2014 as compared with 2013 affected Group sales by -€2,356 million (3.2% of 2014 sales) and operating income by -€74 million (2.9% of 2014 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 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.

3.5.1.5 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.

In 2014, Carrefour Banque has updated his risk management policy. Also, Carrefour Banque has finalised the map process in relation to credit risk management.

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 (pages 195 and following pages).

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.

3.5.3.1 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

Carrefour group 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

Carrefour group's 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.

3.5.3.2 Information concerning the main insurance programmes

The following information is provided for information purposes only in order to illustrate the scope of action in 2014. 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 limits of property damage and business interruption are consistent with those of an international retail company. 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.

Carrefour group 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.

3.6 Internal control

3.6.1 Risk management and internal control system

INTRODUCTION

Responsibility for the set-up, maintenance and steering of internal control across the Group 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, 2015 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 AND RISK MANAGEMENT

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;
- 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 risks that may prevent the Group from achieving its objectives, the internal-control system plays a key role in the management and oversight of its activities. However, as the AMF reference framework underscores, no matter how well designed and properly applied, an internal-control system cannot fully guarantee that the Group's objectives will be achieved. There are inherent limitations in all internal-control systems, which arise, in particular, from uncertainties in the outside world, the exercise of judgement or problems that may occur due to technical or 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 and risk management

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, lead, and continuously supervise internal-control and risk-management systems;
- at country level, each country executive director adopts and implements the internal-control and risk-management principles.

Using various procedures and control measures, with a system of Group rules, 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:

- at country level, the Group rule system is reflected in precise operating procedures; it is the tool with which each country conducts its internal controls, which are, in turn, audited by the Group;
- 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 Group has established rules of governance limiting the powers of 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.

Through 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 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.

B. Functioning of internal processes

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 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 and organization. These procedures and operating methods include and extend the key controls set out in the Group regulatory framework.

C. Internal dissemination of information

The Group ensures that relevant and reliable information is diseeminated and conveyed to the individuals concerned so that they can perform their duties in accordance with Group standards and procedures.

- the GroupOnline intranet 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 make sure to relay relevant and reliable information to the individuals concerned so that they can perform their duties in accordance with Group standards and procedures.

D. 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 major risks 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;
- mobilize Company employees to adopt a shared vision of the principal risks and raise their awareness of the risks inherent in their business.

The country executive director, with the support of the Risks & Compliance department, are responsible for risk management within the Group.

The country executive director:

- perform regulatory watch and recognize impacts;
- establish procedures and suitable measures for preventing and protecting against occurrence and limiting impacts;
- manage incidents;
- notify general management of any event that is likely to have an impact on the Group's image or financial performance.

Adopting and implementing risk management principles is delegated to the country executive directors, whose mission is to identify, analyse and handle the main risks they incur.

The Risk & Compliance department leads the risk management system and provides methodological support to the operational and functional departments through the deployment of an assessment and mapping tool for major risks whilst developing mapping of operational risks.

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.

The risk assessment tool is completed each year by the country executive directors on the basis of identified risk factors. These assessments are reviewed during an interview with the Risk & Compliance department.

The Risk & Compliance department has also worked on mapping risks from external sources, 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 safety of persons and property is one of the essential elements of the risk management system, ensuring:

- protection suitable for the Group's clients, employees, service providers and sites;
- regulatory compliance of sites throughout the country where the Group does business;
- protection and enhancement of the Company's image and reputation.

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.

An alarm and crisis management system is set up by each country executive director through a formalized crisis management organization that deals with the major scenarios likely to affect the continuity of operations.

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 centralised management of insurance policies.

E. Control activities covering these risks

Control activities are designed to ensure that the necessary measures are taken in order to reduce exposure to the strategic, operational and asset risks – 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 is aimed at covering asset risks and include:

- 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.

F. Guidance and monitoring of the internal-control system and risk management 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, 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;
- 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 and risk management

A. At Group level

Group general management is responsible for the internal-control and risk-management systems. It is also tasked with designing, implementing and supervising the internal-control and risk-management systems suited to the size of the Group, its activity and its organization.

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 systems, which also include defining the roles and responsibilities in that regard in the Group.

Group general management has created 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,
  - fofollowing Group investment procedure;
- the **Group Legal department** is responsible for:
  - the governance policy for legal services,
  - establishing the governance policy of Group subsidiaries,
  - managing the Group's legal risks;
- the **Group Risks & Compliance department** is responsible for:
  - identifying, analysing, evaluating and treating risks within the Group in support of the country executive directors,
  - company-wide risk prevention policy,
  - managing risks associated with the safety and security of property and people,
  - leading the Groupe ethic system,
  - 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 Gr**oup Quality department** is responsible for:
  - establishing product quality, health 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 security 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 in transferring of a portion of the risks to the insurance market.

The **Group Internal Audit department** is tasked with:

- 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;
- regularly monitoring and making any necessary recommendations to improve these systems;
- leading and consolidating the annual self-assessment campaigns to develop internal-control tools as carried out by the executive director.

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.

B. At country level

The **Country Executive Director**, 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

In 2014, 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 new tool was developed and implemented at the end of the year at Group level to detail, make reliable and 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 composed by seven persons 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 converted into euros for their region. 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.

Since 2012, the Consolidation department set up the "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 through a single, centralized source at Group level.

Organization of financial communications

Financial announcements are adressed to a diverse audience, primarily comprised of institutional investors, individuals and employees, through four channels:

- the Shareholder Relations department is responsible for informing the general public (individual shareholders);
- The Investor Relations department, Chief Financial Officer and the Chairman 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 (through 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. They are delivered as required by law through Annual Shareholders' Meetings. 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 Chief Financial Officer defines and implements 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.

At the beginning of the 2014 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

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 audit opinion on the annual 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 annual 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.

To the Shareholders,

In our capacity as Statutory Auditors of Carrefour S.A., and in accordance with Article L. 225-235 of the French Commercial Code ("Code de commerce"), we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2014.

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, April 24, 2015

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COMMENTS ON 2014 FISCAL YEAR

4

4.1 Sales and earnings performance

4.1.1 Main earnings indicators

(in € millions)	2014	2013 *	% change	% change at constant exchange rates
Net sales	74,706	74,888	(0.2)%	2.9%
Recurring operating income	**2,387**	**2,238**	**6.7%**	**10.6%**
Recurring operating income after net income from companies accounted for by the equity method	**2,423**	**2,267**	**6.9%**	**10.8%**
Non-recurring operating income and expenses, net	149	144	na	na
Finance costs and other financial income and expenses, net	(563)	(722)	(22.0)%	(12.9)%
Income tax expense	(709)	(631)	12.4%	13.0%
Net income from continuing operations - Group share	1,182	949	24.6%	37.4%
Net income from discontinued operations - Group share	67	314		
Net income - Group share	**1,249**	**1,263**		
Free cash flow (including non-recurring items)	**306**	**26**		
Net debt at 31 December	**4,954**	**4,117**		

* *The comparative information for 2013 presented in this document has been restated to reflect the early adoption of IFRIC 21 – Levies, and the reclassification of "Net income from companies accounted for by the equity method" in the consolidated income statement. These restatements are described in Note 4 to the Consolidated Financial Statements.*

Carrefour's 2014 performance reflected the sustained growth momentum enjoyed by the Group, with faster organic sales growth and an increase in earnings at constant exchange rates.

- sales were up 2.9% at constant exchange rates, reflecting gains across all formats in France, significantly improved trends in Europe and strong organic growth in emerging markets, led by Brazil and Argentina;
- recurring operating income totaled €2,387 million, up 10.6% at constant exchange rates with increases of 7.0% in Europe (including France) and 14.9% in emerging markets (Latin America and Asia);
- non-recurring income and expenses represented a positive €149 million, corresponding mainly to the gain recognized on the asset contribution to the new Carmila joint venture. In 2013, non-recurring items consisted for the most part of the capital gain realized on the sale of the Group's 25% stake in Majid Al Futtaim Hypermarkets;
- finance costs, net amounted to €563 million. This was €159 million less than the 2013 figure which included the €119 million cost of the bond buyback program. In addition, the net cost of debt was lower in 2014;
- income tax expense amounted to €709 million, representing an effective tax rate of 35.3%;
- the Group ended the year with net income from continuing operations of €1,182 million, compared with €949 million in 2013;
- the €67 million net income from discontinued operations recorded during the year corresponded primarily to the settlement of a dispute that arose in a prior year;
- taking into account all of these items, the Group ended the year with net income (Group share) of €1,249 million, versus €1,263 million in 2013;
- free cash flow came to €306 million versus €26 million in 2013.

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)	2014	2013	% change	% change at constant exchange rates
France	35,336	35,438	(0.3)%	(0.3)%
Rest of Europe	19,191	19,220	(0.2)%	(0.1)%
Latin America	13,891	13,786	0.8%	17.6%
Asia	6,288	6,443	(2.4)%	(1.9)%
TOTAL	**74,706**	**74,888**	**(0.2)%**	**2.9%**

Net sales for the year amounted to €74,706 million, up 2.9% at constant exchange rates on 2013.

Performance by region can be explained as follows:

- in France, the Group's businesses became more competitive, leading to a second year's organic growth in sales (excluding gasoline) across all formats;
- for the first time in six years, sales in Europe were generally stable, supported by gains in Spain, Belgium and Romania;
- in Latin America, sales continued to grow rapidly, rising by 17.6% in local currency. However, due to the extremely negative currency effect, the increase at current exchange rates was just 0.8%;
- in Asia, sales were down 1.9% at constant exchange rates.

Net sales by region – contribution to the consolidated total

(in %)	2014 [(1)]	2013
France	45.9%	47.3%
Rest of Europe	24.9%	25.7%
Latin America	21.0%	18.4%
Asia	8.2%	8.6%
TOTAL	**100.0%**	**100.0%**

(1) At constant exchange rate.

At constant exchange rates, the contribution of emerging markets (Latin America and Asia) to consolidated net sales continued to rise, representing 29.2% in 2014 versus 27% in 2013.

Recurring operating income by region

(in € millions)	2014	2013	% change	% change at constant exchange rates
France	1,271	1,198	6.1%	6.1%
Rest of Europe	425	388	9.6%	9.6%
Latin America	685	627	9.4%	23.2%
Asia	97	131	(25.5)%	(24.8)%
Global functions	(92)	(106)	(12.7)%	(12.7)%
TOTAL	**2,387**	**2,238**	**6.7%**	**10.6%**

Recurring operating income increased by 10.6% at constant exchange rates, to €2,387 million, representing 3.2% of sales, compared with 3.0% in 2013.

The increase reflected:

- a higher gross margin, representing 23.0% of sales versus 22.7% in 2013;
- tight control of general and administrative expenses (including asset costs), which remained stable at 20% of net sales.

In France, recurring operating income rose by 6.1% to €1,271 million, representing a 0.2-point improvement in operating margin to 3.6% of sales. All formats contributed to this performance, which was attributable to the favorable margin impact of reduced shrinkage and logistics cost savings.

In the Rest of Europe, recurring operating income of €425 million was 9.6% higher at constant exchange rates. Operating margin advanced by 0.2 points to 2.2% of sales. Profitability in Spain continued to improve, while in Italy, on-going deployment of action plans helped to drive an improvement in sales trends in the second half of the year. In the other countries of the region, profitability held firm overall and continued to improve in Belgium.

Recurring operating income in Latin America amounted to €685 million, an increase of 23.2% at constant exchange rates that reflected resilient margins and excellent like-for-like sales in Brazil and Argentina.

In Asia, recurring operating income came to €97 million versus €131 million in 2013. The margin rate held firm. The Group is adapting its business to an environment shaped by very subdued consumer spending. Distribution costs rose due to wage inflation and expansion costs in China. The performance of operations in Taiwan improved compared with the prior year.

Depreciation and amortization

Depreciation and amortization amounted to €1,381 million in 2014. This represented 1.8% of sales, unchanged from 2013.

Net income from companies accounted for by the equity method

Net income from companies accounted for by the equity method totaled €37 million versus €30 million in 2013.

Non-recurring income and expenses, net

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 in prior periods, based on information that came to the Group's attention during the reporting year.

Non-recurring items represented net income of €149 million in 2014, comprising €490 million in income and €341 million in expenses.

The detailed breakdown is as follows:

(in € millions)	**2014**	**2013**
Net gains on sales of assets	336	425
Restructuring costs	(111)	(52)
Other non-recurring items	1	(101)
Non-recurring income and expenses net before asset impairments and write-offs	**226**	**272**
Asset impairments and write-offs	(77)	(128)
Impairments and write-offs of goodwill		*(16)*
Impairments and write-offs of property and equipment	*(77)*	*(112)*
Non-recurring income and expenses, net	**149**	**144**
Of which, non-recurring income	*490*	*566*
Of which, non recurring expense	*(341)*	*(422)*

Gains on disposals of assets in 2014 mainly concerned the asset contribution to the Carmila joint venture (see Section 4.4.2 "Significant events of the period"). In 2013, gains on disposals of assets arose primarily from the sale of the Group's 25% stake 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 ended the year with operating income of €2,572 million versus €2,411 million in 2013, representing an increase of €161 million.

Finance costs and other financial income and expenses, net

Finance costs and other financial income and expenses represented a net expense of €563 million, representing 0.8% of sales versus 1.0% in 2013.

(in € millions)	2014	2013
Finance costs, net		(428)
Other financial income and expenses, net		(294)
FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES, NET		**(722)**

Finance costs, net decreased by €29 million to €399 million. The improvement was primarily attributable to a decline in the average cost of bond debt that was mainly due to the bond buybacks carried out in June 2013 and July 2014.

Other financial income and expenses represented a net expense of €164 million, compared with a net expense of €294 million in 2013. The favorable change was mainly due to the high basis of comparison in 2013, which included the €119 million one-off cost of the bond buyback program.

Income tax expense

Income taxes amounted to €709 million in 2014 compared with €631 million the year before. The effective tax rate was 35.3%.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interests came to €118 million in 2014 versus €101 million in 2013.

Net income from continuing operations – Group share

The Group reported net income from continuing operations of €1,182 million in 2014, up from €949 million in 2013.

Net income from discontinued operations – Group share

In 2014, net income from discontinued operations mainly reflects the settlement during the period of an old litigation for €88 million, and the result of the closing of Indian operations for €(24) million.

In 2013, net income from discontinued operations mainly reflected the €396 million profit on the 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.

4.2 Financial position

4.2.1 Shareholders' equity

At December 31, 2014, shareholders' equity stood at €10,228 million, compared with €8,679 million at the previous year-end.

The €1,549 million increase reflected:

- net income for the year of €1,367 million;
- the sale of the Group's 10% stake in the Brazilian subsidiary, which had a positive net impact of €458 million on total shareholders' equity;
- dividend payments of €504 million, of which €434 million paid to Carrefour shareholders (including €285 million paid in stock) and €70 million to minority shareholders of subsidiaries;
- net actuarial losses recognized in the year for €129 million.

4.2.2 Net debt

Net debt increased by €837 million to €4,954 million from €4,117 million at December 31, 2013.

Net debt breaks down as follows:

(in € millions)	**2014**	**2013**
Bonds	6,915	7,462
Other borrowings	1,078	1,356
Commercial paper	120	
Finance lease liabilities	398	388
Total borrowings before derivative instruments recorded in liabilities	**8,511**	**9,206**
Derivative instruments recorded in liabilities	61	27
Total long and short term borrowings (1)	**8,572**	**9,233**
Of which, long term borrowings	*6,815*	*7,550*
Of which, short term borrowings	*1,757*	*1,683*
Other current financial assets	504	359
Cash and cash equivalents	3,113	4,757
Total current financial assets (2)	**3,618**	**5,116**
NET DEBT = (1) - (2)	**4,954**	**4,117**

Long and short-term borrowings (excluding derivatives) mature at different dates through 2022 for the longest tranche of bond debt, leading to balanced repayment obligations in the coming years as shown below:

(in € millions)	2014	2013
Due within one year	1,696	1,683
Due in 1 to 2 years	1,329	1,242
Due in 2 to 5 years	2,486	2,955
Due beyond 5 years	3,000	3,326
TOTAL	**8,511**	**9,206**

At December 31, 2014, the Group's liquidity position was strengthened by the availability of €4.45 billion in committed syndicated lines of credit with no drawing restrictions expiring in 2017, 2018 and 2019.

4.2.3 Cash flows for the year and cash and cash equivalents at December 31, 2014

Cash and cash equivalents totaled €3,113 million at December 31, 2014, compared with €4,757 million at December 31, 2013. The decrease of €1,644 million was primarily due to the Group's decision to launch new capital spending programs in late 2013 that have been continued in 2014.

Net debt was reduced by €837 million over the year, after increasing by €203 million in 2013. The decrease is analyzed in the simplified statement of cash flows presented below:

(in € millions)	2014	2013
Cash flow from operations		2,039
Change in trade working capital requirement		76
Investments		(1,671)
Other		(418)
Free cash flow		**26**
Financial investments		(57)
Disposals		542
Purchases and disposals without change in control		(11)
Cash dividends/reinvested dividends		(206)
Finance costs, net		(428)
Changes in the scope of consolidation and impact of discontinued operations		752
Other		(415)
Decrease/(Increase) in net debt		**203**

Free cash flow stood at €306 million in 2014, compared with €26 million in 2013, after taking into account a €465 million increase of cash flow from operations, a €442 million increase of change in non trade working capital requirement, and a significantly higher capital expenditure (with the net spend up €634 million over the year).

Financial investments represented a net outflow of €1,336 million in 2014, compared with a €57 million outflow in 2013. The 2014 net outflow mainly related to the Carmila capital increase subscribed by the Group and the the acquisition of Erteco (DIA).

Disposals of the period represented a €236 million inflow and consisted of the Carmila asset contribution in France and Spain. The €542 million inflow in 2013 related to the sale of the Group's 25% stake in Majid Al Futtaim Hypermarkets.

Purchases and disposals without change in control represented in 2014 a €311 millions net inflow and consisted primarily of the sale of 10% of our Brazilian subsidiary to Peninsula, an outside investor, offset by the purchase of the minority interests in Carcoop (France).

Changes in the scope of consolidation and discontinued operations had a negative impact of €64 million. In 2013, the €752 million positive impact was mainly due to the sale of Indonesian operations during the year and the loss of control of the subsidiary in Turkey.

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, 2014, the Group had three undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of €4.45 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 substantial sales of 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, 2014 since, at that date, it had €4.45 billion in committed syndicated lines of credit with no drawing restrictions, expiring in 2017, 2018 and 2019. 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 four years and four months.

At December 31, 2014, both Carrefour and Carrefour Banque were rated BBB+/A-2, with a stable outlook by S&P.

4.2.5 Restrictions on the use of capital resources

There are no material restrictions on the Group's ability to recover or use the assets and settle the liabilities of foreign operations, except for those resulting from local regulations in its host countries.

The local supervisory authorities may require banking subsidairies to keep a certain level of capital and liquidities, limit their exposure to other Group parties, and comply with other ratios.

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 2015

Carrefour is staying the course in an environment that remains uncertain. In the third year of its plan, the group will focus in 2015 on the following operational priorities:

- continue plans aiming at continuous improvement of our offer and price image to enhance our customers' shopping experience in all countries;
- accelerate multi-format expansion:
  - continue targeted expansion in our key markets,
  - gradual integration of DIA France's stores,
  - continued opening of convenience stores in Brazil and China;
- develop our multi-channel offer, supported by our physical store network:
  - revamp and convergence of our websites in France, gradual broadening of our offer,
  - continue roll-out of click & collect,
  - develop e-commerce activities in several countries;
- continue structural projects including:
  - revamp of the supply-chain in France,
  - IT rationalization,
  - evolution of our model in China;
- continue store remodeling:
  - continue the program to bring up to standards,
  - modernize our store network;
- enhance the attractiveness of our sites by capitalizing on property company Carmila in France, Spain and Italy.

2015 outlook:

- total investments, including DIA France, of between €2.5bn and €2.6bn;
- increased free cash flow;
- continue strict financial discipline: preserve BBB+ rating.

4.4 Other information

4.4.1 Accounting principles

The accounting and calculation methods used to prepare the Consolidated Financial Statements for the year ended December 31, 2014 are the same as those used for the 2013 Consolidated Financial Statements, except for the adoption of the following standards and amendments whose application did not have any material impact on the Consolidated Financial Statements:

- IFRS 10 – *Consolidated Financial Statements*;
- IFRS 11 – *Joint Arrangements*;
- IFRS 12 – *Disclosure of Interests in Other Entities*;
- IAS 28 (revised) – *Investments in Associates and Joint Ventures*;
- amendment to IAS 32 – *Financial Instruments-Presentation*;
- amendment to IAS 36 – *Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets*;
- amendment to IAS 39 – *Financial Instruments: Recognition and Measurement*.

The Group also elected to early adopt IFRIC 21 – Levies, that was adopted by the European Union on June 13, 2014. This interpretation defines the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation:

- The effect of applying IFRIC 21 was a €82 million increase in opening shareholders' equity at January 1, 2013;
- The impact on the 2013 consolidated income statement was not material.

The Group decided not to early adopt the following standards and interpretations that were not applicable as of January 1, 2014:

Adopted for use in the European Union:

- IFRS Annual Improvements, 2010-2012 and 2011-2013 (applicable in annual periods beginning on or after July 1, 2015).

Not yet adopted for use in the European Union:

- IFRS 15 – *Revenue from Contracts with Customers*.
- IFRS 9 – *Financial Instruments*;
- IFRS Annual Improvements, 2012-2014 (applicable in annual periods beginning on or after January 1, 2016).

The possible impact on the Consolidated Financial Statements of applying these new and amended standards is currently being assessed.

Details of the new and amended standards and interpretations, including those not yet adopted for use in the European Union, are provided in Note 1.2 "IFRSs and interpretations applied by the Group".

4.4.2 Significant events of the period

Creation of a company for shopping centers adjacent to 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.

Following signature of the final agreement between the partners on January 24, 2014, consultation of employee representative bodies and the approval of the relevant regulatory authorities, on April 16, 2014, the Group and its co-investment partners announced the creation of Carmila, a company dedicated to enhancing the value of the shopping malls adjacent to Carrefour hypermarkets in France, Spain and Italy.

Upon its creation, Carmila owns a portfolio of 171 shopping malls comprising:

- on the one hand, 126 sites in France, Spain and Italy acquired on April 16, 2014 from Klépierre for a market value of €2.0 billion;
- on the other hand, 45 sites in France contributed by Carrefour with a market value of €0.7 billion.

Initial funding consists of €1.8 billion in equity, contributed by the co-investors for €1.0 billion and by Carrefour for €0.8 billion (of which €0.7 billion through the transfer of assets at market value and €0.1 million in cash), and €0.9 billion in bank credit lines obtained by Carmila.

In the 2014 Consolidated Financial Statements, in application of the consolidation standards applicable as from 2014 (IFRS 10, IFRS 11 and IAS 28R), the new company has been accounted for by the equity method as it is jointly controlled by Carrefour and its co-investors, which own 42% and 58% of the capital respectively. The carrying amount on recognition was €784 million. The transaction led to the recognition in non-recurring income of a €333 million capital gain, in line with the accounting treatment specified in IFRS 10 in the case of a loss of control as defined in IFRS 3.

Acquisition of Dia's operations in France

On June 20, 2014, the Carrefour group announced that, following exclusive negotiations with Dia, it had agreed to acquire Dia France based on an enterprise value of €600 million.

On November 21, 2014, Carrefour announced that the proposed deal had been authorized by France's anti-trust authorities, allowing the Group to pursue its multi-format expansion in its domestic market. The authorization covered the acquisition of over 800 points of sale, in exchange for an undertaking by Carrefour to sell around fifty others. Those sites were reclassified as held for sale as at December 31, 2014.

The transaction was completed on December 1, 2014.

In accordance with IFRS 3 - Business Combinations, provisional allocation of the purchase price led to the recognition of goodwill of €189 million.

(in € millions)	Accounting value	Temporary fair value
Intangible assets	206	121
Tangible assets	445	454
Financial assets	12	23
Fixed assets	**664**	**598**
Net debt	(16)	(34)
Other net assets and liabilities	(87)	(127)
TOTAL NET ASSET	**560**	**437**
Consideration transferred		**626**
Goodwill		**189**

The effect of the acquisition on 2014 consolidated operating income and net income is not material.

Sale of an interest in the Brazilian subsidiary to an outside investor

On December 18, 2014, the Carrefour group announced that Peninsula, a Brazilian investment firm, had acquired a 10% interest in Carrefour's local subsidiary for BRL 1.8 billion (€525 million).

Peninsula also has call options allowing it to increase its interest to up to 16% over the next five years.

In accordance with IFRS 10 – Consolidated Financial Statements, the transaction led to the recognition in consolidated equity of a net capital gain of €285 million and of non-controlling interests of €174 million.

This transaction is a significant first stage in a project to open up the Brazilian subsidiary's capital in order to strengthen its local roots and support its development. It will enable Carrefour to benefit from its new partner's recognized experience in the local retail market as it continues to develop the multi-format model.

Acquisitions in Italy

On June 30, 2014, Carrefour announced that it had entered into an agreement with the Rewe Group to acquire 53 Billa supermarkets located in northern Italy. The supermarkets represent a total retail surface area of 58,000 sq.m. and generated revenue of some €300 million excluding VAT in 2013.

The transaction was completed on September 11, 2014, once the regulatory approvals had been obtained and Billa's employee representatives had been consulted. In accordance with IFRS 3, provisional goodwill of €64 million was recorded in the Consolidated Financial Statements at December 31, 2014.

On November 21, 2014, the Group announced the acquisition of 17 Il Centro stores, including sixteen located in Florence and Arezzo provinces and one in La Spezia province. All of these stores will be converted to the Carrefour Express convenience brand. The transaction is in line with Carrefour's multi-format strategy and will enable the Group to strengthen its presence in north central Italy. The impact on the Consolidated Financial Statements was not material.

