

2008

FINANCIAL REPORT



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CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT REPORT

Accounting principles

The Carrefour Group's consolidated financial statements for fiscal year 2008 have been drawn up in accordance with IFRS international accounting standards.

The income statement as of 31 December 2007 is presented for the previous period.

Activity - results

In an environment marked by a sharp slowdown in food-price inflation and a steep decline in discretionary spending during the 4th quarter,

- Sales remained resilient (+6.4% at constant exchange rates, including 1.8% from acquisitions) thanks to sustained promotional efforts.
- The Activity contribution rose mainly due to our firm grip on operating costs.

■ Net income from recurring operations was affected by non-current expenses, which mainly include impairment charges and a tax provision of 126 million euros.

■ A strengthened balance sheet: free cash flow of 1.9 billion euros was generated via tight management of our merchandise cash flow and capital expenditures.

Main aggregate values from the income statement

(in millions of euros)	2008	2007	Change 2008/2007
Net sales	86,967	82,148	5.9%
Activity contribution	3,300	3,291	0.3%
Net income from recurring operations - Group share	1,256	1,868	(32.8%)
Net income from discontinued operations - Group share	16	431	-
Net income - Group share	1,272	2,299	(44.7%)

Sales

(in millions of euros)	2008	2007	Change 2008/2007	Change 2008/2007 at constant exchange rates
France	37,968	37,621	0.9%	0.9%
Europe (excluding France)	32,418	30,837	5.1%	5.4%
Latin America	10,505	8,211	27.9%	31.0%
Asia	6,076	5,480	10.9%	13.3%
Total	86,967	82,148	5.9%	6.4%

Net sales amounted to 86,967 million euros, up 6.4% as compared with 2007 sales at constant exchange rates. After the impact of exchange rates, sales increased by 5.9%.


Breakdown of net sales by business

As a %	2008	2007
Hypermarkets	62.0%	61.9%
Supermarkets	21.6%	21.5%
Hard-discount stores	11.1%	10.5%
Other stores	5.4%	6.0%
Total	100.0%	100.0%

Breakdown of net sales by geographic region

As a %	2008	2007
France	43.7%	45.8%
Europe (excluding France)	37.3%	37.5%
Latin America	12.1%	10.0%
Asia	7.0%	6.7%
Total	100.0%	100.0%

Activity contribution

(in millions of euros)	2008	2007	Change 2008/2007	Change 2008/2007 at constant exchange rates
France	1,510	1,556	(3.0%)	(3.0%)
Europe (excluding France)	1,153	1,216	(5.1%)	(4.7%)
Latin America	395	301	31.1%	33.5%
Asia	242	218	10.9%	14.1%
Total	3,300	3,291	0.3%	0.9%

The Activity contribution amounted to 3,300 million euros and represented 3.8% of our sales, against 4% in 2007. It increased by 0.3% compared with 2007. Increases in Latin America and Asia offset declines in France and in Europe.

Breakdown of Activity contribution by geographic region

As a %	2008	2007
France	45.8%	47.3%
Europe (excluding France)	35.0%	36.9%
Latin America	12.0%	9.1%
Asia	7.3%	6.6%
Total	100.0%	100.0%

■ Capital gains or losses from sales representing income of 276 million euros (mainly from the sale of land in Merter, Istanbul for 157 million euros).

■ A tax provision of (126) million euros.

■ Miscellaneous costs of (202) million euros.

EBIT

EBIT amounted to 2,776 million euros and represented 3.2% of our sales, against 4.1% in 2007. It fell by 16.8% compared to 2007.

EBIT by geographic region

As a %	2008	2007
France	41.9%	46.6%
Europe (excluding France)	35.9%	37.6%
Latin America	14.2%	9.5%
Asia	8.0%	6.3%
Total	100.0%	100.0%

Depreciation and provisions

Depreciation and provisions amounted to 1,861 million euros, representing 2.1% of sales.