2013 dividend reinvestment option

At the Annual General Meeting held on April 15, 2014, shareholders decided to set the 2013 dividend at €0.62 per share with a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at €26.10 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 €0.62 per share and rounded up to the nearest euro cent.

The option period was open from April 24 to May 15, 2014. At the end of this period, shareholders owning 64.55% of Carrefour's shares had elected to reinvest their 2013 dividends.

May 28, 2014 was set as the date for:

- settlement/delivery of the 10,929,717 new shares corresponding to reinvested dividends, leading to a total capital increase of €285 million (share capital and premiums);
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of €149 million.

Bond issue and buybacks

On July 15, 2014 the Group issued €1,000 million worth of eight-year 1.75% bonds maturing in July 2022.

At the same time, two outstanding issues representing an aggregate €318 million were retired, as follows:

- €97 million outstanding from a €763 million 4.375% issue maturing in November 2016;
- €221 million outstanding from a €500 million 5.25% issue maturing in October 2018.

The transaction consolidated the Group's long-term financing at the very attractive interest rates currently available in the market. It led to:

- a €682 million increase in the face value of the Group's bond debt;
- optimized future borrowing costs due to an issue at a historically low interest rate;
- an extension of the average maturity of bond debt, from 3.7 years to 4.2 years (an increase of 0.5 years) as from July 15, 2014.

Discontinuation of operations in India

On July 7, 2014 Carrefour announced that it intended to close its five cash & carry stores in India, the first of which was opened in 2010. All of the stores had been closed by the year-end.

Purchasing cooperation agreement between Carrefour and Cora

On December 22, 2014 Carrefour France and Cora/Supermarchés Match announced that they had signed an agreement to cooperate on purchasing. This agreement establishes a long-term partnership, with no equity ties between the two companies, under which both companies maintain their independence while committing to sustainable relationships with their suppliers. The agreement will enhance the competitiveness of their banners for the benefit of consumers. It has been effective since January 1, 2015.

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

On January 22, 2015, the Group obtained a new €2,500 million five-year bank facility (expiring in January 2020) with two one-year extension options from a pool of 22 banks.

This facility replaces two existing facilities, for €1,591 million and €1,458 million, expiring in July 2017 and November 2018 respectively.

The operation contributed to the ongoing strategy to secure the Group's long-term financing sources by extending the average maturity of its facilities (from 3.5 years to 4.7 years at January 22, 2015), and reduce the related borrowing costs, while aligning their amount with the Group's needs.

On January 27, 2015, the Group carried out a new €750 million 10.3-year 1.25% bond issue due June 2025. The issue's settlement date was February 3, 2015.

The issue has consolidated the Group's long-term financing, extended the average maturity of its bond debt (from 4.2 years to 4.8 years at February 3, 2015) and further reduced its borrowing costs.

No events have occurred since the year-end that would have a material impact on the Consolidated Financial Statements.

4.5 Q1 Gross Sales for 2015

Strong sales growth in the first quarter of 2015

- **First quarter 2015 sales:**
  - €21.0bn, up +6.2% in total;
  - +3.2% on an organic basis.
- **France :** Total growth ex petrol of +7.9% and organic growth of +2.6%:
  - Continued growth in all formats;
  - Integration of the DIA France stores.
- **International :** Total growth of +8.4% and organic sales growth of +3.6%
  - Sales growth in Europe;
  - Continued excellent performance in Latin America;
  - Deployment of our action plan in China.

First quarter 2015 consolidated sales inc. VAT

The Group posted sales of €21,005m. In the quarter, currencies had a favourable impact (+2.1%) and the calendar effect was slightly positive (+0.3%). Petrol prices had an unfavourable impact of (2.1)%.

	Sales inc. VAT (€M)	Organic growth ex petrol ex calendar	Total growth	
			Inc. petrol	Ex. petrol
France	9,558	+ 2.6%	+ 3.6%	+ 7.9%
International	11,447	+ 3.6%	+ 8.4%	+ 9.1%
Group	21,005	+ 3.2%	+ 6.2%	+ 8.6%

Nota : LFL and organic growth numbers are presented ex calendar and ex petrol.

Total sales under banners including petrol stood at €25.4bn in the first quarter of 2015, up +7.7% at current exchange rates.

First quarter 2015 sales inc. Vat

FRANCE

	Sales inc. VAT *(€m)*	Ex petrol, ex calendar		Total	
		LFL	Organic change	Inc. petrol	Ex. petrol
France	**9,558**	**+2.5%**	**+2.6%**	**+3.6%**	**+7.9%**
Hypermarkets	4,989	+2.1%	+2.2%	(0.3)%	+2.3%
Supermarkets	3,078	+2.5%	+2.0%	(2.6)%	+1.9%
Convenience and other formats	1,491	+4.8%	+6.2%	+40.2%	+50.3%

In the first quarter, **France** recorded total ex petrol growth of +7.9% (including the DIA France stores). Organic growth was solid, at +2.6%.

The evolution of petrol prices had an unfavourable impact of 4.3% this quarter.

Organic sales at **hypermarkets** were up by +2.2% and LFL sales increased by +2.1%. Food sales posted further growth, while non-food sales were almost flat.

Organic sales at **supermarkets** rose by +2.0%. LFL sales were up +2.5%.

Convenience and other formats confirmed their momentum with organic growth of +6.2%.

INTERNATIONAL

		Ex petrol, ex calendar		Total	
	Sales inc. VAT *(€m)*	LFL	Organic change	Inc. petrol	Ex. petrol
International	**11,447**	**+2.2%**	**+3.6%**	**+8.4%**	**+9.1%**
Other European countries	5,148	+0.9%	+0.9%	+2.2%	+2.9%
Latin America	4,070	+12.5%	+16.6%	+18.7%	+19.6%
Asia	2,229	(11.3)%	(10.5)%	+6.6%	+6.6%

Organic sales in international markets grew by +3.6% (+2.2% LFL). The calendar effect was +0.6% this quarter and the currency effect was +4.0%.

In other **European countries**, organic sales were up +0.9%.

On a like-for like basis, **Spain** recorded further growth with sales up +0.3% in the quarter. Trends improved in **Italy** where LFL sales were down 1.0%. LFL sales continued to grow in **Belgium** (+2.1%) and were also up in **Poland** and in **Romania**.

Organic sales in **Latin America** grew by +16.6%. Currencies had a favourable effect of +2.3%.

In **Brazil**, organic sales were up by +13.1% (+8.4% LFL) on the back of an already strong comparable base of +8.3% in Q1 2014. Growth continued in all formats. Organic sales in **Argentina** grew by +28.0%, of which +26.1% LFL.

Total sales in **Asia** rose by +6.6%, including a positive currency effect. Organic sales were down by 10.5% on a positive comparable base.

In **China**, in an environment that continued to be marked by frugal consumption, organic sales were down 13.0%. In that country, we have initiated the deployment of our action plan as part of the evolution of our model. In **Taiwan**, LFL sales returned to positive territory, up +0.7% (down 0.6% on an organic basis).

Variation of first quarter 2015 sales

	Change at current exchange rates inc. petrol	Change at constant exchange rates inc. petrol	LFL inc. petrol	LFL ex calendar ex petrol
France	**+3.6%**	**+3.6%**	**(0.7)%**	**+2.5%**
Hypermarkets	(0.3)%	(0.3)%	(0.4)%	+2.1%
Supermarkets	(2.6)%	(2.6)%	(2.1)%	+2.5%
International	**+8.4%**	**+4.5%**	**+2.5%**	**+2.2%**
Other European countries	**+2.2%**	**+2.1%**	**+0.6%**	**+0.9%**
Spain	(1.2)%	(1.2)%	(1.1)%	+0.3%
Italy	+6.4%	+6.4%	(0.2)%	(1.0)%
Belgium	(0.2)%	(0.2)%	+1.9%	+2.1%
Latin America	**+18.7%**	**+16.4%**	**+13.0%**	**+12.5%**
Brazil	+13.6%	+13.0%	+9.1%	+8.4%
Asia	**+6.6%**	**(9.5)%**	**(10.2)%**	**(11.3)%**
China	+4.2%	(11.8)%	(12.8)%	(14.0)%
GROUP TOTAL	**+6.2%**	**+4.0%**	**+1.0%**	**+2.3%**

Expansion under banners – First quarter 2015

In Q1 2015, Carrefour opened or acquired 670,000 gross sq. m. Net of disposals and closures, the network added 630,000 sq. m in the quarter.

Thousands of sq m	Dec 31, 2014	Openings/Store enlargements	Acquisitions	Closures/Store reductions	Total Q1 2015 change	March 31, 2015
France	5,189	1	578	(10)	569	5,758
Europe (ex France)	5,753	59		(29)	30	5,783
Latin America	2,173	3			3	2,176
Asia	2,757	18		(13)	5	2,762
Others [(1)]	761	10			10	771
GROUP	**16,633**	**91**	**578**	**(52)**	**617**	**17,250**

(1) Maghreb, Middle East and Dominican Republic.

Store network under banners – First quarter 2015

In Q1 2015, Carrefour opened or acquired 1,086 stores. Net of disposals and closures, the network added 987 stores in the quarter, bringing the total network to 11,847 stores at the end of March.

No. of stores	Dec 31, 2014	Openings	Acquisitions	Closures/ Disposals	Transfers	Total Q1 2015 change	March 31, 2015
Hypermarkets	**1,459**	**4**	**5**	**(3)**	**(13)**	**(7)**	**1,452**
France	237		5			5	242
Europe (ex France)	489			(1)	(12)	(13)	476
Latin America	291	1			(1)	0	291
Asia	375	2		(2)		0	375
Others	67	1				1	68
Supermarkets	**3,115**	**22**	**1**	**(15)**	**16**	**24**	**3,139**
France	960		1	(1)		0	960
Europe (ex France)	1819	17		(14)	15	18	1 837
Latin America	169				1	1	170
Asia	19	1				1	20
Others (1)	148	4				4	152
Convenience	**6,111**	**241**	**813**	**(83)**	**(3)**	**968**	**7,079**
France	3,673	25	813	(34)		804	4,477
Europe (ex France)	2,035	211		(49)	(3)	159	2,194
Latin America	370	3				3	373
Others (1)	33	2				2	35
Cash & carry	**175**					**0**	**175**
France	143					0	143
Europe (ex France)	19					0	19
Others (1)	13					0	13
Group	**10,860**	**267**	**819**	**(101)**		**985**	**11,845**
France	5,013	25	819	(35)		809	5,822
Europe (ex France)	4,362	228		(64)		164	4,526
Latin America	830	4				4	834
Asia	394	3		(2)		1	395
Others (1)	261	7				7	268

(1) Maghreb, Middle East and Dominican Republic.

Definitions

LFL sales growth: sales generated by stores opened for at least twelve months, excluding temporary store closures, at constant exchange rates.

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

Sales under banners: total sales under banners including sales by franchisees and international partnerships.

4.6 Parent company financial review

4.6.1 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 2014, other income amounted to €366 million.

Financial income, net amounted to €1,906 million in 2014 compared with €1,198 million in 2013. The €708 million increase can be explained as follows:

- the recognition of a €309 million merger surplus from the Actis merger;
- financial provision charges decreased by a net €374 million, reflecting:
  - €326 million in net reversals of provisions for impairment of shares in subsidiaries and affiliates versus net additions of €292 million in 2013 (positive impact of €618 million),
  - An increase in net charges to provisions for impairment of treasury stock, due to the fall in Carrefour's share price between 2013 and 2014 (negative impact of €185 million),
  - An increase in net charges to provisions for other financial risks (negative impact of €60 million);
- dividend income from subsidiaries was lower, with a negative impact of €129 million;
- interest expense on intra-group and external borrowings decreased year-on-year, with a positive impact of €154 million.

Non-recurring items represented net income of €2,387 million in 2014 and consisted mainly of gains and losses on disposals of shares in subsidiaries and affiliates and results of impairment tests on goodwill.

- **Impairment tests on intangible assets:**

A €1,600 million provision reversal was recognized following impairment tests performed on goodwill.

- **Disposals of shares in subsidiaries and affiliates:**

In 2014, Carrefour carried out several disposals (see Section II "Subsidiaries and Affiliates" below), the €688 million net impact of which has been recognized in non-recurring income and expense from capital transactions.

- **Other transactions:**

On July 15, the Group issued €1,000 million worth of eight-year 1.75% bonds maturing in July 2022.

At the same time, two outstanding issues representing an aggregate €318 million were retired, as follows:

- €97 million outstanding from a €763 million 4.375% issue maturing in November 2016;
- €221 million outstanding from a €500 million 5.25% issue maturing in October 2018.

The transaction consolidated the Group's long-term financing at the very attractive interest rates currently available in the market. It led to:

- €682 million increase in the face value of the Group's bond debt;
- optimized future borrowing costs due to an issue at a historically low interest rate;
- an extension of the average maturity of bond debt, from 3.7 years to 4.2 years (an increase of 0.5 years) as from July 15, 2014.

The €53 million cost of the transaction has been recognized in non-recurring expense from revenue transactions

In addition, a €151 million provision reversal relating to miscellaneous contingencies was also recognized.

Net income for the year amounted to €4,440,248,624.63.

Accounts payable balances at December 31, 2014 and 2013 break down as follows by due date (disclosure made in accordance with Article L.441-6-1 of France's Commercial Code.

Invoices not yet received and booked as trade payables are not broken down in this schedule.

Carrefour: due date of trade payables *(in € millions)*	**December 31, 2014**	**December 31, 2013**
Accounts payable due in less than one month	92.9	95.1
Accounts payable due in one to two months	0.3	1.0
TOTAL	**93.2**	**96.1**

4.6.2 Subsidiaries and affiliates

As part of its effort to streamline its equity portfolio, the Company carried out several transactions during the year, which are described below. The net impact of disposals or acquisitions is recognized in non-recurring income and expense from capital transactions.

- On February 21, 2014, French company Actis, a wholly-owned subsidiary of Carrefour, was dissolved following the transfer of its assets and liabilities to Carrefour;
- On May 26, 2014, the Company acquired an 8.23% stake from Grands Magasin Garonne Adour in Spanish company Centros Commerciales Carrefour;
- On April 14, 2014, the Company carried out a capital increase in CRFP 14 for an amount of €137 million followed by a further capital increase on November 27, 2014 for an amount of €196 million. In addition, the Company contributed OPCI Kart shares purchased from Group subsidiaries to CRFP 14 for an amount of €10 million. At 31 December 2014, Carrefour held 34.87% of CRFP 14;
- On July 8, 2014, the Company acquired a 4.5% stake in Carrefour Banque from several of its French subsidiaries;
- On July 25, 2014, the Company contributed the shares it held in French companies Amidis et Compagnie, Carrefour Hypermarchés, Euromarché, Profidis, Carrefour Regie Publicitaire, Alodis and Soval to Carrefour France, which carried out a share capital increase to pay for this contribution. The carrying amount of Carrefour France shares received in exchange for the share contribution amounted to €2,417 million;
- On November 21, the Company contributed its 1,88% interest in Brazilian company Brepa to its Dutch subsidiary Carrefour Nederland;
- On December 18, 2014, the Company acquired a 50% stake in Carma, previously held by Carrefour Banque;
- On December 2014, the Company disposed of its 35.96% stake in Belgian company GMR, which bought back its own shares, and the Company acquired a 25% stake held by GMR in Belgian company Carrefour Finance.

4.6.3 Income appropriation

We propose to allocate and distribute earnings for the fiscal year as follows:

Net income for the year	€4,440,248,624.63
Allocation to the legal reserve	€-2,732,429.25
Retained earnings brought forward from prior year	€1,360,591,829.07
Income available for distribution	€6,708,108,024.45
2014 dividends	€499,741,458.12
To be paid out of	
Distributable income, for	€499,741,458.12
Balance to be credited to retained earnings	€5,298,366,566.33

The amount of retained earnings after tax for fiscal year 2013 was increased owing to 2013 dividends not paid out on treasury shares.

It is specified that the total dividend of €499,741,458.12, which represents a dividend of €0,68 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, 2015 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 Company shares from June 17, 2015 to July 7, 2015 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 (Société Générale, CS 30812, 44308 Nantes Cedex 03).

For shareholders who have not exercised their option by July 7, 2015, 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 July 17, 2015 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%	Dividends non eligible for tax relief of 40 %
2011	€0.52	€0.52	
2012	€0.58	€0.58	
2013	€0.62	€0.62	

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.

4.6.4 Agreements referred to in Article L. 225-38 and seq. of the French Commercial Code

We inform you that one new agreement to replace two current agreements and a modification on a current one governed by Articles L. 225-38 et seq. of the French Commercial Code were authorised by the Board of Directors during the past year, as it will be settled 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.

At its meeting on March 4, 2015, the Board of Directors reviewed the agreements entered into and authorized in previous fiscal years that were still being carried out in 2014.

4.6.5 Research and development

The Company does not implement a research and development policy.

4.6.6 Company earnings performance in the last five fiscal years

(in € millions)	**2014**	2013	2012	2011	2010
I – Capital at year-end					
Equity capital	1,837	1,810	1,773	1,698	1,698
Issue and merger premiums	15,930	15,672	15,419	15,094	15,094
Number of existing ordinary shares	734,913,909	723,984,192	709,214,653	679,336,000	679,336,000
II – Results of operations for the fiscal year					
Income before tax, employee profit-sharing and depreciation, amortization and provisions	2,166	1,758	473	582	1,521
Income tax	238	222	375	404	368
Employee profit-sharing payable for the fiscal year					
Income after tax and employee profit-sharing and depreciation, amortization and provisions	4,440	1,804	5	(1,077)	2,150
Distribute income [(1)]	500	449	411	363	734
III – Net income per share (in €)					
Income after tax and employee profit-sharing but before depreciation, amortization and provisions	3.27	2.73	1.20	1.45	2.78
Income after tax, employee profit-sharing and depreciation, amortization and provisions	6.04	2.49	0.01	(1.59)	3.16
Net dividend allocated to each share [(1)]	0.68	0.62	0.58	0.52	1.08
IV – Employee					
Average number of employees during the fiscal year	8	9	9	12	8
Amount of payroll for the fiscal year	22	15	19	20	25
Amount paid as employee benefits for the fiscal year (social security, social services)	7	5	6	6	7

(1) For 2014, 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.

4.6.7 Auditors' Special report

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:

◗ Syndicated loans with a syndicate of banks of which BNP Paribas is a member

◗ *Person concerned:*

Jean-Laurent Bonnafé, company director and director-general manager of BNP Paribas.

◗ *Nature and purpose:*

At its meetings on July 30 and October 15, 2014, your Board of Directors authorized the signing of an amendment to syndicated loan dated April 4, 2012 and a new agreement as a replacement for agreements dated July 23, 2010 and November 21, 2011, with a syndicate of banks of which BNP Paribas is a member.

◗ *Terms and conditions:*

◗ *1st contract (Revolving Facility Agreement) signed on April 4, 2012 modified by an amendment dated July 31, 2014*

The syndicated loan agreement (Revolving Facility Agreements), as modified, provides now a revolving line of credit in the amount of 1,400 million euros. The term of the agreement is 7 years (termination date April 2019).

The interests due on the amounts used are calculated based on EURIBOR plus an initial margin of 0.30%. The initial margin of 0.30% is adjusted on the basis of a credit margin grid depending on the long term credit rating of the Company. In addition to interests, a utilization fee is charged based on the portion of the loan used.

If the line of credit is not used, Carrefour must pay a non-utilization fee equal to 35% of the margin (35% of the margin of 0.30% adjusted, if applicable, on the basis of the credit margin grid).

At December 31, 2014, the Company had not drawn on this line of credit.

◗ *2nd contract (Revolving Facility Agreement) signed on January 22, 2015*

The two syndicated loan agreements (Revolving Facility Agreements) signed on July 23, 2010 and November 21, 2011, respectively in the amounts of 1,591 million euros and 1,458 million euros (both unused), have been canceled in January 2015 and replaced by a new syndicated loan agreement (Revolving Facility Agreement) in the amount of 2,500 million euros, combined with a security line of credit (Swingline) in the amount of 1 billion euros. The term of this Revolving Facility Agreement is 5 years (termination date January 2020) with a double one-year extension option.

The interests due on the amounts used are calculated based on EURIBOR plus an initial margin of 0.275% for the revolving loan and based on EONIA plus an initial margin of 0.275% and mandatory costs for the swingline loan. The initial margin of 0.275% is adjusted on the basis of a credit margin grid depending on the long term credit rating of the Company. In addition to interests, a utilization fee is charged based on the portion of the loan used (fee representing from 0.10% to 0.40% 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 0.275% adjusted, if applicable, on the basis of the credit margin grid).

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 until January 15, 2014, then Thomas J. Barrack, company director since January 15, 2014 and manager of Colony Capital LLC.▪ 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 was granted and accepted for a firm term of 12 years and took 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.

A rent of 8,862,136.15 euros all taxes included was paid to Colmabu S.A.S. by means of the period from January 1, 2014 to July 4, 2014, when Colmabu S.A.S. sold the building.

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 Georges 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.

AGREEMENTS AND COMMITMENTS APPROVED DURING THE PAST YEAR

We have also been informed of the implementation, during the past year, of the following agreements and commitments, already approved by the Shareholders' Meeting of April 15, 2014, upon a Statutory Auditors' special report dated March 18, 2014

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 171 shopping malls.

Following signature of the final agreement between the partners on January 24, 2014, consultation of employee representative bodies and the approval of the relevant regulatory authorities, the company Carmila dedicated to enhancing the value of the shopping malls adjacent to Carrefour hypermarkets in France, Spain and Italy became the owner of a portfolio of 171 shopping malls comprising:

- on the one hand, 126 sites in France, Spain and Italy acquired on April 16, 2014 from Klépierre for a market value of 2.0 billion euros with gross annual rental income of around 135 million euros ;
- on the other hand, 45 sites in France contributed by Carrefour with a market value of 0.7 billion euros and gross annual rental income of around 45 million euros.

The company was 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.

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-general manager 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 (Revolving Facility Agreement), as modified, provides on the period a revolving line of credit in the amount of 1,591 million euros. The term of the agreement is 84 months (termination date July 2017).

The interests due on the amounts used are 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 interests, 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).

2st contract (Revolving Facility Agreement) signed on November 21, 2011, modified by an amendment dated July 19, 2013

The syndicated loan agreement (Revolving Facility Agreement), as modified, provides on the period a revolving line of credit in the amount of 1,458 million euros. The term of the agreement is 84 months (termination date November 2018).

The interests due on the amounts used are 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 interests, 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).

These agreements dated July 23, 2010 and November 21, 2011, modified by an amendment dated July 19, 2013 have been canceled in January 2015 and replaced by a new syndicated loan combined with a security line of credit. This new agreement is subject to the approval of the shareholders' meeting approving the year-ended December 31, 2014 financial statements.

- *3rd contract (Revolving Facility Agreement) signed on April 4, 2012, modified by an amendment dated July 19, 2013*

The syndicated loan agreement (Revolving Facility Agreement), as modified, provides on the period a revolving line of credit in the amount of 1,100 million euros. The term of the agreement is 4 years (termination date April 2016).

The interests due on the amounts used are 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 interests, 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 0.65% adjusted, if applicable, on the basis of the credit margin grid).

This agreement has been modified by a new amendment dated July 31, 2014. This amendment is subject to the approval of the shareholders' meeting approving the year-ended December 31, 2014 financial statements.

At December 31, 2014, the Company had not drawn on these lines of credit.

The Statutory Auditors

Courbevoie, Paris-La Défense and Neuilly-sur-Seine, April 24, 2015

French original signed by

MAZARS	KPMG Audit Department of KPMG S.A.	DELOITTE & ASSOCIÉS
Pierre Sardet	Eric Ropert Patrick-Hubert Petit	Arnaud de Planta

CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014

5

The comparative information for 2013 presented in this document has been restated to reflect the early adoption of IFRIC 21 – *Levies*, and the reclassification of "Net income from companies accounted for by the equity method" in the consolidated income statement. 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	2014	2013 restated (1)	% change
Net sales	*6*	74,706	74,888	(0.2)%
Loyalty program costs		(609)	(588)	3.5%
Net sales net of loyalty program costs		**74,097**	**74,299**	**(0.3)%**
Other revenue	*7*	2,221	2,375	(6.5)%
Total revenue		**76,318**	**76,675**	**(0.5)%**
Cost of sales	*8*	(59,270)	(59,828)	(0.9)%
Gross margin from recurring operations		**17,049**	**16,847**	**1.2%**
Sales, general and administrative expenses	*9*	(13,281)	(13,178)	0.8%
Depreciation and amortization	*10*	(1,381)	(1,432)	(3.5)%
Recurring operating income		**2,387**	**2,238**	**6.7%**
Net income from companies accounted for by the equity method		37	30	
Recurring operating income after net income from companies accounted for by the equity method		**2,423**	**2,267**	**6.9%**
Non-recurring income and expenses, net	*11*	149	144	3.3%
Operating income		**2,572**	**2,412**	**6.7%**
Finance costs and other financial income and expenses, net	*12*	(563)	(722)	(22.0)%
Finance costs, net		*(399)*	*(428)*	*(6.7)%*
Other financial income and expenses, net		*(164)*	*(294)*	*(44.4)%*
Income before taxes		**2,010**	**1,690**	**18.9%**
Income tax expense	*13*	(709)	(631)	12.4%
Net income from continuing operations		**1,300**	**1,058**	**22.9%**
Net income from discontinued operations	*14*	67	306	(78.1)%
Net income for the year		**1,367**	**1,364**	**0.2%**
Group share		**1,249**	**1,263**	**(1.1)%**
of which net income from continuing operations		1,182	949	24.6%
of which net income from discontinued operations		67	314	(78.7)%
Attributable to non-controlling interests		**118**	**101**	**16.8%**

(1) Restated, see Note 4.