Non-current income and expenses

Non-current expenses amounted to 524 million euros. Non-current income and expenses included:

■ Asset impairment charges of (396) million euros.

■ Cost of brand change and consolidation of (76) million euros.

Financial income (expense)

Financial expense amounted to 562 million euros, up by 6.9% as compared with 2007. It represented 0.6% of sales, a level equivalent to 2007.

Income tax

Effective income-tax expenses were 743 million euros in 2008. This represented 33.6% of income before taxes, against 28.7% in 2007. The effect of low taxation on capital gains from the sale of land in Merter (Istanbul) was more than offset by accounting for the tax provision, which was calculated net of tax, and by the impact of non-deductible impairments.

Consolidation by the equity method

Income from equity affiliates amounted to 52 million euros, 9 million euros higher than in 2007. This trend is mainly explained by income growth among subsidiaries in which the Group holds a minority interest.

Minority interests

Minority interests' share in income amounted to 267 million euros, representing an increase of 87 million euros over the previous year. This increase is mainly related to gains realized on the sale of land in Merter (Istanbul) and to income growth among subsidiaries where the Group works with partners.

Net income from recurring operations - Group share

This line amounted to 1,256 million euros, down 32.8% compared with net income from recurring operations - Group share 2007, which stood at 1,869 million euros.

Net income from discontinued operations - Group share

This line, which represented income of 16 million euros in the 2008 income statement, breaks down as follows:

- adjustment to the sale price of operations in Portugal for (30) million euros;
- income up to the date of final sale and income from the sale of operations in Switzerland for 12 million euros;
- income up to the date of final sale and income from the sale of operations in Slovakia for 23 million euros;
- the final impact of transactions for discontinued operations during prior fiscal years for 11 million euros.

Sale of Portuguese hypermarkets

On 27 July 2007, the Group announced the sale of its Portuguese subsidiary to Sonae Distribuição for an enterprise value of 662 million euros. This transaction was approved by Portuguese competition authorities on 31 December 2007. In 2008, the selling price was adjusted based on certain financial indicators on the transaction's final closing date.

Sale of operations in Switzerland

On 21 August 2007, Carrefour Group and Maus Frères announced the sale of their respective interests in Distributis AG to Coop for an enterprise value of approximately 330 million euros. This transaction was approved by Swiss competition authorities on 28 March 2008.

Sale of our operations in Slovakia

Following the Slovakian competition authorities' 29 December 2006 refusal to approve the sale of four Carrefour stores to Tesco, the Group looked for a new buyer. On 1 June 2007, the Group concluded an agreement with ICS and ECM Group NV to sell these stores, which will continue to be operated under the Carrefour banner. This transaction was approved by the Slovakian competition authorities in February 2008.

Cash flow and investments

Cash flow stood at 4,011 million euros and was stable overall compared to 2007.

Net investment for the year amounted to 2,412 million euros, against 3,337 million euros in 2007.

Tangible and intangible investment amounted to 2,918 million euros. Investment rose in Asia, Latin America and Eastern Europe.

Financial investment for 2008 represented 439 million euros.

Disposals that impacted our cash flow in 2008 amounted to 945 million euros.

Shareholders' equity

This amounted to 10,952 million euros as of 31 December 2008, against 11,770 million euros for the previous year.

Net debt

The Group's debt fell from 7,358 million euros at the end of 2007 to 6,652 million euros at the end of 2008.



FRANCE

The consolidated store network in France as of 31 December 2008 stood as follows:

Hypermarkets	Supermarkets	Hard-discount stores	Other stores	Total
203	590	842	9	1,644

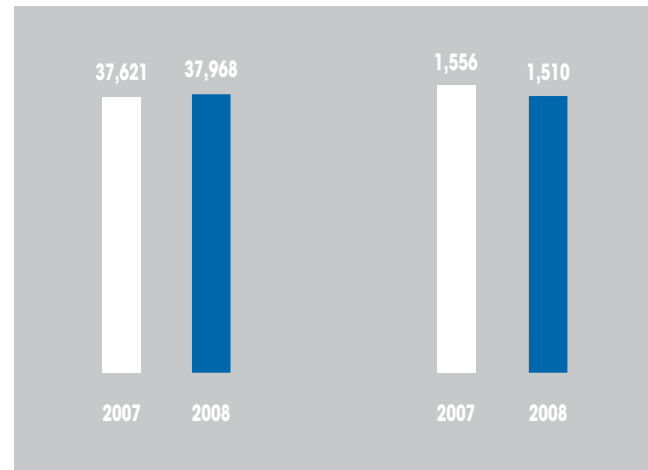
In 2008, the network expanded by 9 hypermarkets and 2 hard-discount stores. The number of supermarkets and cash & carry stores operated fell by 14 and 52 respectively.

Sales in France rose by 0.9%. Our French operations' supermarket and convenience formats saw solid performance. Hypermarkets saw their operations slow down, mainly due to drops in non-food sales and, in particular, discretionary products. At the end of 2008, 160 stores had changed over to the Carrefour Market banner and recorded strong sales gains.

Commercial margins fell slightly, reflecting a commitment to competitive pricing and promotions. Cost savings achieved during the second half of the year enabled the company to control its sales, general and administrative expenses. Overall, Activity contribution in France fell 3%, showing a net profit ratio of 4%, which was nearly stable compared with 2007 and amounted to 1,510 million euros.

Operational investment in France totalled 849 million euros, representing 2.2% of sales.

■ **Net Sales**
(in millions of euros) ■ **Activity Contribution**
(in millions of euros)



EUROPE (excluding France)

Europe's consolidated store network (excluding France) as of 31 December 2008 stood as follows:

Hypermarkets	Supermarkets	Hard-discount stores	Other stores	Total
437	974	3,038	236	4,685

The consolidated network expanded this year by 38 hypermarkets, 17 supermarkets and 10 convenience stores, and decreased by 98 hard-discount stores and 3 cash & carry stores.

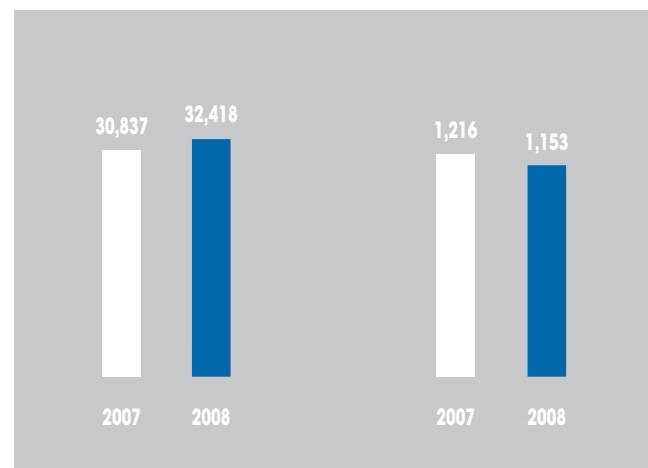
Sales in Europe increased by 5.4% at constant exchange rates, with sustained growth in Spain (+5.7%), Romania and Portugal. The entire region recorded a slowdown in sales over the year's last quarter, especially sales of discretionary products.

The gross margin from current operations in the region is stable overall as a ratio, with the drop in Spain offset by an increase in other countries. Cost savings did not fully offset the negative effect of the extremely sharp year-end slowdown in sales.

In total, the Activity contribution fell 5.1% to 1,153 million euros.

Operational investment in Europe totalled 1,134 million euros, representing 3.5% of sales.