Basic earnings/(loss) per share *(in €)*	2014	2013 (1)	% change
Earnings/(loss) from continuing operations per share	1.67	1.37	22.4%
Earnings from discontinued operations per share	0.09	0.45	(79.0)%
Basic earnings per share – Group share	1.77	1.82	(2.8)%

Diluted earnings/(loss) per share *(in €)*	**2014**	**2013 (1)**	**% change**
Diluted earnings/(loss) from continuing operations per share	1.67	1.37	22.4%
Diluted earnings from discontinued operations per share	0.09	0.45	(79.0)%
Diluted earnings per share – Group share	1.77	1.82	(2.8)%

(1) Restated.
Calculation details are provided in Note 15.

5.2 Consolidated statement of comprehensive income

(in € millions)	**2014**	**2013 (1)**
Net income for the year	1,367	1,364
Effective portion of changes in the fair value of cash flow hedges (2)	15	39
Changes in the fair value of available-for-sale financial assets (2)	13	5
Exchange differences on translating foreign operations (3)	13	(455)
Items that may be reclassified subsequently to profit or loss	**42**	**(411)**
Unrecognized actuarial gains and losses on defined benefit plans (2)	(129)	25
Items that will not be reclassified to profit or loss	**(129)**	**25**
Other comprehensive income	**(87)**	**(386)**
Total comprehensive income	1,280	979
Group share	1,138	914
Attributable to non-controlling interests	142	64

(1) Restated, see Note 4.
(2) Presented net of the tax effect (see Note 16 for details).
(3) In 2013, the change in exchange differences on translating foreign operations mainly reflects the decline in the Brazilian and Argentinian currencies.

5.3 Consolidated statement of financial position

ASSETS

(in € millions)	Notes	December 31, 2014	December 31, 2013 restated (1)
Goodwill	*17*	8,228	8,277
Other intangible assets	*17*	1,315	767
Property and equipment	*18*	12,272	11,109
Investment property	*19*	296	313
Investments in companies accounted for by the equity method	*20*	1,471	496
Other non-current financial assets	*20*	1,340	1,146
Consumer credit granted by the financial services companies – long term	*33*	2,560	2,381
Deferred tax assets	*21*	759	881
Non-current assets		**28,240**	**25,369**
Inventories	*22*	6,213	5,738
Trade receivables	*23*	2,260	2,213
Consumer credit granted by the financial services companies – short-term	*33*	3,420	3,221
Other current financial assets	*24*	504	359
Tax receivables		1,136	715
Other assets	*25*	853	841
Cash and cash equivalents	*26*	3,113	4,757
Assets held for sale (2)		49	301
Current assets		**17,549**	**18,145**
TOTAL ASSETS		**45,789**	**43,514**

(1) Restated, see Note 4.
(2) At December 31, 2013, assets and liabilities held for sale correspond for the most part to the real estate transaction described in Note 3.1

SHAREHOLDERS' EQUITY AND LIABILITIES

(in € millions)	Notes	December 31, 2014	December 31, 2013 restated [1]
Share capital	*27*	1,837	1,810
Consolidated reserves and income for the year		7,353	6,115
Shareholders' equity – Group share		**9,191**	**7,925**
Shareholders' equity attributable to non-controlling interests		1,037	754
Total shareholders' equity		**10,228**	**8,679**
Long-term borrowings	*32*	6,815	7,550
Provisions	*29*	3,581	3,618
Consumer credit financing – long-term	*33*	1,589	1,765
Deferred tax liabilities	*21*	523	521
Non-current liabilities		**12,508**	**13,454**
Short-term borrowings	*32*	1,757	1,683
Suppliers and other creditors		13,384	12,854
Consumer credit financing – short-term	*33*	3,718	3,145
Tax payables		1,172	913
Other payables	*35*	3,022	2,763
Liabilities related to assets held for sale [2]		1	24
Current liabilities		**23,053**	**21,382**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**45,789**	**43,514**

(1) Restated, see Note 4.
(2) At December 31, 2013, assets and liabilities held for sale correspond for the most part to the real estate transaction described in Note 3.1

5.4 Consolidated statement of cash flows

(in € millions)	**2014**	2013
Income before taxes	**2,010**	**1,689**
Cash flows from operating activities		
Taxes	(800)	(1,039)
Depreciation and amortization expense	1,451	1,483
Capital (gains)/losses on sales of assets	(355)	(384)
Change in provisions and impairment	(175)	(140)
Finance costs, net	399	428
Net income and dividends received from companies accounted for by the equity method (1)	(4)	1
Impact of discontinued operations	(23)	1
Cash flow from operations	**2,504**	**2,039**
Change in working capital requirement (2)	18	(284)
Impact of discontinued operations	86	(27)
Net cash from operating activities (excluding financial services companies)	**2,608**	**1,728**
Change in consumer credit granted by the financial services companies	1	(52)
Impact of discontinued operations		
Net cash from operating activities	**2,609**	**1,675**
Cash flows from investing activities		
Acquisitions of property and equipment and intangible assets	(2,411)	(2,159)
Acquisitions of financial assets	(148)	(157)
Acquisitions of subsidiaries (3)	(1,188)	(33)
Proceeds from the disposal of subsidiaries (4)	82	526
Proceeds from the disposal of property and equipment and intangible assets	293	117
Proceeds from the disposal of investments in non-consolidated companies	3	16
Change in amounts receivable from and due to suppliers of fixed assets	(36)	371
Investments net of disposals	**(3,405)**	**(1,319)**
Other cash flows from investing activities	(5)	2
Impact of discontinued operations (5)	13	462
Net cash from/(used in) investing activities	**(3,397)**	**(855)**
Cash flows from financing activities		
Proceeds from share issues to non-controlling interests	5	3
Acquisitions and disposals of investments without any change of control (6)	311	(11)
Dividends paid by Carrefour (parent company)	(149)	(108)
Dividends paid by consolidated companies to non-controlling interests	(70)	(101)
Change in treasury stock and other equity instruments	(18)	
Change in current financial assets	(48)	(47)
Issuance of bonds	683	1,000

(in € millions)	**2014**	**2013**
Repayments of bonds	(1,178)	(2,519)
Net interests paid	(463)	(487)
Other changes in borrowings	71	(274)
Impact of discontinued operations	(17)	54
Net cash from/(used in) financing activities	**(874)**	**(2,489)**
Net change in cash and cash equivalents before the effect of changes in exchange rates	**(1,662)**	**(1,669)**
Effect of changes in exchange rates	19	(147)
Net change in cash and cash equivalents	**(1,643)**	**(1,816)**
Cash and cash equivalents at beginning of year	**4,757**	**6,573**
Cash and cash equivalents at end of year	**3,113**	**4,757**

(1) After the reclassification in the consolidated income statement of income from companies accounted for by the equity method (see Note 4.2), dividends received in 2014 amounted to €33 million (2013: €30 million).

(2) See Note 38 for details.

(3) The amount reported for 2014 corresponds to the various acquisitions described in the section "Significant events of the year" (including Dia in France and Billa in Italy) and to Carrefour's investments in the Carmila joint venture.

(4) The amount reported for 2013 corresponds to the sale of Majid Al Futtaim Hypermarkets for €526 million.

(5) In 2013, this item mainly includes the proceeds from the sale of operations in Indonesia.

(6) This item corresponds mainly to the sale of 10% of the Group's Brazilian subsidiary as described in the significant events of the year and the buyout of non-controlling interests in France.

5.5 Consolidated statement of changes in shareholders' equity

(in € millions)	Share capital	Translation reserve	Fair value reserve (1)	Other consolidated reserves and net income for the year	Shareholders' equity – Group share	Non-controlling interests	Total shareholders' equity
Shareholders' equity at December 31, 2012	**1,773**	**93**	**(49)**	**5,364**	**7,181**	**866**	**8,047**
Application of IFRIC 21				82	82		82
Shareholders' equity at January 1, 2012	**1,773**	**93**	**(49)**	**5,446**	**7,263**	**866**	**8,129**
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 (2)	37			(145)	(108)	(101)	(209)
Change in capital and additional paid-in capital				0	0	3	3
Effect of changes in scope of consolidation and other movements (3)				(146)	(146)	(79)	(225)
Shareholders' equity at December 31, 2013	**1,810**	**(315)**	**(13)**	**6,442**	**7,926**	**754**	**8,679**
Net income for the year				1,249	1,249	118	1,367
Other comprehensive income after tax		(5)	20	(127)	(112)	25	(87)
Total comprehensive income	**0**	**(5)**	**20**	**1,123**	**1,138**	**143**	**1,280**
Share-based payments				0	0		0
Treasury stock (net of tax)				(18)	(18)		(18)
2013 dividend payment (4)	27			(176)	(149)	(70)	(219)
Change in capital and additional paid-in capital				0	0	5	5
Effect of changes in scope of consolidation and other movements (5)		(5)	(12)	312	295	206	500
Shareholders' equity at December 31, 2014	**1,837**	**(324)**	**(5)**	**7,682**	**9,191**	**1,037**	**10,228**

(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) 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).*

(3) 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).

(4) The 2013 dividend totaling €434 million was paid:
- *in cash for €149 million; and*
- *in new shares for €285 million (corresponding to the aggregate par value of the new shares for €27 million and premiums for €258 million).*

(5) Changes in scope of consolidation and other movements correspond mainly to the sale of a 10% interest in the Group's Brazilian subsidiary described in Note 3.3.

5.6 Notes to the Consolidated statements

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, 2014 were approved for publication by the Board of Directors on March 4, 2015. They will be submitted to shareholders for final approval at the Annual General Meeting.

Carrefour (the "Company") is domiciled in France. The Consolidated Financial Statements for the year ended December 31, 2014 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 2014 Consolidated Financial Statements have been prepared in compliance with the international accounting standards adopted for use in the European Union as of December 31, 2014 and applicable at that date, with 2013 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/finance/accounting/ias/index_en.htm

At December 31, 2014, 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 was only partly adopted. The unadopted provisions of IAS 39 had no impact on the Group's Consolidated Financial Statements.

1.2 IFRS AND INTERPRETATIONS APPLIED BY THE GROUP

The accounting and calculation methods used to prepare the 2014 Consolidated Financial Statements are the same as those used in 2013, except for:

- IFRS 10 – *Consolidated Financial Statements*. This standard replaces the sections of IAS 27 – *Consolidated and Separate Financial Statements* dealing with Consolidated Financial Statements, and SIC 12 – *Consolidation – Special Purpose Entities*. IFRS 10 redefines control. In line with the new definition, the Carrefour group's Consolidated Financial Statements include the Financial Statements of all entities that the Group controls directly or indirectly, whatever its percentage interest in their equity. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Adoption of IFRS 10 had no material impact on the Group's scope of consolidation;
- IFRS 11 – *Joint Arrangements.* This standard replaces IAS 31 – *Interests in Joint Ventures*, and SIC 13 – *Jointly Controlled Entities:* Non-Monetary Contributions by Venturers. IFRS 11 outlines the accounting treatment by entities that jointly control an arrangement. Joint control involves the contractually agreed sharing of control and arrangements subject to joint control are classified as either a joint operation (representing rights to assets and obligations for liabilities, accounted for accordingly) or a joint venture (representing a share of net assets and equity accounted). Carrefour jointly controls an arrangement when decisions about the relevant activities require the unanimous consent of the parties sharing control. The proportionate consolidation method is not recognized under IFRS 11. The Group did not use this method in prior periods.
- Adoption of IFRS 11 had no material impact on the Group's scope of consolidation;
- IFRS 12 – *Disclosure of Interests in Other Entities.* This standard lists all the disclosures required when an entity has interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities, whatever the level of control or influence exercised by the entity;
- IAS 28 – *Investments in Associates and Joint Ventures*, as revised to take into account the changes resulting from the publication of IFRS 10, 11 and 12;
- amendment to IAS 32 – *Financial Instruments: Presentation concerning the offsetting of financial assets and financial liabilities;*
- amendment to IAS 36 – *Impairment of Assets*, concerning recoverable amount disclosures for non-financial assets;
- amendment to IAS 39 – *Financial Instruments: Recognition and Measurement,* dealing with the novation of derivatives and continuation of hedge accounting;
- IFRIC 21 – *Levies*, adopted by the European Union on June 13, 2014 and early-adopted by the Group. This interpretation defines the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation:
  - early adoption of IFRIC 21 had the effect of increasing consolidated equity at January 1, 2013 by €82 million,
  - the impact on the 2013 consolidated income statement was not material.

Apart from IFRIC 21, no other standards, amendments or interpretations not applicable as of January 1, 2014 were early adopted.

Adopted for use in the European Union:

- IFRS Annual Improvements, 2010-2012 and 2011-2013 (applicable in annual periods beginning on or after July 1, 2015).

Not yet adopted for use in the European Union:

- IFRS 15 – *Revenue from Contracts with Customers.* This standard, which is applicable in annual periods beginning on or after January 1, 2017 retroactively, may have an impact on the amount and timing of revenue recognition by the Group. This impact cannot yet be reasonably estimated;
- IFRS 9 – *Financial Instruments.* This standard, which is applicable in annual periods beginning on or after January 1, 2018, may have an impact on the amount and timing of the recognition of financial assets and liabilities and on profit. This impact cannot yet be reasonably estimated;
- IFRS Annual Improvements, 2012-2014 (applicable in annual periods beginning on or after January 1, 2016).

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).

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 control, directly or indirectly, are fully consolidated. An entity is controlled when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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 "Other non-current financial assets". The accounting treatment of these investments is described in the paragraph 2.7 "Other financial assets and liabilities".

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 elected to maintain the accounting treatment for business combinations applied under previous accounting standards, 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 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 2014 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 gain or loss arising from translation of the loan at each successive period-end is 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 impairment 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 impairment indicator: 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 by the straight-line method over periods ranging from one to eight years, and of other intangible assets associated with stores.

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 to 20 years
Car parks	6 to 10 years
Equipment, fixtures and fittings	4 to 8 years
Other	3 to 10 years

5

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 three-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, 2014 and December 31, 2013.

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 (shares 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.

2.7.3 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, 2014 and 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;
- net revenues from banking activities are reported in the income statement under "Other revenue";
- cash flows generated by banking activities are reported in the statement of cash flows under "Change in consumer credit granted by the financial services companies".

2.9 INVESTMENT PROPERTY

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

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

The properties' fair value is measured twice a year:

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

5

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), and carried-forward tax losses.

They are measured at the tax rates that are expected to apply to the period when the asset will be realized or the liability will be settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

The recoverability of deferred tax assets is assessed separately for each tax entity, based on business plan estimates of future taxable profits and the amount of deferred tax liabilities at the period-end.

A valuation allowance is recorded to write down deferred tax assets whose recovery is not considered probable.

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

2.14 TREASURY STOCK

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

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

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

- represents a separate major line of business or geographical area of operations;
- 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* [ANC] 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 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.

Following signature of the final agreement between the partners on January 24, 2014, consultation of employee representative bodies and the approval of the relevant regulatory authorities, on April 16, 2014, the Group and its co-investment partners announced the creation of Carmila, a company dedicated to enhancing the value of the shopping malls adjacent to Carrefour hypermarkets in France, Spain and Italy.

Upon its creation, Carmila owns a portfolio of 171 shopping malls comprising:

- on the one hand, 126 sites in France, Spain and Italy acquired on April 16, 2014 from Klépierre for a market value of €2.0 billion;
- on the other hand, 45 sites in France contributed by Carrefour with a market value of €0.7 billion.

Initial funding consisted of €1.8 billion in equity, contributed by the co-investors for €1.0 billion and by Carrefour for €0.8 billion (of which €0.7 billion through the transfer of assets at market value and €0.1 billion in cash), and €0.9 billion in bank credit lines obtained by Carmila.

At December 31, 2013, the buildings 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 the 2014 Consolidated Financial Statements, in application of the consolidation standards applicable as from 2014 (IFRS 10, IFRS 11 and IAS 28R), the new company has been accounted for by the equity method as it is jointly controlled by Carrefour and its co-investors, which own 42% and 58% of the capital respectively. The carrying amount on recognition in the consolidated statement of financial position was €784 million. The transaction led to the recognition in non-recurring income of a €333 million capital gain, in line with the accounting treatment specified in IFRS 10 in the case of a loss of control as defined in IFRS 3.

3.2 ACQUISITION OF DIA'S OPERATIONS IN FRANCE

On June 20, 2014, the Carrefour group announced that, following exclusive negotiations with Dia, it had agreed to acquire Dia France based on an enterprise value of €600 million.

On November 21, 2014, Carrefour announced that the proposed deal had been authorized by France's anti-trust authorities, allowing the Group to pursue its multi-format expansion in its domestic market. The authorization covered the acquisition of over 800 points of sale, in exchange for an undertaking by Carrefour to sell around fifty others. Those sites were reclassified as held for sale as at December 31, 2014.

The transaction was completed on December 1, 2014.

In accordance with IFRS 3 – *Business Combinations*, the provisional allocation of the purchase price led to the recognition of goodwill of €189 million.

(in € millions)	Accounting value	Temporary fair value
Intangible assets	206	121
Tangible assets	445	454
Financial assets	12	23
Fixed assets	**664**	**598**
Net debt	(16)	(34)
Other net assets and liabilities	(87)	(127)
TOTAL NET ASSET	**560**	**437**
Consideration transferred		**626**
GOODWILL		**189**

The effect of the acquisition on 2014 Group consolidated operating income and net income is not material.

3.3 SALE OF AN INTEREST IN THE BRAZILIAN SUBSIDIARY TO AN OUTSIDE INVESTOR

On December 18, 2014, the Carrefour group announced that Peninsula, a Brazilian investment firm, had acquired a 10% interest in Carrefour's local subsidiary for BRL 1.8 billion (€525 million).

Peninsula also has call options allowing it to increase its interest to up to 16% over the next five years.

In accordance with IFRS 10 – *Consolidated Financial Statements,* the transaction led to the recognition in consolidated equity of a capital gain of €285 million, net of income tax, and of non-controlling interests of €174 million.

3.4 ACQUISITIONS IN ITALY

On June 30, 2014, Carrefour announced that it had entered into an agreement with the Rewe Group to acquire 53 Billa supermarkets located in northern Italy. The supermarkets represent a total retail surface area of 58,000 sq.m. and generated revenue of some €300 million excluding VAT in 2013.

The transaction was completed on September 11, 2014, once the regulatory approvals had been obtained and Billa's employee representatives had been consulted. In accordance with IFRS 3, provisional goodwill of €64 million was recorded in the Consolidated Financial Statements at December 31, 2014.

On November 21, 2014, the Group announced the acquisition of 17 Il Centro stores, including sixteen located in Florence and Arezzo provinces and one in Spezia province. All of these stores will be converted to the Carrefour Express convenience brand. The transaction is in line with Carrefour's multi-format strategy and will enable the Group to strengthen its presence in north central Italy. The impact on the Consolidated Financial Statements was not material.

3.5 2013 DIVIDEND REINVESTMENT OPTION

At the Annual General Meeting held on April 15, 2014, shareholders decided to set the 2013 dividend at €0.62 per share with a dividend reinvestment option.

The issue price of the shares to be issued in exchange for reinvested dividends was set at €26.10 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 €0.62 per share and rounded up to the nearest euro cent.

The option period was open from April 24 to May 15, 2014. At the end of this period, shareholders owning 64.55% of Carrefour's shares had elected to reinvest their 2013 dividends.

May 28, 2014 was set as the date for:

- settlement/delivery of the 10,929,717 new shares corresponding to reinvested dividends, leading to a total capital increase of €285 million (share capital and premiums);
- payment of the cash dividend to shareholders who chose not to reinvest their dividends, representing a total payout of €149 million.

3.6 BOND ISSUE AND BUYBACKS

On July 15, 2014, the Group issued €1,000 million worth of eight-year 1.75% bonds maturing in July 2022.

At the same time, two outstanding issues representing an aggregate €318 million were retired, as follows:

- €97 million outstanding from a €763 million 4.375% issue maturing in November 2016;
- €221 million outstanding from a €500 million 5.25% issue maturing in October 2018.

The transaction consolidated the Group's long-term financing at the very attractive interest rates currently available in the market. It led to:

- a €682 million increase in the face value of the Group's bond debt;
- optimized future borrowing costs due to an issue at a historically low interest rate;
- an extension of the average maturity of bond debt, from 3.7 years to 4.2 years (an increase of 0.5 years) as from July 15, 2014.

3.7 DISCONTINUATION OF OPERATIONS IN INDIA

On July 7, 2014 Carrefour announced that it intended to close its five cash & carry stores in India, the first of which was opened in 2010. All of the stores had been closed by the year-end.

Note 4 Restatement of comparative information

4.1 EARLY ADOPTION OF IFRIC 21

Early adoption of IFRIC 21 has led to the recognition of certain levies in the period in which the obligating event occurs as opposed to the period for which the tax was calculated. This timing difference led to an €82 million increase in opening equity at the start of the comparative period (*i.e.* January 1, 2013), which was recognized by adjusting tax liabilities (€132 million) and deferred tax assets (€50 million).

The impact on the closing consolidated statement of financial position at December 31, 2013 is presented below:

Assets (in € millions)	**December 31, 2013 published**	**IFRIC 21**	**December 31, 2013 restated**
Goodwill	8,277		8,277
Other intangible assets	767		767
Property and equipment	11,109		11,109
Investment property	313		313
Investments in companies accounted for by the equity method	496		496
Other non-current financial assets	1,146		1,146
Consumer credit granted by the financial services companies – long term	2,381		2,381
Deferred tax assets	931	(50)	881
Non-current assets	**25,419**	**(50)**	**25,369**
Inventories	5,738		5,738
Trade receivables	2,213		2,213
Consumer credit granted by the financial services companies – short-term	3,221		3,221
Other current financial assets	359		359
Tax receivables	715		715
Other assets	841		841
Cash and cash equivalents	4,757		4,757
Assets held for sale	301		301
Current assets	**18,145**	**0**	**18,145**
TOTAL ASSETS	**43,564**	**(50)**	**43,514**

Liabilities *(in € millions)*	**December 31, 2013 published**	**IFRIC 21**	**December 31, 2013 restated**
Share capital	1,810		1,810
Consolidated reserves and income for the year	6,034	82	6,115
Shareholders' equity – Group share	**7,844**	**82**	**7,925**
Shareholders' equity attributable to non-controlling interests	754		754
Total shareholders' equity	**8,597**	**82**	**8,679**
Long-term borrowings	7,550		7,550
Provisions	3,618		3,618
Consumer credit financing – long-term	1,765		1,765
Deferred tax liabilities	521		521
Non-current liabilities	**13,454**	**0**	**13,454**
Short-term borrowings	1,683		1,683
Suppliers and other creditors	12,854		12,854
Consumer credit financing – short-term	3,145		3,145
Tax payables	1,045	(132)	913
Other payables	2,763		2,763
Liabilities related to assets held for sale	24		24
Current liabilities	**21,513**	**(132)**	**21,382**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**43,564**	**(50)**	**43,514**

The effect on 2013 net income and earnings per share is not material.

4.2 PRESENTATION OF NET INCOME FROM COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Joint ventures and associates are an integral part of the Group's operations. For this reason, net income from these companies is now reported as a component of recurring operating income, in connection with the guidance issued on April 4, 2013 by France's accounting authorities, ANC. Comparative information for 2013 has been restated on the same basis.

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

2014 *(in € millions)*	**Total**	**France**	**Europe**	**Latin America**	**Asia**	**Global Functions**
Net sales	74,706	35,336	19,191	13,891	6,288	0
Other revenue	2,221	738	549	621	270	43
Recurring operating income	**2,387**	**1,271**	**425**	**685**	**97**	**(92)**
Operating income	**2,572**					
Finance costs and other financial income and expenses, net	(563)					
Income before taxes	**2,010**					
NET INCOME FOR THE YEAR	**1,367**					
Capital expenditure [1]	2,411	988	536	622	214	51
Depreciation and amortization expense	(1,381)	(610)	(380)	(174)	(189)	(28)

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

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	**2,412**					
Finance costs and other financial income and expenses, net	(722)					
Income before taxes	**1,690**					
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.

5.2 SEGMENT ASSETS AND LIABILITIES

December 31, 2014 *(in € millions)*	Total	France	Europe	Latin America	Asia	Global functions
Assets						
Goodwill	8,228	4,285	3,139	700	103	1
Other intangible assets	1,315	781	313	108	16	97
Property and equipment	12,272	5,014	3,553	2,455	1,219	31
Investment property	296	33	141	64	57	
Other segment assets (1)	16,442	8,641	2,895	3,413	849	644
Total segment assets	**38,553**	**18,754**	**10,041**	**6,739**	**2,244**	**773**
Unallocated assets	7,236					
Total assets	**45,789**					
Liabilities (excluding equity)						
Segment liabilities (2)	22,885	11,365	4,968	3,906	2,223	423
Unallocated liabilities	12,676					
TOTAL	**35,561**					

(1) Other segment assets consist of inventories, trade receivables, consumer credit granted by the financial services companies and other receivables.
(2) Segment liabilities comprise suppliers and other creditors, consumer credit financing and other payables.

December 31, 2013 *(in € millions)*	Total	France	Europe	Latin America	Asia	Global functions
Actif						
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 (1)	15,109	6,760	4,226	2,695	907	521
Total segment assets	**35,575**	**15,826**	**11,288**	**5,616**	**2,216**	**629**
Unallocated assets	7,940					
Total assets	**43,514**					
Liabilities (excluding equity)						
Segment liabilities (2)	21,572	10,580	4,913	3,295	2,227	558
Unallocated liabilities	13,264					
TOTAL	**34,835**					

(1) Other segment assets consist of inventories, trade receivables, consumer credit granted by the financial services companies and other receivables.
(2) Segment liabilities comprise suppliers and other creditors, consumer credit financing and other payables.

Note 6 Net sales

Excluding the currency effect, 2014 net sales amounted to €77,063 million versus €74,888 million the previous year, an increase of 2.9%.