■ **Net Sales**
(in millions of euros) ■ **Activity Contribution**
(in millions of euros)



LATIN AMERICA

The consolidated store network in Latin America as of 31 December 2008 stood as follows:

Hypermarkets	Supermarkets	Hard-discount stores	Other stores	Total
288	151	606	8	1,053

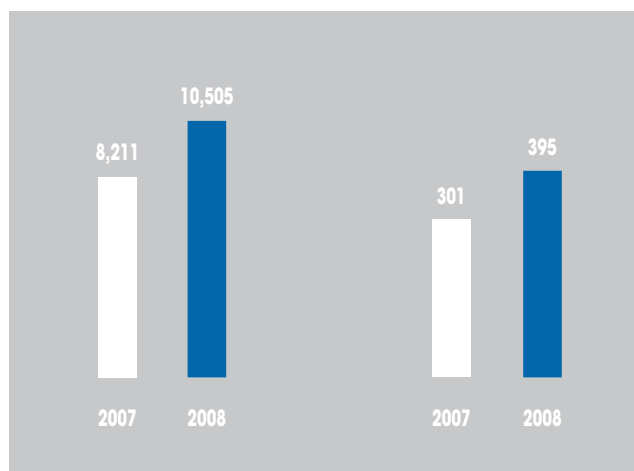
In 2008, the consolidated network expanded by 33 hypermarkets, 10 supermarkets, 34 hard-discount stores and 3 convenience stores.

Latin American activities recorded a significant rise in sales: +31% at constant exchange rates, of which 27.6% excluding acquisitions. Atacadão (Brazil) continued to show solid growth in sales throughout the year.

Gross margins from current operations moved forward more slowly than sales, indicating a slightly reduced ratio that mainly reflects the increasing proportion of sales coming from Atacadão. Cost controls led to a rise in the Activity contribution of 31.1% at 395 million euros, with a net-profit ratio of 3.8% (against 3.7% in 2007).

Operational investments totalled 577 million euros, representing 5.5% of sales.

■ Net Sales (in millions of euros) ■ Activity Contribution (in millions of euros)



ASIA

The consolidated store network in Asia as of 31 December 2008 stood as follows:

Hypermarkets	Supermarkets	Hard-discount stores	Other stores	Total
285	30	309	-	624

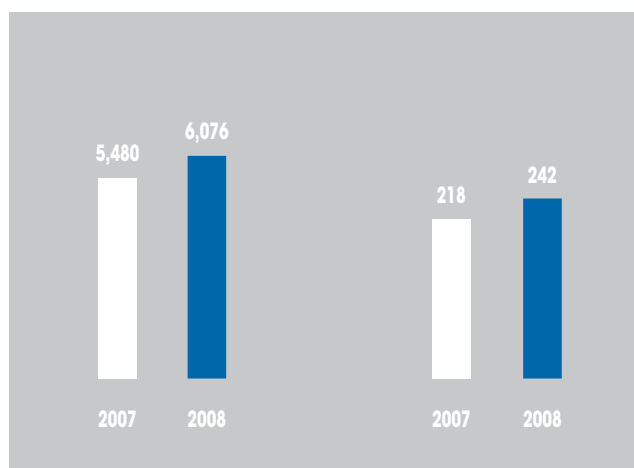
In 2008, the consolidated network expanded by 47 hypermarkets, 30 supermarkets and 34 hard-discount stores.

With sales up by 10.9% at current exchange rates (+13.3% at constant exchange rates), the year showed satisfactory results despite a sudden slowdown in most of the region's countries at the end of the year.

Gross margins from current operations fell slightly, affected by efforts aimed at greater price competitiveness. The cost ratio improved as compared with 2007. In total, the Activity contribution rose by 10.9% to 242 million euros.

Operational investment in Asia totalled 357 million euros, representing 5.9% of sales.

■ Net Sales (in millions of euros) ■ Activity Contribution (in millions of euros)





Objectives

A boost in sales and free cash-flow generation are Group priorities in 2009, thanks to:

- investment of 600 million euros to boost sales;

- operating cost savings of 500 million euros to enhance sales;

- increased discipline and selectivity in capital expenditures, capped at 2.5 billion euros.

Risk management

LITIGATION AND OTHER RISKS

The Group is subject to various litigation matters and disputes, which it nevertheless believes will not have a significant impact on its financial situation, business and/or results.