Changes in exchange rates reduced net sales by €2,356 million in 2014, reflecting negative effects of €2,324 million in the Latin America segment, €31 million in Asia and €2 million in the Rest of Europe segment.

(in € millions)	2014	2013	% change
Net sales	74,706	74,888	(0.2)%

NET SALES BY COUNTRY

(in € millions)	2014	2013
France	**35,336**	**35,438**
Rest of Europe	**19,191**	**19,220**
Spain	7,787	7,798
Italy	4,688	4,771
Belgium	3,968	3,968
Poland	1,679	1,677
Romania	1,069	1,006
Latin America	**13,891**	**13,786**
Brazil	11,148	10,855
Argentina	2,743	2,930
Asia	**6,288**	**6,443**
China	4,888	4,990
Taiwan	1,400	1,453

Note 7 Other revenue by nature

(in € millions)	2014	2013	% change
Financing fees and commissions (1)	1,246	1,384	(10.0)%
Rental revenue (2)	219	247	(11.4)%
Revenue from sub-leases	230	235	(2.1)%
Other revenue	527	510	3.2%
TOTAL	**2,220**	**2,375**	**(6.5)%**

(1) Include in 2014 the net banking income from financial companies. In 2013, this line included gross amounts.
(2) Deacrease in rental revenue is linked to the sale of shopping malls to Carmila (see Note 3.1).

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)	2014	2013	% change
Employee benefits expense	(7,762)	(7,679)	1.1%
Property rentals	(908)	(905)	0.2%
Maintenance and repair costs	(722)	(697)	3.6%
Fees	(861)	(771)	11.6%
Advertising expense	(866)	(856)	1.2%
Taxes other than on income	(532)	(545)	(2.3)%
Energy and electricity	(621)	(631)	(1.5)%
Other	(1,008)	(1,093)	(7.8)%
TOTAL	**(13,281)**	**(13,178)**	**0.8%**

Note 10 Depreciation and amortization

(in € millions)	2014	2013	% change
Depreciation	(1,203)	(1,199)	0.3%
Amortization	(147)	(180)	(17.9)%
Depreciation – finance leases	(19)	(30)	(37.5)%
Depreciation – investment property	(12)	(17)	(29.9)%
Provision expense, net	0	(6)	(100.0)%
TOTAL	**(1,381)**	**(1,432)**	**(3.5)%**

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)	**2014**	**2013**
Net gains on sales of assets	336	425
Restructuring costs	(111)	(52)
Other non-recurring income and expenses	1	(101)
Non-recurring income and expenses, net before asset impairments and write-offs	**226**	**272**
Asset impairments and write-offs	(77)	(128)
Impairments and write-offs of goodwill	*0*	*(16)*
Impairments and write-offs of property and equipment	*(77)*	*(112)*
NON-RECURRING INCOME AND EXPENSES, NET	**149**	**144**
of which:		
Non-recurring income	*490*	*566*
Non-recurring expense	*(341)*	*(422)*

NET GAINS ON SALES OF ASSETS

In 2014, net gains on sales of assets mainly concerned the gain realized on the creation of the Carmila joint venture described in Note 3.1 "Significant events".

In 2013, the Group sold its 25% interest in Majid Al Futtaim Hypermarkets, realizing a capital gain of €426 million.

RESTRUCTURING COSTS

Restructuring costs recognized in 2014 concerned streamlining plans in progress in several of the Group's host countries.

5

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.

IMPAIRMENT LOSSES AND ASSET WRITE-OFFS

In 2014, impairment losses of €66 million were recognized to take account of the difficulties experienced by certain stores, particularly in Italy and China. In addition, asset write-offs of €11 million were recorded.

In 2013, impairment losses amounted to €60 million and mainly concerned assets in Spain and Italy. Assets written off during the year totaled €43 million.

Note 12 Finance costs and other financial income and expenses

This item breaks down as follows:

(in € millions)	**2014**	2013
Interest income from loans and cash equivalents	**35**	**49**
Interest income from bank deposits	31	40
Interest income from loans	4	10
Finance costs	**(434)**	**(476)**
Interest expense on financial liabilities measured at amortized cost, adjusted for income and expenses from interest rate instruments	(406)	(446)
Interest expense on finance lease liabilities	(28)	(30)
Ineffective portion of fair value hedges of borrowings	0	0
Finance costs, net	**(399)**	**(428)**
Other financial income and expenses, net	**(164)**	**(294)**
Actualisation cost on defined employee benefit debt	(45)	(39)
Interest income on pension plan assets	6	6
Financial transaction tax	(37)	(41)
Late interest due in connection with tax reassessments and employee-related litigaation	(3)	(70)
Dividends received on available-for-sale financial assets	1	1
Proceeds from the sale of available-for-sale financial assets measured at fair value through equity	48	16
Cost of sold available-for-sale financial assets measured at fair value through equity	(40)	(12)
Exchange gains and losses	1	(20)
Cost of bond buybacks	(3)	(119)
Variation valuation Cash flow hedge	(31)	0
Other	(61)	(16)
Finance costs and other financial income and expenses, net	**(563)**	**(722)**
Financial expenses	*(654)*	*(794)*
Financial income	*91*	*72*

Note 13 Income tax expense

(in € millions)	**2014**	2013
Income tax payable (including provisions)	(610)	(723)
Deferred taxes	(99)	92
TOTAL INCOME TAX EXPENSES	**(709)**	**(631)**

TAX PROOF

Theoretical income tax for 2014, 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, 2016), represented an expense of €764 million, compared with actual net income tax expense of €709 million. These two amounts can be reconciled as follows:

(in € millions)	**2014**	**2013**
Income before taxes	2,010	1,690
Standard French corporate income tax rate	38.0%	38.0%
Theoretical income tax	(764)	(642)
Tax effect of untaxed income and income taxed at a different rate (1)	111	236
Taxes with no tax base (provisions recorded solely for tax purposes, withholding taxes, etc.) (2)	(19)	(232)
Impact of non-deductible impairment *losses* on goodwill	0	(5)
Tax effect of other permanent differences	24	4
Valuation allowances on deferred tax assets (3)	(20)	(69)
Deferred tax assets not recognized during the year	(147)	(123)
Deferred tax assets recognized in prior years (4)	55	233
Other	51	(32)
TOTAL INCOME TAX EXPENSE	**(709)**	**(631)**
Effective tax rate	35.3%	37.4%

(1) *In 2013, this item corresponded, for €131 million, to a capital gain taxed at a reduced 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 notably takes into account changes in 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 €64 million in 2014 (2013: €69 million).*
(3) *In 2013, valuation allowances recorded on deferred tax assets mainly concerned Italy.*
(4) *Deferred tax assets recognized in on prior years' tax losses primarily concern Italy in 2014, Spain and Belgium in 2013.*

Note 14 Net income from discontinued operations

(in € millions)	**2014**	**2013**
Net income from discontinued operations – Group share	67	314
Net income from discontinued operations attributable to non-controlling interests	0	(8)
TOTAL	**67**	**306**

In 2014, net income from discontinued operations mainly reflects the settlement during the period of an old litigation for €88 million, and the result of the closing of Indian operations for -€24 million.

In 2013, net income from discontinued operations mainly reflected the €396 million profit on the 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.

Note 15 Earnings per share (Group share)

Basic earnings per share	2014	2013
Net income from continuing operations	1,182	949
Net income from discontinued operations	67	314
Net income for the year	1,249	1,263
Weighted average number of shares outstanding (1)	707,397,621	694,925,592
Basic earnings from continuing operations per share *(in €)*	**1.67**	**1.37**
Basic earnings from discontinued operations per share *(in €)*	**0.09**	**0.45**
Basic earnings per share *(in €)*	**1.77**	**1.82**

(1) In accordance with IAS 33, the weighted average number of shares used to calculate 2013 earnings per share was adjusted to take into account 2013 dividends paid in shares on May 28, 2014.

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	2014	2013
Net income from continuing operations	1,182	949
Net income from discontinued operations	67	314
Net income for the year	1,249	1,263
Weighted average number of shares outstanding, before dilution	707,397,621	694,925,592
Potential dilutive shares	0	0
Stock grants	*0*	*0*
Stock options	*0*	*0*
Diluted weighted average number of shares outstanding	707,397,621	694,925,592
Diluted earnings from continuing operations per share *(in €)*	**1.67**	**1.37**
Diluted earnings from discontinued operations per share *(in €)*	**0.09**	**0.45**
Diluted earnings per share *(in €)*	**1.77**	**1.82**

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 2014 and 2013 and were therefore not dilutive. No stock grants were outstanding at December 31, 2014 (see Note 28.2).

Note 16 Other comprehensive income

(in € millions)	December 2014 Pre-tax	December 2014 Tax	December 2014 Net	December 2013 Pre-tax	December 2013 Tax	December 2013 Net
Group share						
Effective portion of changes in the fair value of cash flow hedges	28	(15)	13	39	(11)	28
Changes in the fair value of available-for-sale financial assets	10	(3)	7	7	1	8
Exchange differences on translating foreign operations	(5)	(0)	(5)	(407)		(407)
Items that may be reclassified subsequently to profit or loss	**33**	**(18)**	**15**	**(360)**	**(11)**	**(371)**
Unrecognized actuarial gains and losses on defined benefit plans	(192)	66	(127)	27	(5)	22
Items that will not be reclassified to profit or loss	**(192)**	**66**	**(127)**	**27**	**(5)**	**22**
TOTAL COMPREHENSIVE INCOME – GROUP SHARE	**(159)**	**48**	**(112)**	**(333)**	**(15)**	**(349)**
Non-controlling interests						
Effective portion of changes in the fair value of cash flow hedges	3	(1)	2	17	(5)	11
Changes in the fair value of available-for-sale financial assets	10	(3)	7	(5)	2	(3)
Exchange differences on translating foreign operations	18	0	18	(48)		(48)
Items that may be reclassified subsequently to profit or loss	**31**	**(4)**	**27**	**(36)**	**(4)**	**(40)**
Unrecognized actuarial gains and losses on defined benefit plans	(3)	0	(3)	5	(2)	3
Items that will not be reclassified to profit or loss	**(3)**	**0**	**(3)**	**5**	**(2)**	**3**
TOTAL COMPREHENSIVE INCOME – NON-CONTROLLING INTERESTS	**28**	**(4)**	**24**	**(31)**	**(6)**	**(37)**

Note 17 Intangible assets

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

(in € millions)	December 31, 2014	December 31, 2013
Goodwill, net	8,228	8,277
Other intangible assets	1,315	767
INTANGIBLE ASSETS, NET	**9,543**	**9,044**

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.

During 2014, the total carrying amount of goodwill declined by €49 million. Changes compared with 2013 resulted mainly from the recognition of goodwill arising on the transactions described in Notes 3.2 and 3.4, and the reclassification as "Other intangible assets" of certain items initially included in goodwill.

(in € millions)	Net goodwill at December 31, 2013	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	Net goodwill at December 31, 2014
France	4,394	215	(2)		(321)		4,285
Italy	899	64					963
Belgium	959						959
Spain	862						862
Brazil	606					7	613
Poland	253					(7)	246
Argentina	98					(12)	86
Other countries	206					8	214
TOTAL	**8,277**	**279**	**(2)**	**0**	**(321)**	**(4)**	**8,228**

The €331 million decrease in net goodwill in 2013 was due mainly to the loss of control of operations in Turkey and to the currency effect in Brazil and Argentina.

(in € millions)	Net goodwill at December 31, 2012	Acquisitions	Disposals	Impairment	Other movements	Translation adjustment	Net goodwill at December 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**

17.2 OTHER INTANGIBLE ASSETS

(in € millions)	December 31, 2014	December 31, 2013
Other intangible assets, at cost	3,796	2,911
Amortization	(2,380)	(2,035)
Impairment	(247)	(244)
Intangible assets in progress	146	134
Other intangible assets, net	**1,315**	**767**

(in € millions)	Cost	Amortization and impairment	Net
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**
Acquisitions	287	0	287
Disposals	(62)	42	(20)
Translation adjustment	4	(4)	0
Amortization	0	(153)	(153)
Impairment	0	(5)	(5)
Changes in scope of consolidation, transfers and other movements	667	(229)	438
At December 31, 2014	**3,940**	**(2,625)**	**1,315**

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 2014 and 2013 in accordance with IAS 36 do 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 2014 are presented below by CGU:

	2014		2013	
Country	After-tax discount rate	Perpetual growth rate	After-tax discount rate	Perpetual growth rate
France	6.1%	2.0%	6.2%	2.0%
Spain	6.5%	2.0%	7.6%	2.0%
Italy	6.5%	1.9%	7.3%	1.8%
Belgium	5.9%	2.0%	6.4%	2.0%
Poland	7.6%	2.3%	7.8%	2.3%
Romania	8.2%	2.1%	9.2%	2.3%
Brazil	11.1%	3.6%	10.3%	3.5%
Argentina	20.3%	7.7%	20.7%	6.2%
China	9.3%	3.0%	9.2%	3.0%
Taiwan	7.1%	2.0%	6.9%	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, 2014 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 thereafter represent the difference between the recoverable amount and the carrying amount. The "-" sign indicates that the scenario would have led to the recognition of an impairment loss for the amount shown.

ITALY

		Sensitivity to change in WACC and perpetual growth rate				
		WACC (%)				
		-1.0%	-0.50%	0.00%	0.50%	1.0%
Perpetual growth (%)	-0.50%	719	435	208	22	-134
	-0.25%	880	562	309	105	-65
	0.00%	1,064	703	422	196	11
	0.25%	1,275	863	547	296	93
	0.50%	1,520	1,046	687	408	183

		Sensitivity to changes in net sales and EBITDA margin growth				
		Net Sales growth (%)*				
		-1.00%	-0.50%	0.00%	0.50%	1.00%
EBITDA margin growth (%)*	-0.50%	-47	-4	39	84	130
	-0.25%	134	182	231	280	332
	0.00%	315	368	422	477	533
	0.25%	496	553	613	673	735
	0.50%	677	739	804	869	937

* *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 inputs based on reasonably possible assumptions did not reveal any probable scenario according to which the recoverable amount of any of the CGUs would be less than its carrying amount.

Note 18 Property and equipment

Property and equipment correspond mainly to the retail space managed by the Group.

(in € millions)	**December 31, 2014**	December 31, 2013
Land	2,473	2,380
Buildings	9,429	8,856
Equipment, fixtures and fittings	14,385	13,173
Other	400	423
Assets under construction	660	583
Finance leases – land	474	449
Finance leases – buildings	1,197	1,177
Finance leases – equipment, fixtures and fittings	85	83
Finance leases – other	0	0
Property and equipment at cost	**29,104**	**27,124**
Depreciation	(15,323)	(14,552)
Depreciation of assets under finance leases	(932)	(919)
Impairment	(578)	(544)
PROPERTY AND EQUIPMENT, NET	**12,272**	**11,109**

CHANGES IN PROPERTY AND EQUIPMENT

(in € millions)	Cost	Depreciation and impairment	Net
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 (1)	(612)	275	(337)
At December 31, 2013	**27,124**	**(16,015)**	**11,109**
Acquisitions	2,050	0	2,050
Disposals	(808)	694	(114)
Depreciation	0	(1,253)	(1,253)
Impairment	0	(61)	(61)
Translation adjustment	185	(117)	69
Changes in scope of consolidation, transfers and other movements (2)	553	(80)	473
At December 31, 2014	**29,104**	**(16,832)**	**12,272**

(1) The net decrease of €337 million was due for the most part to the loss of control of operations in Turkey.
(2) The net increase of €473 million is due for the most part to the acquisition of Dia.

LEASES

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

LEASE COMMITMENTS AT DECEMBER 31, 2014

Finance leases *(in € millions)*	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	709	68	204	437
Discounted present value	449	64	162	222

Operating leases *(in € millions)*	Total	Within one year	In one to five years	Beyond five years
Minimum future lease payments	3,494	999	1,539	956
Discounted present value	2,744	929	1,212	603

LEASE FINANCIAL IMPACT RELATED TO 2014

Finance leases *(in € millions)*	**Total**
Minimum revenue receivable from sub-leases	9
Minimum lease payments made during the period	73
Contingent rentals	14
Revenue from sub-leases	24

Operating leases *(in € millions)*	**Total**
Minimum revenue receivable from sub-leases	48
Minimum lease payments made during the period	931
Contingent rentals	31
Revenue from sub-leases	286

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

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

Note 19 Investment property

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

(in € millions)	**December 31, 2014**	December 31, 2013
Investment property at cost	435	501
Depreciation and impairment	(139)	(188)
TOTAL	**296**	**313**

CHANGES IN INVESTMENT PROPERTY

At December 31, 2012	**513**
Depreciation for the period	(28)
Translation adjustment	(11)
Acquisitions for the period	112
Disposals for the period	(0)
Transfers (1)	(162)
Other movements (2)	(111)
At December 31, 2013	**313**
Depreciation for the period	(13)
Translation adjustment	1
Acquisitions for the period	74
Disposals for the period (3)	(89)
Transfers	0
Other movements	9
At December 31, 2014	**296**

(1) Including investment property concerned by the real estate transaction described in Note 3.1 reclassified as "Assets held for sale"
(2) Effect of the loss of control of operations in Turkey following reorganization of the local partnership.
(3) Disposals for 2014 concerned investment properties in Spain.

Rental revenue generated by investment property, reported in the income statement under "Other revenue", totaled €59.6 million in 2014 (2013: €60.5 million). Operating costs directly attributable to the properties amounted to €6.8 million (2013: €5.5 million).

The estimated fair value of investment property was €753 million at December 31, 2014 (December 31, 2013: €833 million).

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, 2012	**384**
Translation adjustment	(29)
Equity in net income	30
Dividends received	(30)
Other [(1)]	141
At December 31, 2013	**496**
Translation adjustment	5
Equity in net income	36
Dividends received	(33)
Other [(2)]	966
At December 31, 2014	**1,471**

(1) The year-on-year change was mainly due to the use of the equity method to account for CarrefourSA following the reorganization of the partnership with Sabanci Holding in Turkey.
(2) The year-on-year change was mainly due to the first-time consolidation of the Carmila joint venture (see Note 3.1).

20.1.1 JOINT VENTURES

The main financial indicators for the Carmila joint venture are as follows for 2014:

Activity	*Real estate*
Country	*France*
Ownership % at December 31, 2014	*42.22%*
in € million	8.5 months
Revenue (Rental income)	132
Operating income before depreciation and amortisation	101
Net income from continuing operations	15
Total non current assets	3,822
Total current assets	242
Cash and cash equivalent	127
Total non current liabilities	1,628
Total current liabilities	138
Amount of the investment in company accounted for by the equity method	963
Carrefour – Cash dividends received from Carmila	19

20.1.2 ASSOCIATES

The main financial indicators for associates are presented below for 2014:

		On a 100% basis, including consolidation adjustments (1)				
(in € millions)	% interest	Total assets	Shareholders' equity	Non-current assets	Net sales	Net income/ (loss)
Total						
■ CarrefourSA (Turkey)	46%	648	320	403	1,076	35
■ Provencia SA (France)	50%	393	223	199	792	25
■ Mestdagh (Belgium)	25%	215	70	74	575	(14)
■ Ulysse (Tunisia)	25%	154	58	81	343	10
■ Costasol (Spain)	34%	78	35	61	92	3
■ Other companies (2)		554	211	376	1,008	5

(1) Source: Financial Statements available when the Group's Consolidated Financial Statements were drawn up.
(2) Corresponding to a total of 146 companies, none of which is individually material.

20.2 OTHER NON-CURRENT FINANCIAL ASSETS

(in € millions)	**December 31, 2014**	December 31, 2013
Investments in non-consolidated companies	78	60
Long-term loans	2	4
Deposits	709	697
Other	552	384
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,340**	**1,146**

Note 21 Deferred taxes

The Group had a net deferred tax asset of €236 million at December 31, 2014, a decrease of €124 million compared with the previous year-end.

(in € millions)	December 31, 2013	December 31, 2012	Change
Deferred tax assets	759	881	(122)
Deferred tax liabilities	(523)	(521)	(2)
NET DEFERRED TAX ASSET	**236**	**361**	**(124)**

The following table shows the main sources of deferred taxes:

		Change			
(in € millions)	December 31, 2013	Income statement	Shareholder's equity (other comprehensive income)	Changes in consolidation scope, translation adjustment, other	December 31, 2014
Tax loss carryforwards	870	5	0	179	1,055
Property and equipment	344	(6)	0	(28)	309
Non-deductible provisions	851	(29)	72	15	909
Goodwill amortization allowed for tax purposes	173	14	0	(2)	185
Other intangible assets	5	(0)	0	2	7
Inventories	135	23	0	35	193
Financial instruments	28	18	(7)	(4)	34
Other temporary differences	414	6	1	(68)	353
Deferred tax assets before netting	**2,821**	**30**	**66**	**128**	**3,046**
Effect of netting deferred tax assets and liabilities	(495)	2	0	(89)	(583)
Deferred tax assets net of deferred tax liabilities	**2,325**	**32**	**66**	**39**	**2,463**
Valuation allowances on deferred tax assets	(1,444)	(83)	(4)	(173)	(1,704)
Net deferred tax assets	**881**	**(51)**	**63**	**(134)**	**759**
Property and equipment	(318)	39	0	(16)	(295)
Untaxed provisions	(248)	(61)	0	(37)	(347)
Goodwill amortization allowed for tax purposes	(182)	(6)	0	11	(177)
Other intangible assets	(8)	1	0	29	22
Inventories	(36)	(1)	0	(1)	(38)
Financial instruments	(32)	1	(16)	4	(43)
Other temporary differences	(192)	(20)	0	(18)	(230)
Deferred tax liabilities before netting	**(1,016)**	**(48)**	**(16)**	**(28)**	**(1,108)**
Effect of netting deferred tax assets and liabilities	495	0	0	90	585
Deferred tax liabilities net of deferred tax assets	**(520)**	**(48)**	**(16)**	**61**	**(523)**
NET DEFERRED TAXES	**361**	**(99)**	**47**	**(72)**	**236**

UNRECOGNIZED DEFERRED TAX ASSETS

Unrecognized deferred tax assets amounted to €1,704 million at December 31, 2014 (December 31, 2013: €1,444 million), including €949 million related to tax loss carryforwards (December 31, 2013: €743 million) and €754 million on temporary differences (December 31, 2013: €701 million).

Note 22 Inventories

(in € millions)	**December 31, 2014**	December 31, 2013
Inventories at cost		5,978
Depreciation		(240)
INVENTORIES, NET		**5,738**

Note 23 Trade receivables

(in € millions)	**December 31, 2014**	December 31, 2013
Trade receivables	1,302	1,330
Depreciation	(185)	(203)
Trade receivables, net	**1,117**	**1,127**
Receivables from suppliers	1,144	1,086
TOTAL	**2,260**	**2,213**

Trade receivables correspond for the most part to amounts due by franchisees, for delivered goods and franchise fees.

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

Note 24 Other current financial assets

(in € millions)	**December 31, 2014**	December 31, 2013
Available-for-sale financial assets	96	51
Derivative instruments	111	137
Deposits with maturities of more than three months	222	170
Other	76	1
TOTAL	**504**	**359**

Note 25 Other assets

(in € millions)	**December 31, 2014**	December 31, 2013
Employee advances	23	18
Proceeds receivable from disposals of non-current assets	120	14
Prepaid expenses	302	297
Other operating receivables, net	408	443
TOTAL	**853**	**841**

Note 26 Cash and cash equivalents

(in € millions)	**December 31, 2014**	December 31, 2013
Cash equivalents		3,019
Cash		1,738
TOTAL		**4,757**

There are no material restrictions on the Group's ability to recover or use the assets and settle the liabilities of foreign operations, except for those resulting from local regulations in its host countries.

The local supervisory authorities may require banking subsidairies to keep a certain level of capital and liquidities, limit their exposure to other Group parties, and comply with other ratios.

Note 27 Shareholders' equity

27.1 CAPITAL MANAGEMENT

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

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

Capital management objectives (equity and debt capital) are to:

- ensure that the Group can continue operating as a going concern, in particular by maintaining high levels of liquid resources;
- optimize shareholder returns;
- keep gearing at an appropriate level, in order to minimize the cost of capital and maintain the Group's credit rating at a level that allows it to access a wide range of financing sources and instruments.

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

27.2 SHARE CAPITAL

At December 31, 2014, the share capital was made up of 734,913,909 ordinary shares with a par value of €2.5 each, all fully paid.

(in thousands of shares)	**2014**	**2013**
Outstanding at January 1	723,984	709,215
Issued for cash		
Issued upon exercise of stock options		
Issued in payment of dividends	10,930	14,770
Cancelled shares		
Outstanding at December 31	**734,914**	**723,984**

27.3 TREASURY STOCK

At December 31, 2014, a total of 23,386,284 shares were held in treasury (December 31, 2013: 22,806,284 shares).

	December 31, 2014	December 31, 2013	Change
Shares held directly [1]	10,281,473	5,761,500	4,519,973
Shares held indirectly *via* an *equity swap*	13,104,811	17,044,784	(3,939,973)
Treasury stock	**23,386,284**	**22,806,284**	**580,000**

(1) Or through a liquidity agreement set up in January 2014 with Oddo Corporate Finance.

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, 2014, Carrefour was committed to buying back 13,104,811 shares under the equity swap for a total of €330 million recorded as a financial liability.

	Number of shares	Financial liability *(in € millions)*
Shares held *indirectly* via *an equity* swap at December 31, 2014	13,104,811	330
Forward purchases		
July 7, 2015	4,455,754	112
June 15, 2016	8,449,280	213
July 16, 2017	199,777	5

27.4 DIVIDENDS

The 2013 ordinary dividend of €0.62 per share was paid on May 28, 2014 as follows:

- 10,929,717 new shares were issued and delivered in settlement of reinvested dividends, increasing the capital by a total of €285 million (capital share and premiums);
- €149 million was paid in cash to shareholders who had not chosen to reinvest their dividends.

27.5 NON-CONTROLLING INTERESTS

Non-controlling interests mainly concern Carrefour Banque SA and its subsidiaries, which is 60.8%-owned by the Group. Key indicators are presented below.

in € million

Income statement	
Revenue (Net Banking Product)	440
Net result	49
of which:	
▪ attributable to the Group	29
▪ attributable to non-controlling interests	20

Statement of financial position	
Non current assets	2,400
Current assets	2,784
Non current liabilities (excluding shareholders' equity)	1,587
Current liabilities	3,104
Dividends paid to non-controlling interests	**11**

There are no individually material non-controlling interests in other subsidiaries.

Note 28 Share-based payments

The total cost of share-based payment plans amounted to €0.2 million in 2014, recorded under "Payroll costs" in recurring operating income (2013: €2 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 the update to the Registration Document 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 2014 or 2013.

The following table provides **details of the stock option plans** that were in progress at December 31, 2014 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)
2007 Presence Plan	May 15, 2007	4,354,667	7 years	502	May 15, 2009 to May 14, 2014	0	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 Performance Plan	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	2,571	June 17, 2011 to June 16, 2016	5,502,482	29.55
2010 Performance Plan	July 16, 2010	1,439,017	7 years	56	July 17, 2012 to May 3, 2017	509,055	29.91
2010 Presence Plan II	July 16, 2010	1,941,610	7 years	507	July 17, 2012 to July 16, 2017	1,471,852	29.91
TOTAL						**11,499,870**	

(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, 2014 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 2014 were as follows:

Options outstanding at December 31, 2013	**15,303,093**
■ *of which, exercisable options*	*14,857,011*
Options granted in 2014 (1)	0
Options exercised in 2014 (2)	0
Options cancelled or that expired in 2014	(3,803,223)
■ *of which, expired options* (3)	*(3,792,357)*
■ *of which, cancelled options – Presence Plans*	*(2,311)*
■ *of which, cancelled options – Performance Plans*	*(8,555)*
Options outstanding at December 31, 2014	**11,499,870**
■ *of which, exercisable options*	*11,499,870*

(1) The Remunerations Committee decided not to grant any stock options in 2014.
(2) No options were exercised in 2014 because they were out of the money.
(3) The 2007 plan expired in May 2014. The 3,792,357 options not exercised at that date were canceled.

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

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

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

Fair value of the options at the grant date	2007 Presence Plan	2008 Presence Plan I	2008 Presence Plan II
Exercise price *(in €)*	56.40	45.26	45.26
Reference share price in € on the grant date	52.23	32.8	43.94
Volatility *(in %)*	25.54%	32.25%	33.15%
Dividend growth *(in %)*	12.96%	2.25%	2.34%
Interest rate *(in %)*	4.50%	4.80%	4.80%
Fair value of the options *(in €)*	**10.92**	**7.31**	**14.74**
2014 amortization *(in %)*	0%	0%	0%
Accumulated amortization at December 31, 2014 *(in %)*	100%	100%	100%

Fair value of the options at the grant date	2009 Presence & Performance Plans	2010 Presence II & Performance Plans
Exercise price *(in €)*	33.7	34.11
Reference share price in € on the grant date	31.54	35.26
Volatility *(in %)*	43.35%	22.85%
Dividend growth *(in %)*	(34.95)%	3.33%
Interest rate *(in %)*	3.30%	(1)
Fair value of the options *(in €)*	**12.67**	**5.96**
2014 amortization *(in %)*	0%	3%
Accumulated amortization at December 31, 2014 *(in %)*	100%	100%

(1) Reuters page on the pricing date.

5

28.2 STOCK GRANTS

No new stock grants were made in 2014 and no stock grants were outstanding at December 31, 2014.

Note 29 Provisions

(in € millions)	December 31, 2013	Translation adjustment	Increases	Discounting adjustment	Reversals of surplus provisions	Utilizations	Other	December 31, 2014
Post-employment benefit obligations – Note 30	1,272	1	118	196	(114)	(61)	14	1,426
Claims and litigation	1,814	7	523	0	(337)	(448)	11	1,570
Tax reassessments (1)	*1,075*	*4*	*256*	*0*	*(158)*	*(279)*	*(6)*	*892*
Disputes with current and former employees	*423*	*3*	*197*	*0*	*(146)*	*(96)*	*5*	*385*
Legal disputes	*316*	*1*	*70*	*0*	*(33)*	*(73)*	*11*	*292*
Restructuring	120	2	46	0	(17)	(28)	18	140
Other (2)	413	0	74	0	(37)	(32)	27	444
TOTAL	**3,618**	**11**	**760**	**196**	**(505)**	**(569)**	**69**	**3,581**

(1) Provisions for tax claims decreased by a net €183 million in 2014, reflecting 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, 2014, the claims and legal proceedings in which the Group was involved were covered by provisions totaling €1,570 million (December 31, 2013: €1,814 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.

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: 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;
- 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 statutory 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 sum 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 *Trattamento 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 in full discharge of the Group's obligation, which therefore only concerns deferred salary rights that vested before 2007.

5

30.2 NET INCOME/EXPENSE FOR THE PERIOD

Expense recognized in the income statement *(in € millions)*	**France**	**Belgium**	**Italy**	**Other countries**	**Group total**
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**
Service cost [(1)]	(70)	7	(3)	3	(63)
Interest cost (discount effect)	30	10	4	1	45
Return on plan assets	(3)	(3)	0	(0)	(6)
Other items	(0)	0	0	(1)	(1)
Expense (income) for 2014	**(43)**	**14**	**1**	**2**	**(25)**

(1) The following table presents details of service cost:

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**

2014 *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Current service cost	55	7	0	0	63
Past service cost (plan amendments and curtailments)	(105)	0	(3)	3	(105)
Settlements and other	(20)	0	0	(0)	(20)
TOTAL SERVICE COST	**(70)**	**7**	**(3)**	**3**	**(63)**

The net income for 2014 in the amount of €25 million corresponds to €67 million deducted from employee benefits expense, less €39 million recorded in financial expense and €3 million recorded in non-recurring expense.

30.3 CHANGE IN THE PROVISION

Balance sheet movements *(in € millions)*	France	Belgium	Italy	Other countries	Group total
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**
Movements recorded in the income statement	(43)	14	1	2	(25)
Benefits paid directly by the employer	(3)	(15)	(12)	(1)	(31)
Effect of changes in scope of consolidation	26	0	2	(15)	13
Change in actuarial gains and losses (1)	150	34	12	1	196
Other	(1)	1	0	(0)	1
Provision at December 31, 2014	**987**	**261**	**153**	**23**	**1,425**

(1) This line breaks down as follows:

2013 *(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)**

2014 *(in € millions)*	France	Belgium	Italy	Other countries	Group total
Actuarial (gain)/loss due to experience	(45)	0	(4)	(0)	(49)
Actuarial (gain)/loss due to demographic assumption changes	22	0	0	1	24
Actuarial (gain)/loss due to financial assumption changes	174	39	16	(0)	229
Return on plan assets (Greater)/Less than Discount Rate	(2)	(5)	0	(0)	(8)
Changes in actuarial gains and losses	**150**	**34**	**12**	**1**	**196**

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, 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**
Effect of changes in scope of consolidation	1	0	0	0	1
Expected return on plan assets	3	3	0	(0)	6
Benefits paid out of plan assets	(21)	(12)	0	(1)	(34)
Actuarial gain/(loss)	2	5	0	0	8
Other	1	0	0	3	5
Fair value at December 31, 2014	**93**	**89**	**0**	**6**	**188**

Plan assets break down as follows by asset class:

	December 31, 2014			December 31, 2013		
	Bonds	**Equities**	**Real estate and other**	Bonds	Equities	Real estate and other
France	68%	4%	28%	65%	16%	18%
Belgium	72%	20%	9%	70%	20%	10%

All bonds and equities held in plan asset portfolios are listed securities.

5

30.5 MEASUREMENT OF THE DEFINED BENEFIT OBLIGATION

Obligation *(in € millions)*	France	Belgium	Italy	Other countries	Group total
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**
Provision	987	261	153	23	1,425
Fair value of plan assets	93	89	0	6	188
***Defined Benefit Obligation* (DBO) at December 31, 2014**	**1,080**	**350**	**153**	**30**	**1,613**

30.6 ACTUARIAL ASSUMPTIONS AND SENSITIVITY ANALYSIS

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

	2014	2013
Retirement age	60-65	60-65
Rate of future salary increases	2.1% to 3.0%	2.0% to 3.0%
Inflation rate	1.9%	2%
Discount rate	1.5% to 1.9%	2.7% to 3.2%

Projected benefit obligations were calculated using a discount rate of 1.90% (2013: 3.20%) for the French and Belgian plans and 1.50% (2013: 2.70%) 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 11.5 years, 10.4 years and 11 years respectively.

Sensitivity tests show that a 25-bps increase in the discount rate would have a negative impact of around €43 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 an impact of around €8 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 Argentina, the tax authorities have challenged Carrefour's omission of certain categories of supplier rebates from the basis for calculating sales tax. Total reassessment notified for the period 1996-2004 amounted to ARS 580 million (approximately €57 million). The Group has contested the tax authorities' interpretation. The estimated risk is reviewed regularly with Carrefour Argentina's advisors and an appropriate provision is recorded.

In France, up until 2003, Carrefour paid a rendering levy (*taxe d'équarrissage*) on its meat purchases. In 2003, the Court of Justice of the European Union ruled that this levy, which was paid over by the French State to abattoirs, constituted state aid awarded in breach of EU rules. As a result of this ruling, the rendering levy paid for the years 1997 to 2003 was refunded to the Group. In 2004, however, the French tax authorities reversed their decision and instructed the Group to repay the refunded amounts for the years 2001 to 2003, totaling €145 million. 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, 2014 amounted to €4,954 million, an increase of €837 million from December 31, 2013. This amount breaks down as follows:

(in € millions)	**December 31, 2014**	December 31, 2013
Bonds and notes	6,915	7,462
Other borrowings	1,078	1,356
Commercial paper	120	
Finance lease liabilities	398	388
TOTAL BORROWINGS BEFORE DERIVATIVE INSTRUMENTS RECORDED IN LIABILITIES	**8,511**	**9,206**
Derivative instruments recorded in liabilities	61	27
TOTAL LONG AND SHORT-TERM BORROWINGS (1)	**8,572**	**9,233**
Of which, long-term borrowings	*6,815*	*7,550*
Of which, short-term borrowings	*1,757*	*1,683*
Other current financial assets	504	359
Cash and cash equivalents	3,113	4,757
TOTAL CURRENT FINANCIAL ASSETS (2)	**3,618**	**5,116**
NET DEBT = (1) – (2)	**4,954**	**4,117**

32.1.2 BONDS AND NOTES

(in € millions)		December 31, 2013	Issues	Repayments	Other movements	December 31, 2014
Public placements	**Maturity**	**7,156**	**1,000**	**(1,216)**		**6,940**
Euro Bond Fixed rate, EUR, 7 years, 5.125%	2014	649		(649)		
EMTNs, EUR, 5 years, 5.125%	2014	250		(250)		
Euro Bond Fixed rate, EUR, 7 years, 5.375%	2015	644				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	263		(96)		167
EMTNs, EUR, 4 years, 4.375%	2016	500				500
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		(221)		279
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
EMTNs, EUR, 8 years, 1.75%	2022		1,000			1,000
Private placements		**279**		**(279)**		
Costs related to the buybacks carried out in July 2014 (1)					**(50)**	**(50)**
Adjustment to fair value hedges of fixed rate borrowings		**26**			**(1)**	**25**
Total bonds and notes		**7,462**	**1,000**	**(1,496)**	**(51)**	**6,915**

(1) Since the terms of the new bond issue were not substantially different from the two earlier issues that were redeemed, the initial liability has been maintained in the balance sheet and the transaction costs have been included in the initial measurement of amortized cost in accordance with IAS 39.

32.1.3 OTHER BORROWINGS

(in € millions)	December 31, 2014	December 31, 2013
Equity swap liability	330	429
Brazilian and Argentinian borrowings	200	149
Other borrowings	350	367
Accrued interest (1)	112	97
Other items	87	314
TOTAL	**1,078**	**1,356**

(1) Accrued interest on total borrowings, including bonds and notes.

Part of Carrefour Brazil's bank borrowings (€26 million at December 31, 2014 and €40 million at December 31, 2013) 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 loans having been repaid in January 2015, the banks canceled their rights under the covenants as of December 31, 2014.

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

32.2.1 ANALYSIS BY INTEREST RATE

	December 31, 2014		December 31, 2013	
(in € millions)	before hedging	after hedging	before hedging	after hedging
Fixed rate borrowings	8,035	7,473	8,483	8,161
Variable rate borrowings	450	1,038	696	1,045
TOTAL	**8,485**	**8,511**	**9,179**	**9,206**

32.2.2 ANALYSIS BY CURRENCY

The following analysis by currency concerns borrowings including the impact of currency swaps.

(in € millions)	December 31, 2014	December 31, 2013
Euro	8,120	8,802
Brazilian real	120	157
Chinese yuan	23	79
Taiwan dollar	73	78
Argentine peso	101	46
Polish zloty	69	36
Romanian leu	6	6
TOTAL	**8,511**	**9,206**

Euro-denominated borrowings represented 95% of total borrowings at December 31, 2014 (December 31, 2013: 96%).

32.2.3 ANALYSIS BY MATURITY

(in € millions)	December 31, 2014	December 31, 2013
Due within one year	1,696	1,683
Due in 1 to 2 years	1,329	1,242
Due in 2 to 5 years	2,486	2,955
Due beyond 5 years	3,000	3,326
TOTAL	**8,511**	**9,206**

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, 2014, consumer credit totaled €5,980 million (December 31, 2013: €5,602 million), as follows:

(in € millions)	**December 31, 2014**	December 31, 2013
Payment card receivables	4,149	3,834
Loans	2,145	2,063
Consumer credit (on purchases made in Carrefour stores)	90	191
Other financing	395	305
Provisions	(801)	(796)
Other	3	5
TOTAL CONSUMER CREDIT GRANTED BY THE FINANCIAL SERVICES COMPANIES	**5,980**	**5,602**
Short-term financing	*3,420*	*3,221*
Long-term financing	*2,560*	*2,381*

The related consumer credit financing amounted to €5,308 million at December 31, 2014, as follows:

(in € millions)	**December 31, 2014**	December 31, 2013
Debt securities (retail certificates of deposit, medium-term notes)	1,568	1,292
Bank borrowings	460	507
Bonds and notes (1)	1,254	897
Customer passbook savings deposits	524	580
Securitizations (2)	637	900
Consumer credit portfolios sold to banks	522	348
Other	343	385
TOTAL	**5,308**	**4,909**
Short-term borrowings	*3,718*	*3,145*
Long-term borrowings	*1,589*	*1,765*

(1) In 2014:
- *Carrefour Banque's €500 million four-year bond issue at 3-month Euribor +75 bps carried out on March 21, 2014;*
- *buyback and retirement in July 2014 of €150 million worth of bonds included in the €710 million issue carried out in 2012.*

In 2013:
- *Carrefour Banque's €300 million three-year bond issue at 3-month Euribor +85 bps carried out on April 16, 2013;*
- *buyback and retirement on December 16, 2013 of €150 million worth of bonds included in the €710 million issue carried out in 2012.*

(2) This item comprises two securitization programs launched by Carrefour Banque:
- *Master Credit Cards Pass reloadable securitization program with compartments launched in November. Asset pool: €560 million. Proceeds from the securitization: €400 million. Fund amount at December 31, 2014: €510 million following the November 2014 reload;*
- *"FCT Copernic 2012-1" compartment of the FCT Copernic reloadable securitization fund launched in 2012. Asset pool: €855 million. Proceeds from the securitization: €500 million (class A1 notes). Fund amount at December 31, 2014: €127 million.*

The two securitization funds are fully consolidated in the Group's accounts.

Note 34 Financial instruments

AT DECEMBER 31, 2014

(in € millions)	Breakdown by category							
	Carrying amount	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other	Financial liabilities at amortized cost [(1)]	Debt hedged by fair value hedges	Derivative instruments	Fair value
Investments in non-consolidated companies	78		78					78
Other long-term investments	1,262		403	859				1,262
Other non-current financial assets	**1,340**		**481**	**859**				**1,340**
Consumer credit granted by the financial services companies	5,980			5,976			4	5,980
Trade receivables	2,260			2,260				2,260
Other current financial assets	504		96	297			111	504
Other assets [(1)]	551			551				551
Cash and cash equivalents	3,113	3,113						3,113
Assets	**13,748**	**3,113**	**577**	**9,943**			**115**	**13,748**
Total long- and short-term borrowings	8,572				7,986	525	61	9,147
Total consumer credit financing	5,308				5,015	293		5,308
Suppliers and other creditors	13,384			13,384				13,384
Other payables [(2)]	2,910			2,910				2,910
Liabilities	**30,174**			**16,294**	**13,001**	**818**	**61**	**30,749**

(1) Excluding prepaid expenses.
(2) Excluding deferred revenue.

AT DECEMBER 31, 2013

(in € millions)	Breakdown by category							
	Carrying amount	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other	Financial liabilities at amortized cost [(1)]	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)]	2,686			2,686				2,686
Liabilities	**29,682**			**15,539**	**13,221**	**895**	**27**	**30,042**

(1) Excluding prepaid expenses.
(2) Excluding deferred revenue.

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.

December 31, 2014 *(in € millions)*	Level 1	Level 2	Level 3	Total
Investments in non-consolidated companies			78	**78**
Other long-term investments	403			**403**
Available-for-sale financial assets		96		**96**
Derivative instruments recorded in current financial assets		111		**111**
Cash and cash equivalents	3,113			**3,113**
Derivative instruments recorded in liabilities		(51)	(9)	**(61)**

December 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)**

Since December 31, 2010, no assets or liabilities were reclassified between the various levels.

Note 35 Other payables

(in € millions)	**December 31, 2014**	December 31, 2013
Accrued employee benefits expense	1,856	1,696
Due to suppliers of non-current assets	706	739
Deferred revenue	111	77
Other payables	349	251
TOTAL	**3,022**	**2,763**

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, 2014, the Group had three undrawn syndicated lines of credit obtained from a pool of leading banks, for a total of €4,449 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, 2014 since, at that date, it had €4.45 billion in committed syndicated lines of credit with no drawing restrictions, expiring in 2017, 2018 and 2019. 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 four years and four 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 over a three-year period performed by comparing static forecasts of committed financing facilities with dynamic lending forecasts;

- gradually achieve compliance with the new Basel III liquidity coverage ratios, through a process that is designed to deliver a sustainable improvement in asset quality by investing in a dedicated fund eligible for inclusion in the ratio calculation (LCR – Liquidity Coverage Ratio);
- diversify refinancing sources to include bank lines of credit, bond issues, securitization programs, money market issues and customer deposits. During 2014, Carrefour Banque carried out two major public placements to support the financing and development of its businesses:
  - €500 million was raised through a four-year variable rate bond issue carried out in March,
  - €110 million was raised through the November launch of a revolving credit receivables securitization program, whose 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 €610 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.

In November 2014, Carrefour Banque secured its refinancing sources by rolling over its €750 million five-year syndicated line of credit and negotiating two one-year extension options, one year ahead of the facility's December 2015 expiry date.

The following tables analyze the cash flows generated by the Group's financial and other liabilities by period.

December 31, 2014 *(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	524	12	512	
Borrowings hedged by cash flow hedges					
Fixed rate borrowings	7,163	7,992	1,572	3,313	3,106
Unhedged borrowings	450	456	236	220	
Finance lease liabilities	398	709	68	204	437
Derivative instruments	61	49	35	5	9
Total long and short-term borrowings	**8,572**	**9,729**	**1,923**	**4,254**	**3,553**
Suppliers and other creditors	13,384	13,384	13,384		
Consumer credit financing	5,308	5,308	3,718	1,589	
Other payables (1)	2,910	2,910	2,910		
TOTAL	**30,174**	**31,331**	**21,935**	**5,843**	**3,553**

(1) Excluding deferred revenue.

December 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	
Borrowings hedged by cash flow hedges	251	252	0	251	
Fixed rate borrowings	7,637	8,624	1,927	3,550	3,147
Unhedged borrowings	429	441	105	336	
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 (1)	2,686	2,686	2,686		
TOTAL	**29,682**	**31,121**	**20,818**	**6,668**	**3,635**

(1) Excluding deferred revenue.

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		(6.2)		6.2
Variable rate borrowings		(1.7)		1.7
Borrowings hedged by fair value hedges		(2.5)		2.5
Swaps qualified as fair value hedges		5.2		(5.1)
Swaps qualified as cash flow hedges				
Options classified as cash flow hedges		(7.0)		22.4
Options classified as held for trading		0.0		0.2
TOTAL EFFECT	**0.0**	**(12.2)**	**0.0**	**27.9**

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.

The following table shows the 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*	39.4		(39.4)	
HGK/EUR Cash *Flow hedging position*	(0.5)		0.4	

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 eurozone.

The translation risk on foreign operations outside the eurozone mainly concerns the Brazilian real and Argentine peso. For example, changes in the average exchange rates used in 2014 compared with those for 2013 reduced consolidated net sales by €2,356 million or 3.2% and operating income by €74 million or 2.9%.

Lastly, when financing is arranged locally, it is generally denominated in local currency.

36.4 CREDIT RISK

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

Exposure to credit risk *(in € millions)*	**December 31, 2014**	**December 31, 2013**
Investments in non-consolidated companies	78	60
Other long-term investments	1,262	1,086
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**1,340**	**1,146**
Consumer credit granted by the financial services companies	5,980	5,602
Trade receivables	2,260	2,213
Other current financial assets	504	359
Other assets [(1)]	551	545
Cash and cash equivalents	3,113	4,757
MAXIMUM EXPOSURE TO CREDIT RISK	**13,748**	**14,641**

(1) Excluding prepaid expenses.

36.4.1 RETAIL BUSINESS

1) Trade receivables

Trade receivables correspond mainly to amounts receivable from franchisees (for delivered goods and franchise fees), suppliers (mainly rebates) and tenants of shopping mall units (rent). Impairment losses are recognized where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable.

At December 31, 2014, trade receivables net of impairment amounted to €1,117 million (see Note 23). At that date, past due receivables amounted to a net €129 million, with receivables over 90 days past due representing 2.9% 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

(in € millions)	December 31, 2014	Amounts not yet due at the period-end	Amounts due and past-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	5,981	5,822	39	24	28	67

(in € millions)	December 31, 2013	Amounts not yet due at the period-end	Amounts due and past-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

ANALYSIS OF CONSUMER LOANS BY MATURITY

December 31, 2014 *(in € millions)*	Total	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
France	2,834	952	1,701	181
Belgium	188	8	174	6
Spain	1,448	1,071	198	178
Italy	190	93	97	
Argentina	174	170	4	
Brazil	1,146	1,126	20	
TOTAL	**5,980**	**3,421**	**2,194**	**366**

December 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**

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 option plans. The frequency and size of these purchases depend on the share price.

At December 31, 2014, shares and options held directly or indirectly by the Group covered its total commitments under outstanding stock option.

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)	**December 31, 2014**	December 31, 2013	Change
Change in inventory	(310)	(135)	(176)
Change in trade receivables	80	(34)	114
Change in trade payables	246	(31)	277
Change in loyalty program liabilities and other	(78)	276	(355)
Change in trade working capital requirement	**(63)**	**76**	**(139)**
Change in other receivables and payables	81	(361)	442
Change in working capital requirement	**18**	**(284)**	**302**

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).

		By maturity			
Commitments given *(in € millions)*	**December 31, 2014**	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2013
Related to cash management transactions	**7,869**	**5,719**	**1,505**	**645**	**8,258**
Financial services companies	*6,969*	*5,541*	*1,419*	*8*	*7,150*
Other companies	*900*	*177*	*86*	*637*	*1,107*
Related to operations/real estate/expansion, etc.	**2,795**	**1,516**	**972**	**306**	**1,942**
Related to sales of securities	**171**	**45**	**53**	**73**	**169**
Related to leases	**3,494**	**999**	**1,539**	**956**	**3,217**
TOTAL	**14,328**	**8,278**	**4,069**	**1,981**	**13,586**

Commitments received *(in € millions)*	**December 31, 2014**	By maturity			**December 31, 2013**
		Due within 1 year	**Due in 1 to 5 years**	**Due beyond 5 years**	
Related to cash management transactions	**6,819**	**1,197**	**4,201**	**1,422**	**6,752**
Financial services companies	*1,563*	*449*	*1,095*	*19*	*1,656*
Other companies	*5,256*	*748*	*3,106*	*1,403*	*5,096*
Related to operations/real estate/expansion, etc.	**921**	**220**	**466**	**235**	**882**
Related to sales of securities	**337**	**237**	**72**	**28**	**303**
Related to leases	**654**	**235**	**339**	**80**	**830**
TOTAL	**8,730**	**1,889**	**5,077**	**1,764**	**8,766**

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, 2014, 685 hypermarket properties and 515 supermarket properties were owned outright out of a total consolidated store base of 1,194 hypermarkets and 1,335 supermarkets.

Rent on store properties not owned by the Group totaled €908 million in 2014 (see Note 9).

Of total future minimum rentals, 25% are due within one year, 41% 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 €3,494 million, or €2,744 million after discounting (see Note 18).

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 €219 million in 2014. 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 €654 million, or €530 million after discounting.

Note 40 Employee information

	December 31, 2014	December 31, 203
Average number of Group employees		351,467
Number of Group employees at the period-end		363,989

Note 41 Related parties

The following table presents the main related party transactions carried out in 2014 with companies over which the Group exercised significant influence or joint control at December 31, 2014.

(in € millions)	Carrefour SA (Turkey)	Provencia (France)	Mestdagh (Belgium)	Ulysse (Tunisia)	Carmila (France)
Net sales (sales of goods)		545	71	3	
Franchise fees	3	9	8	2	
Service agreements					2
Receivables at December 31	1	30	7	1	

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 2014 and 2013.