INSURANCE

Carrefour's insurance strategy is aimed at providing the best possible protection for people and property. To this end, the Group has implemented comprehensive, worldwide schemes (especially with regard to physical damage, civil liability, environmental issues and construction) that provide uniform coverage for all formats (integrated stores), wherever the stores are located (except in Brazil, for example, which does not allow this type of arrangement). Furthermore, the Group ensures that new acquisitions over the course of the year quickly obtain this across-the-board coverage, or, where applicable, benefit from its DIC/DIL ("difference in conditions/difference in limits") coverage policies.

Carrefour's insurance strategy identifies and assesses existing and emerging risks in close collaboration with operational managers and the various Carrefour Group departments involved, and puts in place preventive measures through a centralized policy that is mainly undertaken with insurers but is also conducted at local level thanks to connections in each country.

The Group transfers all the insurable risk it can identify to the insurance market.

Monitoring and management methods are regularly controlled and inspected by independent parties, including brokers and insurers, as well as via in-house means through Carrefour's Corporate Insurance department (part of the Group Legal department).

The following information is provided for information purposes only in order to illustrate the scope of action in 2008. This information should not be regarded as static, since the insurance market is changing. Indeed, the Group's insurance strategy depends on and adapts to market conditions, investments and the coverage available.

Furthermore, in order to optimize insurance costs and better manage risk, Carrefour has a policy for maintaining its frequency lines through its captive reinsurance company and, since 1 January 2005, through its own insurance company in Ireland, Carrefour Insurance Limited (accredited by the Irish authorities), whose results are consolidated in Group financial statements.

This direct-insurance company primarily covers property-damage and operating-loss risk for subsidiaries in Europe, in what is known as

'free service provision.' Subsidiaries outside the Europe zone are reinsured by the Group. A stop-loss provision per claim and per insurance year has been established in order to protect the captive company's interests and limit its commitments. Beyond a certain predefined limit, risk is transferred to the insurance market.

The same subscription strategy applies to civil liability risk, but only with regard to reinsurance. The captive reinsurance company's exposure is limited per claim and per insurance year. Anything beyond a certain exposure level is transferred to the traditional insurance market.

Damage to property and operating-loss coverage

The purpose of this insurance is to protect company assets.

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

Deductibles are established appropriately for the various store formats and countries. For certain formats, Carrefour has a self-insured retention policy adapted to well-targeted loss incidents.

The programme put in place by the Group offers a guarantee limit of 200 million euros per claim in direct damages and operating loss combined. This programme includes sub-limits, particularly with regard to natural disasters. Over the course of the year, certain sub-limits have been revised upwards.

Exclusions in force for this policy comply with market practices. The policy expiration date was changed to 1 July in place of 1 January.

Civil-liability coverage

This covers the financial consequences of Carrefour's civil liability in cases where the company is investigated and found liable regarding a loss suffered by a third party; the loss in question may have been caused by the Group either during operations or after delivery.

The majority of Carrefour Group sites are classified as places of assembly (in French, ERPs - Établissements Recevant du Public); as a result, risk exposure must be specially taken into account and requires great vigilance.

Deductibles vary from country to country. Exclusions in force in this contract comply with market practices and primarily concern certain substances recognized as being toxic, carcinogenic or the like.

Carrefour is covered regarding the risk of harming the environment as part of its comprehensive, worldwide civil-liability insurance programme.

Such risk requires a specially-designed approach due to conditions imposed by reinsurers, which offer more limited guarantees for gradual pollution risk.

Nevertheless, Carrefour has established specific coverage dedicated to this type of risk.

Special risks

This essentially translates into coverage for corporate officers. Coverage for such risk is adapted as closely as possible to Group exposure. Given the sensitive nature of such information, coverage amounts for the various policies remain confidential.

Construction coverage

This covers operators involved in construction as well as any consequences that may arise from their activities. The coverage amounts established are in line with market practices and the limits available on the insurance market for this type of risk.