(in € millions)	2014	2013
Compensation for the period	4.2	4.3
Prior year bonus	6.3	4.7
Benefits in kind (accommodation and company car)	0.1	0.2
Total compensation paid during the period	**10.5**	**9.2**
Employer payroll taxes	3.6	3.2
Termination benefits		0.4

Other management benefit plans are as follows:

- defined benefit pension plan described in Note 30;
- stock option and stock grant plans. The serving members of the Management team at December 31, 2014 held 6,160 stock options at that date. The serving members of the Management team at December 31, 2013 held 142,575 stock options at that date.

Directors' attendance fees paid to members of the Board of Directors amounted to €0.8 million in 2014 (2013: €0.8 million).

Note 43 Subsequent events

On January 22, 2015, the Group obtained a new €2,500 million five-year bank facility (expiring in January 2020) with two one-year extension options from a pool of 22 banks.

This facility replaces two existing facilities, for €1,591 million and €1,458 million, expiring in July 2017 and November 2018 respectively.

The operation contributed to the ongoing strategy to secure the Group's long-term financing sources by extending the average maturity of its facilities (from 3.5 years to 4.7 years at January 22, 2015), and reduce the related borrowing costs, while aligning their amount with the Group's needs.

On January 27, 2015, the Group carried out a new €750 million10.3-year 1.25% bond issue due June 2025. The issue's settlement date was February 3, 2015.

The issue has consolidated the Group's long-term financing, extended the average maturity of its bond debt (from 4.2 years to 4.8 years at February 3, 2015) and further reduced its borrowing costs.

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

	2014				2013			
(in € millions)	Deloitte & Associés	KPMG	Mazars	Total	Deloitte & Associés	KPMG	Mazars	Total
Audit services	2.3	10.2	2.5	15.1	2.3	9.1	2.5	13.9
Other services	0.8	0.3	0.1	1.2	0.7	0.5	0.1	1.3
TOTAL	**3.1**	**10.5**	**2.6**	**16.3**	**3.0**	**9.6**	**2.6**	**15.2**

5

Note 45 Scope of consolidation

45.1 FULLY CONSOLIDATED COMPANIES AT DECEMBER 31, 2014

FRANCE	Percent interest used in consolidation
Ajaccio Distribution	100.0
Alfroy	100.0
Alsatop	100.0
Amidis et Cie	100.0
Avenue	52.0
Bellevue Distribution	100.0
BLO Distribution	100.0
Boedim	100.0
BREM 63 SCI	51.0
CSD	74.0
CSF	100.0
CADS	97.7
Callouets	51.0
Campus Erteco	100.0
Carautoroutes	100.0
Carcoop	100.0
Cardadel	100.0
Carfuel	100.0
Carima	100.0
Carlier	100.0
Carma	50.0
Carma Courtage	50.0
Carma Vie	50.0
Carrefour Administratif France	100.0
Carrefour Banque (Ex S2p - Société des Paiements Pass)	60.8
Carrefour Drive	100.0
Carrefour France	100.0
Carrefour France Participation	100.0
Carrefour Hypermarchés	100.0
Carrefour Import	100.0
Carrefour Management	100.0
Carrefour Marchandises Internationales	100.0
Carrefour Monaco	100.0
Carrefour Partenariat International	100.0
Carrefour Property Developpement	58.2
Carrefour Property France	100.0
Carrefour Property Gestion	100.0
Carrefour Property International	100.0
Carrefour Proximité France	100.0
Carrefour, SA	100.0

FRANCE	Percent interest used in consolidation
Carrefour Services Clients	100.0
Carrefour Station Service	100.0
Carrefour Supply Chain	100.0
Carrefour Système Information France	100.0
Carrefour Voyages	100.0
Cartaillan	100.0
Carvilleneuve	100.0
Centre de Formation et Compétences	100.0
Challenger	100.0
Chamnord	59.4
Christhalie	100.0
Cigotop	100.0
Clairefontaine	100.0
Compagnie d'Activité et de Commerce International -CACI	100.0
COSG	100.0
COVIAM 8	100.0
COVICAR 2	100.0
CPF Asset Management	100.0
CRF Régie Publicitaire	100.0
CRFP10	100.0
CRFP11	100.0
CRFP13	100.0
CRFP14	100.0
CRFP15	100.0
CRFP16	100.0
CRFP17	100.0
CRFP18	100.0
CRFP19	100.0
CRFP4	100.0
CRFP8	100.0
CSD Transports	74.0
Dauphinoise de Participations	100.0
De Fontales	100.0
De Kersalun	100.0
De La Coquerie	51.0
De La Fontaine	51.0
De Siam	51.0
Deldis	99.0
Digital Media Shopper	100.0
Distrival	100.0

FRANCE	Percent interest used in consolidation
Ecalhan	51.0
ED Franchise	100.0
EPG	66.0
Erteco	100.0
Erteco France	100.0
Faldis	99.9
Favicar	100.0
FCT Copernic 2012	60.8
FCT Master Credit Card 2013	60.8
Financière RSV	100.0
Finifac	100.0
Floradis	100.0
Forum Développement	100.0
Gamacash	100.0
Geilerop	100.0
Genedis	100.0
Gernimes	100.0
GIE Carrefour Personal Finance Services	57.9
Gimondis	100.0
GM Carrefour	100.0
GMDIS	100.0
Guilvidis	100.0
Guyenne & Gascogne	100.0
GVTIM	51.0
Hauts de Roya	100.0
Hermes	100.0
Hyparlo	100.0
Hypermarches de La Vezère	50.0
Immauffay	51.0
Immo Artemare	51.0
Immo Bacqueville	51.0
Immobilière Carrefour	100.0
Immobilière Erteco	100.0
Immocyprien	51.0
Immodis	100.0
Immodivine	51.0
Immoloubes	51.0
Immotournay	51.0
Interdis	100.0
Kergalys	100.0
La Baudrière	51.0
La Blanchisserie	100.0
La Croix Vignon	51.0
La Gersoise	51.0
La Gujannaise	100.0
La Mestrasaise	100.0
Lalaudis	99.0

FRANCE	Percent interest used in consolidation
Lann Kerguen	51.2
Lapalus	100.0
Le Courtemblet	100.0
Le Phénix	100.0
Les Tasseaux	51.0
Les Tranchées	100.0
Les Vallées	51.0
Limador	100.0
Loctudis	100.0
Logidis	100.0
Ludis	100.0
Lvdis	100.0
Maison Joannès Boubée	100.0
Maric	100.0
Matolidis	100.0
Maximoise de Création	51.0
Melgven Distribution	100.0
Menudis	100.0
Michel Hochard	100.0
Monteco	100.0
Montel Distribution	100.0
Morteau Distribution	100.0
MPF Podiroux	100.0
Nobladis	100.0
Nosael	51.0
NOVA.DIS	100.0
On Line Carrefour	100.0
Ooshop	100.0
OPCI Kart CRF	100.0
P.R.M	100.0
Phivetol	100.0
Profidis	100.0
Profidis Et Cie	100.0
Prolacour	100.0
Ressons	51.0
Saint Hermentaire	100.0
Sainte Victoire Distribution	100.0
SAM Prospective	90.0
Samad	100.0
SCI LA SEE	100.0
Selima	100.0
Seloja	51.0
Sigoulim	51.0
Société des Nouveaux Hypermarchés	100.0
Sodimob	100.0
Sodisal	100.0
Sodiscaf	100.0

5

FRANCE	Percent interest used in consolidation
Sodita	100.0
Soditrive	100.0
Sofaline	100.0
Sofidim	98.9
Sopromal	100.0
Sotresco	100.0
Soval	100.0
Sovidis	100.0
Sovidis Propriano	100.0
Stelaur	99.9
Stenn	100.0
Superdis	96.5
Tertra	51.0
Tourangelle de Participations	100.0
Unicages	100.0
Univu	100.0
Valecar	100.0
Varjea	100.0
Vezere Distribution	50.0
Visage	100.0
Vizegu	90.1

ARGENTINA	Percent interest used in consolidation
Banco de Servicios Financieros SA	60.0
INC SA	100.0

BELGIUM	Percent interest used in consolidation
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
Drive 1	100.0
Drive 2	100.0
Eclair	100.0
Extension BEL-TEX	100.0
Filunic	100.0
Fimaser	60.8

BELGIUM	Percent interest used in consolidation
Fomar	100.0
Freshfood	100.0
GB Retail Associates SA	100.0
Gent Dampoort Retail Associate	100.0
Grosfruit	100.0
Halle Retail Associate	100.0
Heppen Retail Associate	100.0
La Louvière Retail Associate	100.0
MABE	100.0
Market A1 CBRA	100.0
Market B2 CBRA	100.0
Market C3 CBRA	100.0
Market D4 CBRA	100.0
Northshore Participations	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	Percent interest used in consolidation
Atacadão Distribuicao Comercio e Industria LTDA	90.0
Banco CSF SA	45.9
BSF Holding SA	45.9
Carrefour Commercio e Industria LTDA	90.0
Comercial de Alimentos Carrefour SA	90.0
Imopar Participcoes e Administracao Imobiliaria LTDA	90.0
Pandora Participacoes LTDA.	90.0
Riobonito Assessoria de Negocios LTDA.	90.0
Tropicargas Transportes LTDA.	90.0
Verparinvest SA	90.0

CHINA	Percent interest used in consolidation
Beijing Carrefour Commercial Co., LTD.	55.0
Beijing Champion Shoulian Community Chain Stores Co., LTD.	100.0
Beijing Chuangyijia Carrefour Commercial	100.0
Beijing Representative Office of Carrefour SA	100.0
Carrefour (China) Management & Consulting Services Co.	100.0
Carrefour(SH) Supply Chain 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
Chongqing Carrefour Commercial Co., LTD.	65.0
Dalian Carrefour Commercial Co., LTD.	65.0
Dongguan Carrefour Commercial Co., LTD.	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.	83.0
Hebei Baolongcang Carrefour Commercial Co., LTD.	51.0
Hefei Yuejia Commercial Co., LTD.	60.0
Huhhot Carrefour Commercial Company Co., LTD.	100.0
Jinan Carrefour Commercial Co., LTD.	100.0
Kunming Carrefour Hypermarket Co., LTD.	100.0
Nanchang Yuejia Commercial Co., LTD.	60.0
Nanjing Yuejia Supermarket Co., LTD.	65.0
Ningbo Carrefour Commercial	80.0
Qingdao Carrefour Commercial	95.0
Qujing Carrefour Hypermarket Co., LTD.	100.0
Shandong Carrefour Commercial Co., LTD.	100.0
Shangai Carhua Supermarket LTD.	55.0
Shanghai Proximity Supermarket	100.0
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
Wuhan Hanfu Supermarket Co., LTD.	100.0

CHINA	Percent interest used in consolidation
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

HONG KONG	Percent interest used in consolidation
Carrefour Asia LTD.	100.0
Carrefour Global Sourcing Asia	100.0
Carrefour Trading Asia LTD. (CTA)	100.0

GERMANY	Percent interest used in consolidation
Carrefour Procurement International AG & Co. KG	100.0

INDIA	Percent interest used in consolidation
Carrefour India Master Franchise LTD.	100.0
Carrefour WC & C India Private LTD.	100.0

IRELAND	Percent interest used in consolidation
Carrefour Insurance Limited	100.0

ITALIA	Percent interest used in consolidation
Carrefour Banca	60.8
Carrefour Italia Finance SRL	100.0
Carrefour Italia SPA	100.0
Carrefour Property Italia SRL	99.8
Consorzio Proprietari Centro Commerciale Brianza	52.8
Consorzio Proprietari Centro Commerciale Burolo	89.0

ITALIA	Percent interest used in consolidation
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
Diperdi Srl	99.8
GS SPA	99.8
SCARL Shopville Gran Reno	57.7
Societa Sviluppo Commerciale SRL	99.8

LUXEMBOURG	Percent interest used in consolidation
Velasques SA	100.0

NETHERLANDS	Percent interest used in consolidation
Alcyion, BV	100.0
Carrefour China Holdings BV	100.0
Carrefour International Services BV (Hyper Germany Holding BV)	100.0
Carrefour Nederland BV	100.0
Carrefour Property BV	100.0
Fouret BV	100.0
Francofin BV	100.0
Hyper Germany BV	100.0
Hyper Invest BV	100.0
Intercrossroads BV	100.0
SOCA BV	100.0

POLAND	Percent interest used in consolidation
Carrefour Polska	100.0
Carrefour Polska WAW	100.0
CPA WAW 1 SKA	100.0
Ibes	100.0
Wigry	100.0

ROMANIA	Percent interest used in consolidation
Artima SA	100.0
Carrefour Merchandising	100.0
Carrefour Roumanie	100.0
Militari Galerie Comerciala	100.0
Supeco Investment SRL	100.0

SPAIN	Percent interest used in consolidation
Carrefour Espana Properties, SL	100.0
Carrefour Navarra, SL	100.0
Carrefour Norte, SL	100.0
Carrefouronline SL (Submarino Hispania)	100.0
Centros Comerciales Carrefour, SA	100.0
Correduria de Seguros Carrefour	100.0
Establecimientos de Descuento Stone	100.0
Group Supeco Maxor	100.0
Inversiones Pryca, SA	100.0
Norfin Holder SL	100.0
Servicios Financieros Carrefour E.F.C. (Financiera PRYCA)	60.1
Sidamsa Continente Hipermercados, SA	100.0
Sociedad De Compras Modernas, SA (Socomo)	100.0
Supermercados Champion, SA	100.0
Viajes Carrefour, SL Unipersonal	100.0

SWITZERLAND	Percent interest used in consolidation
Carrefour World Trade	100.0
Hyperdema (PHS)	100.0
Promohypermarkt AG (PHS)	100.0

TAIWAN	Percent interest used in consolidation
Carrefour Insurance Broker Co	60.0
Carrefour Stores Taiwan Co	60.0
Carrefour Telecommunication Co	30.6
Charng Yang Development Co	30.0
Presicarre	60.0

45.2 COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD AT DECEMBER 31, 2014

FRANCE	Percent interest used in consolidation
Abredis	50.0
Adialea	45.0
Alexandre	50.0
Audist SAS	50.0
Azaydis	34.0
Azimmo	33.8
Bladis	33.3
Borderouge	40.0
Calodian Distribution	50.0
Cardutot	26.0
Cargan	50.0
Carmila	42.2
Cerbel	50.0
Cevidis	50.0
Cherbourg Invest	48.0
Christia	50.0
Cinqdis 09	50.0
CJA Distribution	50.0
Colodor	50.0
Concept 2003	50.0
Corou	50.0
Coviam 21	50.0
Decodis	50.0
Dépôt Pétrolier de Lyon	50.0
Dépôts Pétroliers Côtiers	24.4
Diplo	50.0
Diric	50.0
Dismonpt	50.0
Distri Palavas	50.0
Du Moulin	50.0
Entrepôt Pétrolier de Valenciennes	34.0
Fabcorjo	50.0
Faro	50.0
Ferrari	50.0
Fiver	50.0
Foncière Marseillan	50.0
Foncière Planes	50.0
Foncière Solandis	33.8
Frelum	50.0
Gandis	50.0
Geric GIE	60.8
GPVM	30.0
Grandi	50.0
Gwenda	50.0
HBLP	25.0
IDEC	50.0

FRANCE	Percent interest used in consolidation
Immo St Pierre Église	50.0
Josim	34.0
Jupilou	34.0
La Catalane de Distribution	50.0
La Craudis	50.0
Laita Belon Distribution	50.0
LB Le Plan	50.0
Le Clauzels	50.0
Le Petit Bailly	50.0
Leatild	50.0
Les Oliviers	50.0
Lezidis	50.0
Lsodis	50.0
Lumimmo	51.0
Madis	50.0
Magodis	50.0
Maison Vizet Fabre	29.1
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	26.0
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

FRANCE	Percent interest used in consolidation
Scomondis	50.0
Scycadis	50.0
Seredis	26.0
SIFO	50.0
SMD	50.0
SME	50.0
Socadis	50.0
Socadis Cavalaire	50.0
Sodibor	50.0
Sodyen	50.0
Sofidis	50.0
Solandis	34.0
Soquimdis	50.0
Sovadis	50.0
St Paul de Distribution	50.0
Sté du Dépôt Pétrolier de Nanterre	20.0
Sté Financière Geric	34.9
Tardis	50.0
Turenne	50.0
Valmendis	50.0

BELGIUM	Percent interest used in consolidation
Mestdagh	25.0

ITALIA	Percent interest used in consolidation
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
SCARL Shopville Le Gru	39.3

POLAND	Percent interest used in consolidation
C Services	30.0

ROMANIA	Percent interest used in consolidation
Ploiesti Shopping City	50.0

SPAIN	Percent interest used in consolidation
2013 Couñago Nevado	26.0
2013 Cid Otero	26.0
2013 Albadalejo Valencia	26.0
2013 Martinez Carrion	26.0
2013 Gisbert Cataña	26.0
2013 Sobas Romero	26.0
2013 Corcoles Argadoña SL	26.0
2011 Cayetano Panelles, SL	26.0
2013 Alvaro Efrem Jimenez	26.0
2013 Cordoba Rodriguez	26.0
2013 Erik David	26.0
2013 Flores Hernandez	26.0
2013 Lizanda Tortajada	26.0
2013 Nayara S.Martin	26.0
2013 Vicente Arlandis	26.0
Antonio Perez, S.L	26.0
Costasol De Hipermercados, SL	34.0
Diagonal Parking, S.C.	58.0
Glorias Parking SA	50.0
Hegervis Mataro, SL	26.0
Iliturgitana de Hipermercados, SL	34.0
JM.Marmol Supermercados. SL	26.0
J.Carlos Vazquez, SL	26.0
Luhervasan, SL	26.0
Sagrada Familia, SL	26.0
Supermercados Centeno SL	26.0
Valatroz	26.0

TUNISIA	Percent interest used in consolidation
Ulysse	25.0

TURKEY	Percent interest used in consolidation
Carrefour Sabanci Ticaret Merkezi AS CarrefourSA	46.2

5.7 Statutory Auditors' report on the Consolidated Financial Statements

Year-ended December 31, 2014

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, 2014, 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, 2014, and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matters set out in Notes 1.2 and 4.1 to the Consolidated Financial Statements which expose the first application as of January 1, 2014 of standards IFRS 10, 11, 12 and IAS 28 revised and the early application as of January 1, 2014 of the interpretation IFRIC 21 retrospectively.

2. Justification of assessments

The accounting estimates used to prepare the Consolidated Financial Statements were made in an uncertain economic environment in several 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 an assessment of the recoverability of other intangible and tangible assets as soon as there was any indication of impairment, 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 tests and the identification of triggers of impairment, as well as the cash flow forecasts and assumptions used and verified the appropriate information provided in Note 17 to the Consolidated Financial Statements. We have reviewed the calculations performed by your Group; we have compared previous periods' accounting estimates with actual results and reviewed Management's approval process of these estimates;
- with respect to provisions, we have assessed the basis upon which such provisions have been set up, reviewed the Group's procedures to identify them, their assessment, and their recording and reviewed the information relating to the risks presented in Notes 29, 30, and 31 to the Consolidated Financial Statements.

These assessments were made as part of our audit of the Consolidated Financial Statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

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, 2015

French original signed by

MAZARS	KPMG audit Department of KPMG SA	DELOITTE & ASSOCIÉS
Pierre Sardet	Éric Ropert Patrick-Hubert Petit	Arnaud de Planta

COMPANY FINANCIAL STATEMENT YEAR ENDED DECEMBER 31, 2014

6

6.1 Balance Sheet at December 31, 2014

The 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 different statements.

ASSETS

		2014			2013
(in € millions)	Notes	Gross	Depreciation, amortization and impairment	Net	Net
Intangible fixed assets					**9,866**
Tangible fixed assets					
Financial investments					**24,232**
Fixed assets	*3*				**34,098**
Accounts receivable	*4*				541
Marketable securities	*5*				648
Current assets					**1,190**
Prepayments and deferred charges	*4*				48
TOTAL ASSETS					**35,336**

EQUITY AND LIABILITIES

(in € millions)	Notes	2014	2013
Share capital		1,837	1,810
Issue and merger premiums		15,930	15,672
Legal reserve		181	179
Regulated reserves		378	378
Other reserves		39	39
Retained earnings		1,361	4
Net income for the year		4,440	1,804
Shareholders' equity	*6*	**24,166**	**19,886**
Provision for contingencies and charges	*7*	**367**	**472**
Financial liabilities			
Bonds		7,048	7,521
Bank borrowings		120	5,017
Operating liabilities			
Trade payables		21	129
Accrued taxes and payroll costs		81	34
Other operating liabilities			32
Miscellaneous liabilities			
Other miscellaneous liabilities		7,713	2,245
Liabilities	*8*	**14,983**	**14,978**
TOTAL EQUITY AND LIABILITIES		**39,516**	**35,336**

6.2 Income Statement for the year ended December 31, 2014

(in € millions)	**2014**	2013
Reversals of impairment and provisions, and transferred charges	3	40
Other income	363	514
Total operating income	**366**	**554**
Other purchases and external charges	(393)	(570)
Wages and salaries, payroll taxes	(29)	(20)
Depreciation, amortization, impairment and other provision expense	(25)	(173)
Taxes other than on income, other operating expenses	(10)	(11)
Total operating expenses	**(457)**	**(774)**
Operating loss	**(91)**	**(220)**
Income from shares in subsidiaries and affiliates	1,583	1,712
Interest income, revenue from disposals of marketable securities	343	37
Reversals of impairment and other provisions	419	245
Total financial income	**2,345**	**1,994**
Provision charges and impairment of financial assets	(113)	(308)
Interest expense	(326)	(488)
Total financial expenses	**(439)**	**(796)**
Financial income, net	**1,906**	**1,198**
Recurring income before tax	**1,815**	**978**
Net non-recurring income (expense) from revenue transactions	(53)	(119)
Net non-recurring income from capital transactions	688	703
Non-recurring amortization, impairment and other provision income/(expense), net	1,752	20
Net non-recurring income	**2,387**	**604**
Employee profit-sharing		
Income tax benefit	**238**	**222**
Net income	**4,440**	**1,804**

6.3 Statement of cash flows for the year ended December 31, 2014

(in € millions)	**2014**	2013
Net income	**4,440**	**1,804**
Depreciation and amortization	13	(45)
Provisions and impairment of financial assets, net of reversals	(2,049)	253
Capital gains and losses on sale of fixed assets	(688)	(703)
Other changes		
Cash flow from operations	**1,716**	**1,309**
Change in other receivables and payables	28	729
Net cash from operating activities	**1,744**	**2,038**
Acquisitions of tangible and intangible fixed assets	(33)	(23)
Acquisitions of shares in subsidiaries and affiliates	(728)	
Disposals tangible and intangible fixed assets	67	
Disposals of shares in subsidiaries and affiliates	30	868
Change in other financial investments	(206)	
Other cash flows from investing activitie (1)	(113)	(68)
Net cash from investing activities	**(983)**	**777**
Dividends paid	(159)	(118)
Net change in debt	(371)	(1,791)
Change in intra-group receivables and payables	(635)	(3,537)
Net cash used in financing activities	**(1,165)**	**(5,446)**
Net change in cash and cash equivalents	**(404)**	**(2,631)**
Cash and cash equivalents at beginning of year (2)	487	3,117
Cash and cash equivalents at end of year (2)	83	486
Net change in cash and cash equivalents	**(404)**	**(2,631)**

(1) Of which change in treasury stock (recorded in assets, under "Marketable securities").
(2) Excluding treasury stock.

6.4 Notes to the Company Financial Statements

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 2014-03, approved by government order of September 8, 2014.

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 2014 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. Goodwill is tested for impairment at each year-end, to confirm that its net book value does not exceed its recoverable amount, defined as the higher of fair value less costs to sell and value in use. Value in use is determined by discounting the future cash flows expected to be generated by the use of the asset, adjusted for the net debt of the tested entity if applicable.

Tangible fixed assets are stated at cost, corresponding to the purchase price and ancillary expenses.

Intangible fixed assets are amortized and tangible fixed assets are depreciated over their estimated useful lives, as follows:

- software: 3 to 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;
- Carrefour shares and mutual funds are part of the liquidity contract set up in 2014;
- 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: 1.9%;
- staff turnover rate: average of the actual turnover rates for headquarters staff over the period 2012-2014, *i.e.* employees with 0 to 5 years' seniority: 11.51%, employees with 6 to 10 years' seniority: 8.69%, employees with 11 to 15 years' seniority: 6.91%, employees with 16 to 20 years' seniority: 5.36%, employees with 21 to 25 years' seniority: 4,73%, and employees with 26 years' seniority or more: 3.87%. For employees aged over 55, the turnover rate is assumed to be zero;
- mortality table: TH TF 00-02.

1.9 SUPPLEMENTARY PENSION PLAN

A defined benefit pension plan was set up in 2009 with the following characteristics:

- plan participants must 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: 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;
- 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;
- actualisation and expected return on plan assets: 1.20%;
- staff turnover rate: 25% before the age of 55, 0% after 55.

Unrecognized past service cost and actuarial gains and losses amounted to €89 million at December 31, 2014. 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

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.

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, 2014 or that expired during the year are presented below:

	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)
2007 Presence Plan	May 15, 2007	4,354,667	7 years	502	May 15, 2009 to May 14, 2014	0	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 Performance Plan	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	July 16, 2010	1,439,017	7 years	56	July 17, 2012 to May 3, 2017	509,055	29.91
2010 Presence Plan II	July 16, 2010	1,941,610	7 years	507	July 17, 2012 to July 16, 2017	1,471,852	29.91
TOTAL						**11,499,870**	

(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 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, 2014 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 conditions apply 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.

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.

Note 2 Significant events of the year

2.1 FINANCIAL INCOME, NET

Financial income, net amounted to €1,906 million in 2014 compared with €1,198 million in 2013. The €708 million increase can be explained as follows:

- the recognition of a €309 million merger surplus from the Actis merger;
- financial provision charges decreased by a net €374 million, reflecting:
  - €326 million in net reversals to provisions for impairment of shares in subsidiaries and affiliates versus net additions of €292 million in 2013 (positive impact of €618 million),
  - an increase in net provisions for impairment of treasury stock, due to the fall in Carrefour's share price between 2013 and 2014 (negative impact of €185 million),
  - an increase in net charges to provisions for other financial risks (€60 million negative impact);
- dividend income from subsidiaries was lower, with a negative impact of €129 million;
- interest expense on intra-group and external borrowings decreased year-on-year, with a positive impact of €154 million.

2.2 NET NON-RECURRING INCOME

Non-recurring items represented net income of €2,387 million in 2014 and consisted mainly of a goodwill provision reversal, gains and losses on disposals of shares of subsidiaries and affiliates and costs relating to the buyback and retirement of bonds.

2.2.1 GOODWILL

Following the results of impairment tests on the Carrefour-Promodès goodwill (see Note 1 to the Financial Statements), a provision reversal of €1,600 million was recognized.

2.2.2 DISPOSALS OF SHARES IN SUBSIDIARIES AND AFFILIATES

In 2014, Carrefour carried out several disposals, the net impact of which amounted to €688 million and has been recognized in non-recurring income and expense from capital transactions:

- on July 25, 2014, the Company transferred the shares it held in French companies Amidis et Compagnie, Carrefour Hypermarchés, Euromarché, Profidis, Carrefour Regie Publicitaire and Soval to Carrefour France which carried out a share capital increase to pay for the transfer;
- on December 30, 2014, the Company disposed of its 35.96% stake in Belgian company GMR to GMR, which bought back its own shares.

2.2.3 BUYBACK AND RETIREMENT OF BONDS

On July 15, 2014, the Group issued €1,000 million worth of eight-year 1.75% bonds maturing in July 2022.

At the same time, two outstanding issues representing an aggregate €318 million were retired, as follows:

- €97 million outstanding from a €763 million 4.375% issue maturing in November 2016;
- €221 million outstanding from a €500 million 5.25% issue maturing in October 2018.

The transaction consolidated the Group's long-term financing at the very attractive interest rates currently available in the market. It led to:

- a €682 million increase in the face value of the Group's bond debt;
- optimized future borrowing costs due to an issue at a historically low interest rate;
- an extension of the average maturity of bond debt, from 3.7 years to 4.2 years (an increase of 0.5 years) as from July 15, 2014.

The €53 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, 2014	14,244	3	26,191	40,438
Acquisitions	33		5,141 (2)	5,174
Assets derecognized on disposal	(456) (1)	(1)	(5,680) (3)	(6,137)
At December 31, 2014 A	**13,821**	**2**	**25,652**	**39,475**
Amortization, depreciation and impairment				
At January 1, 2014	4,378	3	1,959	6,340
Amortization and depreciation for the period	13			13
Impairment recorded and reversed during the period	(1,600) (4)		35	(1,565)
Amortization and depreciation written off on derecognized assets	(389) (1)	(1)	(403)	(793)
At December 31, 2014 A	**2,402**	**2**	**1,591**	**3,995**
NET TOTAL A - B	**11,419**		**24,061**	**35,480**

(1) Mainly concerns the disposal of property and equipment to Carrefour Organisation et Systèmes Groupe.
(2) Including Carrefour France shares for €2,417 million received in consideration for share contributions (see "Significant events of the year"), the purchase of Carrefour Finance shares for €1,667 million and a capital increase in CRFP14 for €334 million (CRFP 14 is the indirect shareholder of Carmila).
(3) Including the disposal of GMR shares for €3,219 million and share contributions to Carrefour France (see "Significant events of the year") for €2,123 million.
(4) Concerns a Carrefour-Promodès merger deficit provision reversal.

Note 4 Current assets, prepayments and deferred charges

4.1 MATURITIES OF RECEIVABLES

(in € millions)	Total	Due within one year
Accounts receivable	3,842	3,842
Prepayments and deferred charges	47	47
	3,889	**3,889**

Accounts receivable include €2,923 million corresponding to the outstanding receivable relating to the disposal of the stakes held in GMR shares (see "Significant events of the year").

Prepayments and deferred charges include bond redemption premiums for €24 million and bond issuance costs for €23 million. These amounts are amortized over the life of the bonds.

Note 5 Marketable securities

Marketable securities include:

- 9,701,473 Carrefour shares available for allocation to employees of Carrefour and its subsidiaries, for €265 million;
- 580,000 Carrefour shares held under a liquidity agreement for an amount of €14 million;
- units in money market funds, for €83 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, 2014. The premiums' amortized cost at December 31, 2014 was €2 million.

In 2014, changes in Carrefour shares held by the Company were as follows:

		Assets *(in € millions)*		
	Number	**Cost**	**Impairment**	**Provision** *(in € million)*
At December 31, 2013	**5,761,500**	**166**	**(5)**	
Acquisition of shares under equity swap arrangements	3,939,973	99		
Acquisition of shares under a liquidity agreement	580,000	14		
Impairment of shares not yet allocated to specific share-based payment plans, or allocated to out-of-the-money stock options			(24)	
Provisions on shares allocated to specific share-based payment plans				
AT DECEMBER 31, 2014	**10,281,473**	**279**	**(29)**	

The market value of Carrefour shares held at December 31, 2014, based on the final quoted price for the year of €25.30, was €260 million.

Note 6 Shareholders' equity

6.1 SHARE CAPITAL

The share capital is made up of 734,913,909 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 legal reserve until such time as the reserve represents one-tenth of the share capital, or to increase the statutory reserve if it falls below one-tenth of the capital.

The remaining balance plus any retained earnings brought forward from the prior year is available for distribution.

The Annual Shareholders' Meeting may decide to offer shareholders the option of reinvesting all or part of their dividend.

The Board of Directors may decide to pay an interim dividend, in cash or in shares, during the fiscal year or after the year-end, in accordance with the applicable laws and regulations.

(in € millions)	Share capital	Issue and merger premiums	Other reserves, retained earnings and net income	Total shareholders' equity
Shareholders' equity at December 31, 2013 including income for the year	**1,810**	**15,672**	**2,404**	**19,886**
Distribution of dividends (1)				
Decided at the 2014 Annual Shareholders' Meeting			(449)	(449)
2014 stock dividends	27	258		285
Change in premiums, reserves and retained earnings			4	4
Shareholders' equity at December 31, 2014 before income for the year	**1,837**	**15,930**	**1,959**	**19,726**
Net income for the year			4,440	4,440
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2014 INCLUDING INCOME FOR THE YEAR	**1,837**	**15,930**	**6,399**	**24,166**

(1) The 2014 dividend was paid in cash for €159 million and in Carrefour shares for €285 million resulting in the issuance of 10,929,717 new shares.

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, 2014 was €250 million.

Note 7 Provisions and impairment

			Reversals		
(in € millions)	January 1, 2014	Increases	Used	Unused	December 31, 2014
Provision for contingencies and charges					
Obligations to deliver shares		11			11
Pension obligations	17	6			23
Other (1)	453	50	(83)	(87)	333
Provisions for impairment					
On intangible assets (2)	2,280			(1,600)	680
On financial investments	1,960	36	(365)	(39)	1,592
On accounts receivable	185				185
Other (marketable securities)	8	24			32
TOTAL	**4,903**	**127**	**(448)**	**(1,726)**	**2,856**
Analysis					
Movements recorded in operating income and expense	36	14		(3)	47
Movement recorded in financial income and expense	2,347	113	(373)	(39)	2,048
Movement recorded in non-recurring income and expense	2,520		(75)	(1,684)	761
TOTAL	**4,903**	**127**	**(448)**	**(1,726)**	**2,856**

(1) Provisions for risks related to subsidiaries and affiliates and provisions for miscellaneous contingencies and litigations.
(2) The €1,600 million reversal corresponds to a Carrefour-Promodès merger deficit provision reversal.

6

Note 8 Change in financial liabilities

(in € millions)	2013	Increases	Decreases	2014	*o/w accrued interest*
Bonds	7,521	1,108	1,581	7,048	108
Bank borrowings	5,017	330	5,227	120	
TOTAL	**12,538**	**1,438**	**6,808**	**7,168**	**108**

MATURITIES OF LIABILITIES (EXCLUDING DIVIDENDS PAYABLE)

(in € millions)	Amount	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds	7,047	851	3,196	3,000
Bank borrowings	120	120		
Trade payables	21	21		
Accrued taxes and payroll costs	81	81		
Other miscellaneous liabilities (1)	7,714	7,714		
TOTAL	**14,983**	**8,787**	**3,196**	**3,000**

(1) Liabilities due within one year largely correspond to borrowings from subsidiaries and including €1,677 million related to the purchase price of Carrefour Finance shares.

Note 9 Related party transactions

Assets	
Financial investments	24,061
Accounts receivable	3,512
TOTAL ASSETS	**27,573**

Liabilities	
Financial liabilities	
Operating liabilities	2
Miscellaneous liabilities	7,684
TOTAL LIABILITIES	**7,686**

Expenses	
Operating expenses	(356)
Interest expense	(39)
Income tax	
TOTAL EXPENSES	**(395)**

Revenue	
Operating revenue	349
Dividend and interest income	1,583
Income tax benefit	332
TOTAL REVENUE	**2,264**

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	67	61
Forward purchases of Carrefour shares (1)	330	
Subsidiaries' tax losses utilized by Carrefour, SA	908	908
Rent guarantees (2)	235	235
Other guarantees given	131	
TOTAL	**1,672**	**1,204**
Commitments received		
Undrawn syndicated lines of credit (3)	4,449	
Rent guarantees (2)	235	235
TOTAL	**4,684**	**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 agreement. At December 31, 2010, 15,620,200 shares were available for purchase under the agreement at a price of €28.725 per share;*
- *in 2011, 2,196,200 shares were delivered for repurchase under the agreement and the forward price per share 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;*
- *in 2014, 3,939,973 shares were purchased at the price of €25.184;*
- *at December 31, 2014, 13,104,811 shares were available for purchase under the agreement at a price of €25.184 per share, representing a total commitment of €331 million.*

(2) Rent guarantees:
- *guarantees given or received under real estate leases. The guarantee corresponds to the future minimum payments due under non-cancellable real estate leases.*

(3) At December 31, 2014, the Group has three undraw syndicated lines of credit obtained from leading banks, for a total of €4,449 million expiring in 2017, 2018 and 2019.

NOTIONAL AMOUNT OF DERIVATIVE INSTRUMENTS BY MATURITY AT DECEMBER 31

(in € millions)	December 31, 2014	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2013	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	0	0	0	0	251	0	251	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	5 000	250	3 750	1 000	4 950	1 750	3 200	200
Purchased floors								
Notional amount	0	0	0	0	1 500	1 500	0	0

FAIR VALUE OF DERIVATIVE INSTRUMENTS AT DECEMBER 31

(in € millions)	December 31, 2014
Issuer swap (Carrefour variable rate borrower)	
Euribor/fixed rate	
Purchased interest rate options (caps)	

Note 11 Average number of employees

	2014
Managers	8
Supervisors	0
Administrative staff	0
Total	**8**

11.1 REMUNERATION

Statutory and discretionary profit-sharing plans have been set up by the Company for all employees with at least three months' service with the Carrefour group.

The amounts payable under these plans were as follows in 2014 and 2013:

(in €)	2014	2013
Discretionary profit shares paid in respect of the prior year and invested in the discretionary profit sharing fund	144,544	0
Statutory profit shares in respect of the prior year invested in the statutory profit-sharing fund	67,140	99,000

Details of management compensation are provided in the management report.

11.2 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 €23 million at December 31, 2014.

SUPPLEMENTARY PENSION PLAN

Unrecognized past service cost at December 31, 2014 amounted to €41 million. Unrecognized actuarial gains and losses totaled €48 million, after taking into account the effect of lower interest rates and higher taxes.

The total of €89 million is included in off-balance sheet commitments given by the Company (see Note 10).

Note 12 Taxes

UNRECOGNIZED DEFERRED TAXES

CHANGE IN UNRECOGNIZED DEFERRED TAXES

	December 31, 2013		Changes		December 31, 2014	
Permanent and temporary differences	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
1. Temporarily non-deductible expenses						
▪ Provisions for pension obligations	6		3		9	
▪ Provisions for impairment of receivables						
▪ Provisions for contingencies and charges						
▪ Other	8		(4)		4	
2. Temporarily non-taxable revenue						
▪ Capital gains on mergers and asset contributions qualifying for rollover relief		338		8		346
TOTAL	**14**	**338**	**(1)**	**(4)**	**13**	**346**

BREAKDOWN OF NET INCOME AND CORRESPONDING TAX

(in € millions)	Before tax	Tax	After tax
Recurring income before profit-sharing	1,816	321	2,137
Non-recurring income	2,386	(198)	2,188
Group relief		115	115
Book income	4,202	238	4,440

Note 13 Subsequent events

On January 22, 2015, the Group obtained a new €2,500 million five-year bank facility (expiring in January 2020) with two one-year extension options from a pool of 22 banks.

This facility replaces two existing facilities, for €1,591 million and €1,458 million, expiring in July 2017 and November 2018 respectively.

The operation contributed to the ongoing strategy to secure the Group's long-term financing sources by extending the average maturity of its facilities (from 3.4 years to 4.7 years at the end of January 2015), and reduce the related borrowing costs, while aligning their amount with the Group's needs.

On January 27, 2015, the Group carried out a new €750 million10.3-year 1.25% bond issue due June 2025. The issue's settlement date was February 3, 2015.

The issue has consolidated the Group's long-term financing, extended the average maturity of its bond debt (from 4.1 years to 4.7 years at the end of February 2015) and further reduced its borrowing costs.

No events have occurred since the year-end that would have a material impact on the Financial Statements.

Note 14 Subsidiaries and affiliates

FINANCIAL INFORMATION

Some information has not been provided because its disclosure would be seriously prejudicial to the Company's interests.

(in € millions)	Share capital	Reserves and retained earnings	% interest	Investment at cost	Investment net	Last published income	Last published revenue	Dividends received	Notes
A- Detailed information									
1. Subsidiaries (over 50% owned)									
France									
BOEDIM	75.9	26.5	100.00	76.9	76.9	24.6			
CARREFOUR BANQUE	100.0	475.2	60.83	124.4	124.4	46.2	397.7	13.0	(1)
CARREFOUR FRANCE	1,166.9	1,402.7	99.35	3,979.1	3,979.1	1,217.3	244	1,194.1	(1)
CRFP 4	20.2	2.1	100.00	20.5	20.5				
CRFP 8	3,381.5	167.9	74.76	2,528.0	2,528.0	206.3			
CRFP13	41.3	(3)	100.00	41.3	38.2	15.3			
GUYENNE ET GASCOGNE	106.4	187.1	100.00	427.7	427.7	77.3	556.2	160.0	(1)
HYPARLO	63.0	32.1	100.00	449.6	449.6	9.5	564.0	9.4	(1)
PRM	151.5	56.7	100.00	151.9	151.9	55.4			
Total				**7,799.4**	**7,796.4**	**1,651.7**	**1,761.9**	**1,376.6**	
International									
CARREFOUR ASIA	15.8	(56,1)	100.00	22.9	0.0				(1)
CARREFOUR NEDERLAND	2,813.3	1,021.1	100.00	3,603.1	3,603.1				(1)
NORFIN HOLDER	2.0	4,582.8	79.94	3,177.1	3,177.1			147.9	(1)
NORTHSHORE	6,334.1	0.4	99.99	6,334.1	6,334.1				(1)
Total				**13,137.2**	**13,114.3**			**147.9**	
2. Affiliates (10%-50% owned)									
France									
CARMA	23.27	51.13	50.0	44.0	44.0				(1)
CRFP14	985.99	985.97	34.87	343.84	343.84				
FINIFAC	3.7	93.7	49.32	18.0	18.0	11.4	18.7	5.4	(1)
Total				**405.8**	**405.8**	**11.4**	**18.7**	**5.4**	
International									
ATACADÃO	352.0	530.4	36.70	251.2	251.2				(1)
CARREFOUR FINANCE	9,244.5	(145.5)	25.00	1,667.7	1,667.7				(1)
CARREFOUR ITALIA	1,182.0	1,019.6	31.15	1,865.5	310.4				(1)
Total				**3,784.4**	**2,229.4**	**0**	**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				**46.7**	**43.7**			**23.5**	
Etranger				**248.1**	**241.9**			**14.3**	
2. Other participations									
France				**16.3**	**16.2**			**0.3**	
Etranger				**1.5**	**0.8**			**0.1**	
C- General information about investments									
French subsidiaries (total)				**7,846.1**	**7,840.1**			**1,400.1**	
International subsidiaries (total)				**13,385.3**	**13,358.2**			**162.2**	
French affiliates (total)				**422.1**	**422.1**			**5.8**	
International affiliates (total)				**3,785.9**	**2,230.2**			**0.1**	
TOTAL				**25,439.5**	**23,848.6**			**1,568.2**	

(1) The columns "Share capital", "Reserves and retained earnings", "Last published income" and "Last published revenue" correspond to information for 2013, because the 2014 figures are not yet available.

6

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 audit opinion on the annual 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 annual 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.

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, 2014, 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, 2014, 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 in several 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, composed mainly of goodwill ("*Malis de fusion*") 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 or on future cash flows.

We assessed the information and assumptions on which the calculations of values in use are based, in particular cash flow forecasts prepared by your Company's Management. We have reviewed the calculations performed by your Company; we have compared previous periods' accounting estimates with actual results and reviewed Management's approval process of these estimates. We remind however that, since these estimates are based on forecasts which by nature are uncertain, the actual results may differ, sometimes significantly, from the current estimates.

These assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by French law.

We have nothing to report on the fair presentation and consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to shareholders regarding the financial position and the annual financial statements.

With regard to the information provided in accordance with article L. 225-102-1 of the French Commercial Code on remunerations and benefits received by corporate officers, as well as any other commitments granted in their favor, we have verified their consistency with the financial statements or with the underlying information used to prepare the financial statements and, where necessary, with the information collected by your Company from companies controlling or controlled by your Company. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the management report provides you with all the required information relating to the acquisition of investments and controlling stakes and the identity of the shareholders and holders of the voting rights.

The Statutory Auditors

Paris-La Défense and Neuilly-sur-Seine, April 24, 2015

French original signed by

MAZARS	KPMG Audit Department of KPMG S.A.	DELOITTE & ASSOCIÉS
Pierre Sardet	Eric Ropert Patrick-Hubert Petit	Arnaud de Planta

INFORMATION ABOUT THE COMPANY AND THE CAPITAL

7

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 July 28, 2008, the Company adopted the form of public limited company (*société anonyme*) with a Board of Directors. 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 by-laws

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;
- 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 70 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 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 the age of 70.

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 by-laws 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

Capital increase

The Ordinary and Extraordinary General Shareholders' Meeting of April 15, 2014, 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 €27,324,292.50 through the creation of 10,929,717 new Company shares, which were fully paid up as of their issue, carry dividend rights as of January 1, 2014 and rank *pari passu* with the other shares in the Company's share capital.

Following this increase, the share capital amounts to €1,837,284,772.50 (one thousand and eight hundred thirty-seven million, two hundred eighty-four thousand, seven hundred seventy-two euros fifty cents). 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			
■ Shares	€90 million	26 months	June 23, 2015
■ Other marketable securities	€720 million	26 months	June 23, 2015

CHANGE IN THE COMPANY'S CAPITAL

Event	Change in the number of shares	Capital *(in €)*
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**
Capital increase resulting from the option to pay the dividend in shares	14,769,539	
Position at December 31, 2014	**734,913,909**	**1,837,284,772.50**

7.2.3 Treasury shares buybacks

TREASURY SHARES

At December 31, 2014, the Company held 10,281,473 treasury shares (1,40% of capital).

The market value of Carrefour shares held based on the final quoted price for 2014 of €25.30, was €260 million.

March 23, 2015, Carrefour announces the successful completion of the disposal of 12.7 million treasury shares, representing about 1.73% of its share capital.

The share disposal was carried through a private placement by way of an accelerated bookbuilding at a price of 31 euros per share, for a total amount of 393.7 million euros.

Of the 12.7 million treasury shares sold, 9.3 million shares were directly owned by Carrefour and 3.4 million shares were indirectly owned through an equity swap. These shares correspond to the excess coverage of Carrefour's obligations under stock option plans and free share allotments.

None of the Issuer's subsidiaries held Carrefour company shares.

SHARE BUYBACK

The Ordinary and Extraordinary General Shareholders' Meeting held on April 15, 2014, deliberating pursuant to Article L. 225-209 of the French Commercial Code, 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 thirteenth 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

   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: € 100,000,000.

   Under the liquidity agreement, the Company purchased 20,580,537 shares at an average price of €25.96 and sold 20,000,537 shares at an average price of €25.79. At December 31, 2014, the Company held 580,000 shares;
2. Hedging of share purchase option plans

   Under the forward purchase contract implemented on June 15, 2009, the Company acquired 3,939,973 shares at a price of €25.184 per share on May 15, 2014 for a total price of €99,224,280;
3. Cancellation

   In 2014, the Company did not cancel any shares.

DESCRIPTION OF THE SHARE BUYBACK PROGRAMME APPROVED BY THE SHAREHOLDERS AT THE SHAREHOLDERS' MEETING OF APRIL 15, 2014

1. date of the Shareholders' Meeting that approved the share buyback programme and implementation decision:

   Approval of the programme: Shareholders' Meeting of April 15, 2014.

   Implementation decision: Board of Directors' meeting of April 15, 2014;
2. number of shares and percentage of capital held directly or indirectly by the issuer:

   At March 31, 2014, the Company held 6,078,894 treasury stocks, *i.e.* 0.84% 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,

7

- 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 15, 2014 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 €45 and the maximum number of shares that may be purchased is 65,649,919 (*i.e.* approximately 10% of the capital at December 31, 2013). The total amount that the Company may use to buy back its own shares may not exceed €2,954,246,355.

   Given that the Company already held 6,078,894 treasury stock at March 31, 2014, *i.e.* 0.84% of share capital as of that date, the maximum number of shares that may be purchased under this authorization is 65,649,919;

6. term of the buyback programme:

   18 months from April 15, 2014 pursuant to the authorization granted at the Shareholders' Meeting of April 15, 2014, *i.e.* until October 15, 2015;

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 April 23, 2013	6,147,949/0.87%
Number of shares cancelled over the past 24 months	
Number of shares held at March 31, 2014 *(in shares + as a percentage)*	6,078,894/0.84%
Gross book value of the portfolio	174,780,218
Market value of the portfolio	170,786,527

	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	4,128,000	197,055				
Average maximum maturity			1,200 days	546 days		
Average transaction price	26.36	24.13				
Average exercise price			29.91	25.184		
Amount	108,814,080	101,274,937				

2014 ALLOCATION OF OPTIONS

No options were granted in 2014.

7.3 Shareholders

7.3.1 Principal shareholders

At December 31, 2014, the share capital was €1,837,284,772.50 (one thousand and eight hundred thirthy seven million, two hundred eighty-four thousand, seven hundred seventy-two euros and fifty cents). It is divided into 734,913,909 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 2014, 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, 2014 was 830,549,897. After deducting the voting rights that cannot be exercised from this figure, the total number of voting rights is 820,268,424.

CAPITAL (AT DECEMBER 31, 2014)

Shareholders	Number of shares	*As a %*	Number of ordinary voting rights	*As a %*	Number of extraordinary voting rights	*As a %*
Blue Partners (1)	41,383,842	5.63%	67,337,115	8.11%	67,337,115	8.11%
ColDevelopment SARL	1,250,000	0.17%	1,250,000	0.15%	1,250,000	0.15%
Cervinia Europe	38,046,501	5.18%	69,546,501	8.37%	69,546,501	8.37%
Groupe Arnault SAS (2)	2,656,752	0.36%	2,656,752	0.32%	2,656,752	0.32%
Bunt (3)	25,388,570	3.45%	25,388,570	3.06%	25,388,570	3.06%
Subtotal	**108,725,665**	**14.79%**	**166,178,938**	**20.01%**	**166,178,938**	**20.01%**
Galfa (4)	69,817,000	9.50%	69,817,000	8.41%	69,817,000	8.41%
Employee	7,783,462	1.06%	15,531,062	1.87%	15,531,062	1.87%
Shares owned	10,281,473	1.40%				
Controlled shares						
Public	538,306,309	73.25%	579,022,897	69.72%	579,022,897	69.72%
TOTAL	**734,913,909**	**100.00%**	**830,549,897**	**100.00%**	**830,549,897**	**100.00%**

(1) Of which 5,000,000 lent by Blue Partners with right of recall at its sole initiative by virtue of L. 233-9 I, 9° of the Commercial Cod.
(2) Held through assimilation of Carrefour shares that can be acquired under a call option.
(3) Of which 24,999,996 shares held through assimilation of Carrefour shares that can be acquired under a call option.
(4) Of which 14,316,725 shares via equity swap.

At December 31, 2014, Blue Partners and Cervinia Europe owned 57,453,273 shares granting double voting rights.

CARREFOUR SHAREHOLDER AGREEMENT

There is no shareholder agreement at Carrefour.

As a reminder, the breakdown of capital and voting rights at December 31, 2013 and December 31, 2012 was as follows:

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 (1)	15,166,771	2.09%	15,166,771	1.85%	15,166,771	1.85%
ColDevelopment SARL (2)	1,337,001	0.18%	1,337,001	0.16%	1,337,001	0.16%
Blue AIV SARL (3)	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 (4)	2,656,752	0.37%	2,656,752	0.32%	2,656,752	0.32%
Bunt (5)	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%**

(1) Held through assimilation of 15,166,769 Carrefour shares lent by Colony Blue Investor SARL with right of recall at its sole initiative.
(2) 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.
(3) Held through assimilation of 176,691 Carrefour shares lent by Blue AIV SARL with right of recall at its sole initiative.
(4) Held through assimilation of Carrefour shares that can be acquired under a call option.
(5) 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.