Employee-benefit coverage

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

INDUSTRIAL AND ENVIRONMENTAL RISK

The Carrefour Group is strongly committed to a policy of environmental responsibility.

Since our business does not involve direct major environmental risk, we have identified the main environmental issues on which the Group has taken action:

- prevention of risk related to the operation of service stations (ground pollution, hydrocarbons);
- control over refrigerant and energy consumption;
- automobile pollution (car parks, distribution of less-polluting fuels);
- logistics involving atmospheric-emission reduction and research into less-polluting transport systems;
- control of nuisances (caused by noise and property maintenance) that affect local residents;
- natural resource management (fish stocks, wood etc.);
- reduction of packaging's environmental impact via eco-friendly packaging design and reduced packaging use;
- waste conversion and recycling;
- water management.

Costs incurred while reducing the environmental impact of our activities are partially included in the Sustainable Development department's operating costs and those of its counterparts in countries where we operate. The largest proportion, however, involves an operational share corresponding to amounts allocated to specific projects.

Indeed, environmental policies and risk management are inherent to and managed by each sector rather than involving the Sustainable Development department alone.



CONSOLIDATED FINANCIAL STATEMENTS

Income statement

Symbols: - expenses, + income

(in millions of euros)	Notes	31/12/2008	Change	31/12/2007
Net sales	4	86,966.8	5.9%	82,148.5
Other income	5	1,258.3	9.7%	1,147.2
Total income		88,225.2	5.9%	83,295.7
Cost of sales	6	(68,709.4)	6.3%	(64,609.4)
Gross margin from current operations		19,515.8	4.4%	18,686.3
Sales, general and administrative expenses	7	(14,354.7)	5.0%	(13,672.7)
Depreciation, amortization and provisions	8	(1,860.8)	8.0%	(1,722.5)
Activity contribution		3,300.3	0.3%	3,291.2
Non-recurring income and expenses	9	(524.3)	-	47.0
EBIT		2,775.9	(16.8%)	3,338.2
Financial income	10	(562.3)	6.9%	(526.1)
Income before taxes		2,213.6	(21.3%)	2,812.1
Income tax	11	(743.1)	(7.9%)	(806.9)
Net income from recurring operations of consolidated companies		1,470.5	(26.7%)	2,005.2
Net income from companies consolidated by the equity method		52.1	20.9%	43.1
Net income from recurring operations		1,522.6	(25.7%)	2,048.3
Net income from discontinued operations	12	16.2	(96.2%)	430.9
Total net income		1,538.8	(37.9%)	2,479.2
of which net income - Group share		1,271.8	(44.7%)	2,299.4
of which net income from recurring operations - Group share		1,255.6	(32.8%)	1,868.5
of which net income from discontinued operations - Group share		16.2	(96.2%)	430.9
of which net income - minority share		266.9	48.5%	179.8
	Notes	31/12/2008	Change	31/12/2007
Earnings per share from recurring operations (in euros, before dilution) - Group share	13	1.83	(31.5%)	2.67
Earnings per share from recurring operations (in euros, after dilution) - Group share	13	1.83	(31.5%)	2.67

Assets

(in millions of euros)

	Notes	31/12/2008	31/12/2007
Assets			
Goodwill	14	11,363	11,674
Other intangible fixed assets	14	1,055	1,173
Tangible fixed assets	15	14,809	14,751
Other non-current financial assets	16/24	1,312	1,119
Investments in companies accounted for by the equity method	16	429	436
Deferred tax on assets	17	672	944
Investment properties	18	346	500
Consumer credit from financial companies - long-term	24	2,097	1,959
Non-current assets		32,082	32,555
Inventories	19	6,891	6,867
Commercial receivables	20	2,919	3,424
Consumer credit from financial companies - short-term	24	2,708	2,713
Other current financial assets	21/24	245	-
Tax receivables		673	582
Other assets	22/23	1,096	956
Cash and cash equivalents	23	5,317	4,164
Current assets		19,850	18,707
Non-current assets held for sale ⁽¹⁾		150	669
Total assets		52,082	51,932