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 (1)	66,556,464	9.38%	130,604,274	16.23%	130,604,274	16.23%
Colony Blue Investor (2)	15,166,771	2.14%	15,166,771	1.88%	15,166,771	1.88%
CZ2 Blue SARL (3)	860,148	0.12%	860,148	0.11%	860,148	0.11%
Blue AIV SARL (4)	176,691	0.02%	176,691	0.02%	176,691	0.02%
Groupe Arnault SAS (5)	2,656,752	0.37%	2,656,752	0.33%	2,656,752	0.33%
Bunt (6)	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%**

(1) Of which 2,508,612 Carrefour shares held through assimilation under a call option.
(2) Held through assimilation of Carrefour shares lent by Colony Blue Investor SARL with right of recall at its sole initiative.
(3) Held through assimilation of the number of Carrefour shares resulting from the delta of cash-settled call options (at December 31, 2012).
(4) Held through assimilation of Carrefour shares that can be acquired by Blue AIV SARL under call options.
(5) Held through assimilation of Carrefour shares that can be acquired under a call option.
(6) 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.

EMPLOYEE SHAREHOLDING

At year-end, Group employees held 1.06% 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 2014 fiscal year, Blue Partners a private limited company formed under Luxembourg law whose head office is located at 121 Avenue de la Faïencerie, L-1511 Luxembourg, Grand Duchy of Luxembourg, acting in concert with the ColDevelopment a private limited company formed under Luxembourg law whose head office is located at 121 Avenue de la Faïencerie, L-1511 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 formed under French law whose head office is located at 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.

Galfa a simplified joint-stock company formed under French law whose head office is located at 27 rue de la chaussée d'Antin, 75009 Paris, France, held more than one-twentieth of the share capital and 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 243.

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.

The summary table of current delegations of authority and powers granted to the Board of Directors appears on page 239. Any delegation whose implementation is likely to frustrate the public offer is suspended during the public offer period.

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, 2014, Carrefour's share was in 24th position in the CAC 40 index in terms of market capitalisation, with a weighting of 1.85%.

The evolution of Carrefour's share price must be assessed over the long term, short terne changes do not always reflect the Group's fundamentals.

	2010 (2)	2011	2012	2013	2014
Closing price (in €) (1):					
highest	*41.28*	*36.08 (2) 31.52 (3)*	*19.63*	*29.02*	*29.20*
lowest	*30.85*	*15.07*	*13.07*	*18.90*	*22.09*
at December 31	*30.85*	*17.62*	*19.35*	*28.81*	*25.30*
Number of shares at December 31	*679,336,000*	*679,336,000*	*709,214,653*	*723,984,192*	*734,913,909*
Market capitalisation at December 31 (in € billions)	*21.00*	*12.00*	*13.70*	*20.90*	*18.60*
Average daily volume (1) (4)	*2,874,196*	*3,935,400 (2)*	*3,239,839*	*2,598,027*	*2,985,228*
Net income from recurring operations per share (in €)	*0.56*	*(3.35)*	*0.17*	*1.37*	*1.67*
Net dividend	*1.08*	*0.52*	*0.58*	*0.62*	*0.68 (5)*
Yield	*3.50%*	*2.95%*	*3.00%*	*2.15%*	*2.69%*

(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 June 11, 2015.

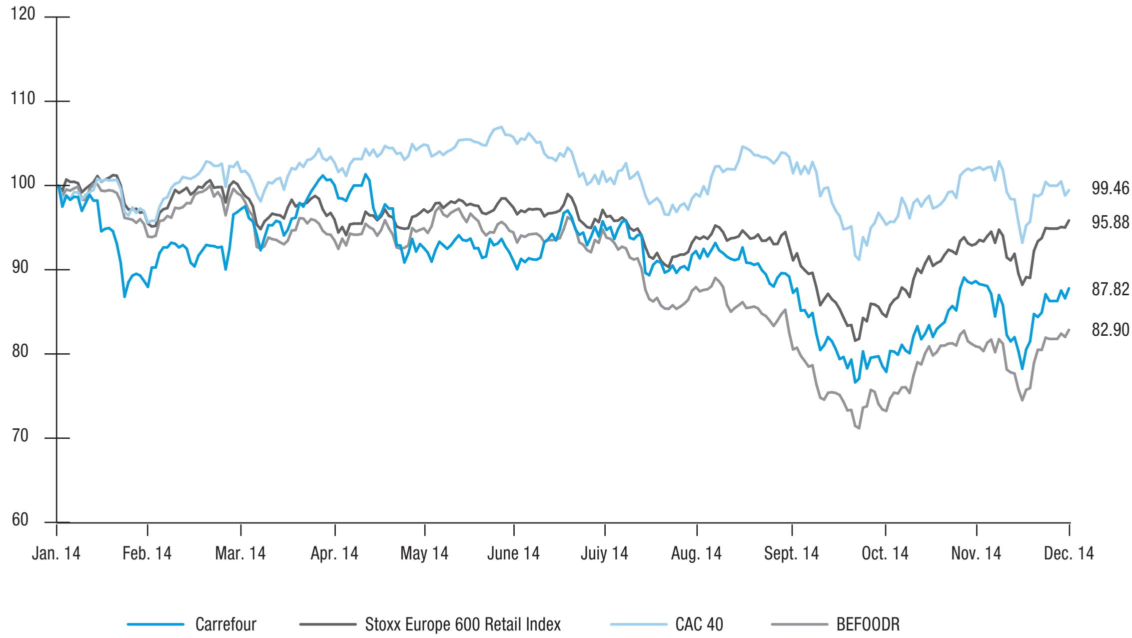
CARREFOUR SHARE PRICE IN 2014

	Highest *	Lowest *	Average closing price *	Number of shares traded	Capital *
January	28.97	24.85	27.21	70,044,370	1,878,446,906
February	27.07	25.11	26.50	63,147,447	1,667,346,982
March	28.50	25.95	27.46	75,452,710	2,065,852,609
April	29.57	27.55	28.56	73,050,866	2,090,341,205
May	27.40	25.93	26.73	62,804,159	1,673,786,083
June	27.49	25.87	26.58	49,287,483	1,310,140,287
July	28.26	25.75	27.25	55,368,253	1,508,859,341
August	26.98	25.13	26.25	61,743,852	1,614,423,622
September	26.80	24.20	25.64	49,974,920	1,278,136,522
October	24.51	21.42	22.98	86,797,168	1,992,534,874
November	25.88	23.07	24.39	49,013,579	1,195,723,649
December	25.56	22.25	24.38	64,665,014	1,559,324,023

Source: NYSE Euronext.
** In euros.*

CHANGE IN SHARE PRICE (BASE 100 AT JANUARY 1, 2014)

Carrefour share price in 2014 in relation to the CAC 40, BEFOODR[(1)] and STOXX Europe 600 Retail [(2)] indices.



Source Bloomberg.

(1) Composition of Bloomberg Europe Food Retailers (BEFOODR) index: Ahold, Carrefour, Casino, Colruyt, Delhaize, Dia, Ocado, ICA Gruppen, Sainsbury, Jeronimo Martins, Kesko OYJ, Metro, Morrison, Tesco.

(2) Composition of Stoxx Europe 600 Retail index: AA PLC, Ahold, Groupe Booker, Carrefour, Casino, 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, Sports Direct International, Tesco.

7

ADDITIONAL INFORMATION

8

8.1 Publicly available documents

Documents concerning the Company and, in particular, its by-laws, 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.*

8.2 Persons responsible for the Registration Document and annual financial report

Mr Georges Plassat, Chairman and Chief Executive Officer.

Mr Jérôme Bédier and Mr Pierre-Jean Sivignon, Deputy Executive Officers.

8.3 Certification by the persons responsible for the Registration Document and annual financial report

"We hereby certify, having taken all reasonable measures to this end, that the information contained in this Registration Document is, to the best of our knowledge, true and correct, and that there are no omissions that could alter its scope.

We hereby certify that, to the best of our 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.

We 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 the following observation on page 211:

"Without qualifying our opinion, we draw your attention to the matters set out in notes 1.2 and 4.1 to the consolidated financial statements which expose the first application as of January 1st, 2014 of standards IFRS 10, 11, 12 and IAS 28 revised and the early application as of January 1st, 2014 of the interpretation IFRIC 21 retrospectively."

April 24, 2015

Georges Plassat
Chairman and Chief Executive Officer

Mr Jérôme Bédier
Deputy Executive Officer

Mr Pierre-Jean Sivignon
Deputy Executive Officer

8.4 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

Signatory: Mr Arnaud de Planta

Date of initial appointment: Ordinary Shareholders' Meeting of April 15, 2003

Expiration of the current appointment during the Ordinary Shareholders' Meeting called to approve the Financial Statements for the fiscal year ended December 31, 2014.

◗ KPMG SA

3, Cours du Triangle, 92939 Paris la Défense Cedex, France

Signatories: Messrs Eric Ropert and Patrick-Hubert Petit

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

Signatory: Mr 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 2013-2014)

	DELOITTE & ASSOCIÉS				KPMG				MAZARS			
	Amount (in € thousands)		%		Amount (in € thousands)		%		Amount (in € thousands)		%	
Fiscal year	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Audit												
Audit of Financial Statements, certification, review of individual and Consolidated Financial Statements												
Issuer	367	343	12.33	11.12	702	778	7.32	7.38	348	426	13.25	16.21
Fully consolidated subsidiaries	1,888	1,851	63.42	60.00	7,689	8,731	80.13	82.77	2,037	1,827	77.54	69.52
Other work and services directly relating to the Statutory Auditors' assignment												
Issuer	0	98	0	3.18	74	144	0.77	1.37	94	104	3.58	3.96
Fully consolidated subsidiaries	21	33	0.70	1.07	661	594	6.89	5.63	52	193	1.98	7.34
Subtotal	2,276	2,325	76.45	75.37	9,126	10,247	95.10	97.15	2,531	2,550	96.35	97.03
Other services provided by the networks to fully consolidated subsidiaries												
Legal, fiscal, labour	495	722	16.63	23.40	236	98	2.46	0.93	0	0	0.00	0.00
Others	206	38	6.92	1.23	234	203	2.44	1.92	96	78	3.65	2.97
Subtotal	701	760	23.55	24.63	470	301	4.9	2.85	96	78	3.65	2.97
TOTAL	**2,977**	**3,085**	**100.00**	**100.00**	**9,596**	**10,548**	**100.00**	**100.00**	**2,627**	**2,628**	**100.00**	**100.00**

8.5 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, 2013: 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 24, 2014 under number D. 14-0191, on pages 133 to 221, 222 to 223, 225 to 243 and 244 to 245 respectively;
- 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;

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 8.1 – *Publicly available documents* of this Registration Document.

8.6 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	20 to 22
1.2		Disclosure 4 and 5	20 to 22
Company profile			
2.1		Disclosure 3	1 and 234
2.2		Disclosure 1	8 to 11
2.3		Disclosure 3	18
2.4		Disclosure 3	4th cover
2.5		Disclosure 3	1
2.6		Disclosure 3	232
2.7		Disclosure 3	1 and 8 to 14
2.8		Disclosure 3	1 and 4
2.9			7
2.10			36 -37 and 59
Report scope			
3.1		Disclosure 2	64 to 67
3.2		Disclosure 2	64 to 67
3.3		Disclosure 2	64 to 67
3.4		Disclosure 2	3rd cover
3.5		Disclosure 2	20 to 22
3.6		Disclosure 2	64 to 67
3.7		Disclosure 2	64 to 67
3.8		Disclosure 2	64 to 67
3.9		Disclosure 2	64 to 67
3.10		Disclosure 2	64 to 67
3.11			64 to 67
3.12			70 and 254 to 256
3.13		Disclosure 2	67
Governance			
4.1 - 4.7		General principle 6	20 to 25
4.8		General principles 7 and 6 Disclosure 5	24 and 25
4.9			25
4.11		Environment 3 and 4 Principle 7	44 à 46
4.12		General principles 7 and 8 Disclosure 2, 3, 5 and 12	24 and 25
4.13			23
4.14			23 and 61
4.15			23 and 61
4.16			23
4.17		Disclosure 5	23 and 24

GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the management report
Management and performance			
Finance			
Financial performance			
EC1		Disclosure 1 and 4a	61
EC2			22-24 and 39 to 42
Market presence			
EC6			49 to 51 and 55-56
EC7			27-37 to 55-56
Indirect economic impact			
EC8			56 to 58
Environment			
Materials			
EN1	Principle 8		38 to 44
EN2	Principle 8		38-39
Energy			
EN3	Principle 8		39 to 41
EN5	Principle 8		39 to 41
EN6	Principles 8 and 9	Environment 6.b	24 and 39 to 41
Water			
EN8	Principle 8		43
Biodiversity			
EN12	Principle 8		44 to 49
EN14	Principle 8		44 to 49
EN15	Principle 8		47-48
Emissions, effluents and waste			
EN16	Principle 8		40-41
EN17	Principle 8		42 and 62
EN18	Principles 8 and 9		38 to 44
EN22	Principle 8		38-39
Emissions, effluents and waste			
EN26	Principle 8		38 to 44
Transportation			
EN29	Principle 8		41-42
Labour relations			
Employment			
LA1			26 to 28
LA2			27
Workplace health and safety			
LA7			33
Training and education			
LA10		General principle 4	29-30
LA13			26-27 and 35-36

GRI reference G3.1	Principles of the Global Compact	Principles of the OECD	Pages of the management report
Human rights			
Investment and purchasing practices			
HR1	Principle 1	General principle 2	52-53
HR2	Principles 1 and 2	General principle 10	52-53
Child labour			
HR6	Principle 5	Employment and labour/ management relations 1.b	52-53
Society			
Communities			
SO9			52-53
SO10			52-53
Corruption			
SO4	Principle 10	Fight against corruption 1, 2, 3, 4 and 5	25
Public policies			
SO5			23
Product liability			
Consumer health and safety			
PR1		Consumer interests 1 and 6	44-45
Labelling of products and services			
PR5		Consumer interests 3	54

Article 225 Grenelle II law	Page of the management report
1° Labour information	
a) Employment: ▪ total workforce and breakdown of employees by gender, age and geographic region; ▪ new hires and redundancies; and ▪ salaries and changes.	26 to 28, 30-31 and 36
b) Work organisation: ▪ organisation of work schedules; and ▪ absenteeism.	28 and 32 to 34
c) Employee relations: ▪ Organisation of workplace dialogue, and specifically procedures for notifying, consulting and negotiating with employees; and ▪ overview of collective bargaining agreements.	31-32
d) Health and safety: ▪ workplace health and safety; ▪ overview of the agreements signed with trade unions or staff representatives regarding workplace health and safety; and ▪ workplace accidents, particularly their frequency and severity, as well as occupational illnesses.	32 to 34
e) Training: ▪ policies implemented with regard to training; and ▪ total number of training hours.	29-30
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; and ▪ anti-discrimination policy.	35 to 37

Article 225 Grenelle II law	Page of the management report
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; and ■ effective abolition of child labour.	24 and 52-53

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 to 22, 25 and 38
■ actions taken to train and educate employees regarding environmental protection;	92
■ resources devoted to environmental and pollution risk prevention; and	
■ 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; and ■ steps taken to reduce noise pollution and any other form of pollution specific to an activity.	38 to 44
c) Sustainable use of resources:	43
■ water consumption and water supply based on local requirements;	
■ consumption of raw materials and measures taken to use them more efficiently;	38-39 and 43 to 49
■ energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources; and	24 and 39 to 41
■ land use.	44
d) Climate change ■ greenhouse gas emissions; ■ adaptation to the consequences of climate change.	24 and 38 to 44
e) Biodiversity protection ■ measures taken to preserve and develop biodiversity.	44 to 49
3° Information regarding sustainable development commitments	
a) Local, economic and social impact of the Company's activity: ■ on regional employment and development; and ■ on nearby or local populations.	49 to 56
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; and	23
■ partnership and sponsorship activities.	56 to 58
c) Subcontracting and suppliers:	
■ attention to social and environmental concerns as a factor in the purchasing policy;	52-53
■ use of subcontracting and consideration of suppliers' and subcontractors' social and environmental responsibility in dealings with them.	51
d) Fair practices:	
■ actions taken to prevent corruption; and	24-25
■ measures taken to promote consumer health and safety.	44-45 and 54
e) Other actions taken pursuant to this Section 3 to promote human rights.	52-53

8

8.7 Registration Document concordance table

Appendix I Commission Regulation (EC) 809/2004	Page no.	Chapter no.
1/ Persons responsible		
1.1. Identity	250	8.2
1.2. Certification	250	8.3
2/ Statutory Auditors		
2.1. Identity	251	8.4
2.2. Change, if any:		N/A
3/ Selected financial information		
3.1. Historical financial information	5	1.1
3.2. Interim financial information		N/A
4/ Risk factors	92-99	3.5
5/ Information concerning the issuer		
5.1. Company history and development	16-17	1.6
5.2. Investments		
5.2.1. Main investments made for each fiscal year of the covered period	11-14, 116, 159-160, 200-201	1.3.4, 4.2.3, 5.6 (note 5), 5.6 (note 39)
5.2.2. Current main investments	11-14, 116, 159-160, 200-201	1.3.4, 4.2.3, 5.6 (note 5), 5.6 (note 39)
5.2.3. Coming main investments	118	4.3
6/ Business overview		
6.1. Principal activities	8-11	1.3.1, 1.3.2, 1.3.3
6.2. Principal markets	11-14	1.3.4
6.3. Exceptional events	6-7	1.2
6.4. Issuer's dependence	15	1.5
6.5. Competitive position	11-14	1.3.4
7/ Organisational chart		
7.1. Brief description of the Group	18	1.7
7.2. List of significant subsidiaries	204-210 230-231	5.6 (note 45) 6.4 (note 14)
8/ Real estate, plants and equipment		
8.1. Significant tangible fixed assets	15 171-174	1.4 5.6 (notes 18 and 19)
8.2. Environmental issues	38-44 44-49	2.2.2 2.2.3
9/ Review of financial situation and income		
9.1. Financial situation	115-117	4.2
9.2. Operating income	110-114	4.1

Appendix I Commission Regulation (EC) 809/2004	Page no.	Chapter no.
10/ Cash and cash equivalents and capital		
10.1. Information about capital	115 142 179 224-225	4.2.1 5.5 5.6 (note 27) 6.4 (note 6)
10.2. Cash flow	116-117 140-141	4.2.3 5.4
10.3. Borrowing terms and financing structure	115-116 117 189	4.2.2 4.2.4 5.6 (note 32)
10.4. Restrictions on the use of capital	117 179	4.2.5 5.6 (note 26)
10.5. Expected financing sources	117	4.2.6
11/ Research and development, patents and licences	129	4.6.5
12/ Information on trends		
12.1. Principal trends since the end of the last fiscal year	122	4.4.4
12.2. Events that could significantly impact future outlook	118	4.3
13/ Profit forecasts and estimates		N/A
14/ Administrative, management and supervisory bodies and general management		
14.1. Information concerning members	72 to 81	3.2.1
14.2. Conflicts of interest	73, 82	3.2.1, 3.2.2
15/ Remuneration and benefits		
15.1. Remuneration paid and benefits-in-kind	87 to 91	3.4
15.2. Provisions for pensions and retirement	88, 184-188	3.4.2, 5.6 (note 30)
16/ Operation of administrative and management bodies		
16.1. Date of expiration of appointments	72-81	3.2.1
16.2. Service contracts binding members of administrative, management and supervisory bodies	73	3.2.1
16.3. Information about the Board of Directors' committees	83-85	3.2.3
16.4. Compliance with the corporate governance system in force	72	3.1
17/ Employees		
17.1. Number of employees	26 to 37	2.2.1
17.2. Profit-sharing and stock options	90	3.4.3 and 7.2.3
17.3. Agreement on employee profit-sharing	31 90 243-244	2.2.1.2 3.4.3 7.3.1
18/ Principal shareholders		
18.1. Shareholders holding more than 5% of capital	243-244	7.3.1
18.2. Existence of different voting rights	238	7.1.4.5
18.3. Direct or indirect control		N/A
18.4. Agreement that could result in a change of control if implemented	243-245	7.3
19/ Transactions with related parties	129 202 130	4.6.4 5.6 (note 41) 4.6.7

Appendix I Commission Regulation (EC) 809/2004	Page no.	Chapter no.
20/ Financial information concerning the issuer's assets and liabilities, financial situation and results		
20.1. Historical financial information	135-210 213-231	5.6
20.2. Pro forma financial information		N/A
20.3. Financial statements	135-210 213-231	5.6
20.4. Verification of annual historical financial information	211-212 232-233	5.7 6.5
20.5. Date of most recent financial information	135-210 213-231	5 6
20.6. Interim financial information and other		4.5
20.7. Dividend distribution policy	128-129	4.6.3
20.8. Judicial and arbitration proceedings	188	5.6 (note 31)
20.9. Significant change in the financial or commercial situation	122 203	4.4.4 5.6 (note 43)
21/ Additional information		
21.1. Equity capital	239-241	7.2
21.2. Articles of incorporation and bylaws	236-238	7.1
22/ Key agreements		N/A
23/ Information from third parties, expert statements and declarations of interest		
23.1. Identity	68	2.3.4
23.2. Certification	68-69	2.3.4
24/ Publicly available documents	250	8.1
25/ Information about equity interests	204 230-231	5.6 (note 45) 6.4 (note 14)

8.8 Annual Financial Report concordance table

Sections of Article L. 451-1-2 of the French Monetary and Financial Code	Page no.	Chapter no.
1/ Management report		
Analysis of change in sales	110-114	4.1
Analysis of results	110-114	4.1
Analysis of financial situation	115-117	4.2
Principal risks and uncertainties	92-99	3.5
Capital structure and factors that could have an impact in case of a tender offer	239 243-245	7.2.1 7.3
Company buybacks of its own shares	241-242	7.2.3
2/ Consolidated Financial Statements	135-210	5
3/ Corporate financial statements	213-231	6
4/ Statutory Auditors' reports on the corporate and Consolidated Financial Statements	211-212 232-233	5 6
5/ Statutory Auditors' fees	252	8.4
6/ Chairman of the Board of Directors' report on governance and internal control	71-107	3
7/ Statutory Auditors' report on the Chairman of the Board of Directors' report on governance and internal control	108	3.7
8/ Declaration of the private individuals assuming responsibility for the annual financial report	250	8.3

8

8.9 Management Report concordance table

Reference texts			Page no.	Chapter no.
		Comment on the fiscal year		
French Commercial Code	L. 225-100, L. 225-100-2, L. 232-1, L. 233-6 and L. 233-26	Objective, comprehensive analysis of changes in the business, results and financial situation of the Company and of the Group	109-132	4
French Commercial Code	L. 225-100 and L. 225-100-2	Key non-financial performance indicators relating to the Company's specific activity	59-67	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	119-122	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	122	4.4.4
French Commercial Code	L. 232-1 and L. 233-26	Foreseeable change in the situation of the Company and of the Group	118	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	128-129	4.6.3
		Presentation of the Group		
French Commercial Code	L. 225-100 and L. 225-100-2	Description of the principal risks and uncertainties to which the Company is subject	92-99	3.5
French Commercial Code	L. 225-100 and L. 225-100-2	Use of financial instruments by the Company: financial risk management objectives and policy	95-97	3.5.1
French Commercial Code	L. 225-100 and L. 225-100-2	The Company's exposure to price, credit, liquidity and, cash flow risks	95-97	3.5.1
French Commercial Code	L. 225-102-1, L. 225-102-2 and R. 225-104	Social and environmental consequences of the business (including "Seveso" installations)	19-70	2
French Commercial Code	L. 232-1	Research and development activities	129	4.6.5
		Information regarding corporate governance		
French Commercial Code	L. 225-102-1	List of all corporate officers and duties they performed at any company during the fiscal year	73-81	3.2
French Commercial Code	L. 225-102-1	Total remuneration and benefits of any kind paid during the fiscal year to each corporate officer	87-91	3.4
French Commercial Code	L. 225-102-1	Commitments of any kind made by the Company in favour of its corporate officers relating to remuneration, compensation or benefits owed or likely to be owed due to the assumption or termination of or change in these duties or subsequent thereto	87-91	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	90	3.4.3
French Commercial Code	L. 225-185	Conditions under which options may be exercised and held by the executive directors		N/A
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	91	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	237-238	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	82-86 241-242	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	241-242	7.2.3
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	239	7.2.2
French Commercial Code	L. 225-100-3 and L. 233-13	Structure of and change in the Company's capital	239-240 243-245	7.2 7.3
French Commercial Code	L. 225-100-3	Restrictions pursuant to the bylaws on the exercise of voting rights and share transfers or contractual clauses brought to the Company's attention		N/A
French Commercial Code	L. 225-100-3	Direct or indirect interests in the Company's capital known to the Company	243-245	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	245	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	87-91	3.4
French Commercial Code	L. 464-2	Injunctions or financial penalties for anti-competitive practices		N/A
		Information related to the financial statements		
French Commercial Code	L. 232-6	Possible changes in the presentation of the financial statements and the valuation methods used		N/A
French Commercial Code	R. 225-102	Company earnings performance in the last five fiscal years	130	4.6.6

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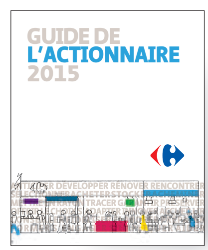

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Illustrations : Laurent Cillufo
Design and production: LABRADOR +33 (0)1 53 06 30 80

This document is printed in France by an Imprim'Vert certified printer on PEFC certified paper produced from sustainably managed forest.

www.carrefour.com
Société anonyme with capital of €1,837,284,772.50
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