Liabilities

(in millions of euros)

	Notes	31/12/2008	31/12/2007
Liabilities			
Equity capital	25	1,762	1,762
Consolidated reserves (including income)		8,399	8,900
Shareholders' equity - Group share		10,161	10,663
Shareholders' equity - minority interests		791	1,107
Shareholders' equity		10,952	11,770
Borrowing - long-term	27	9,506	8,276
Provisions	26	2,320	2,147
Deferred tax liabilities	17	424	462
Consumer credit refinancing - long-term	27	451	430
Non-current liabilities		12,700	11,315
Borrowing - short-term	27	2,709	3,247
Trade payables	27	17,276	17,077
Consumer credit refinancing - short-term	27	4,044	3,989
Tax payables		1,467	1,193
Other liabilities	27	2,910	3,114
Current liabilities		28,405	28,620
Non-current liabilities held for sale ⁽¹⁾		25	227
Total liabilities		52,082	51,932

(1) Non-current assets and liabilities held for sale correspond:

a. In 2007, to assets and liabilities of operations in Switzerland and Slovakia, as well as certain assets in Belgium, Turkey and Poland, plus assets involving Dia Spain.

b. In 2008, to certain assets in Bulgaria, Turkey, Poland, plus assets involving Dia Spain.



Consolidated cash-flow statement

(in millions of euros)	31/12/2008	31/12/2007
Income before tax⁽¹⁾	2,214	2,812
Operating activities		
Tax	(624)	(660)
Provisions for amortization	1,946	1,790
Capital gains and losses on sale of assets	(219)	(139)
Changes in provisions and impairment	642	98
Dividends on companies accounted for by the equity method	50	7
Impact of discontinued activities	3	10
Cash flow from operations	4,011	3,918
Change in working capital	964	(88)
Impact of discontinued activities	22	40
Change in cash flow from operating activities (excluding financial companies)	4,997	3,869
Change in consumer credit commitments	(111)	43
Net cash from operating activities	4,887	3,912
Investment activities		
Acquisition of tangible and intangible fixed assets	(2,918)	(3,069)
Acquisition of financial assets	(143)	(101)
Acquisition of subsidiaries	(296)	(1,388)
Disposal of subsidiaries	191	684
Disposal of fixed assets	742	505
Disposal of investments	12	33
Investments net of disposals subtotal	(2,412)	(3,337)
Other uses	(166)	(48)
Impact of discontinued activities	(19)	(105)
Net cash from investment activities	(2,596)	(3,491)
Financing activities		
Proceeds on share issues	3	14
Dividends paid by Carrefour (parent company)	(740)	(722)
Dividends paid by consolidated companies to minority interests	(202)	(106)
Change in treasury stock and other instruments	(404)	(507)
Change in current financial assets	(232)	-
Change in borrowing	578	1,298
Impact of discontinued activities	(31)	68
Net cash from financing activities	(1,028)	46
Net change in cash and cash equivalents before currency impact	1,262	467
Impact of currency fluctuations	(110)	0
Net change in cash and cash equivalents after currency impact	1,153	467
Cash and cash equivalents at beginning of year	4,164	3,697
Cash and cash equivalents at end of year	5,317	4,164

(1) Including financial interest on 500 million euros as of 31 December 2008 and 474 million euros as of 31 December 2007.

Change in consolidated shareholders' equity before allocation of income

	Capital	Reserves relating to changes in treasury stock	Currency translation adjustment - Group share	Reserves for fair-value changes in financial instruments**	Other reserves and income	Shareholders' equity - Group share	Minority interests	Total shareholders' equity
(In millions of euros)								
Shareholders' equity as of 31/12/06 before allocation	1,762	(36)	370	7	7,382	9,486	1,017	10,503
Foreign currency translation adjustment			64			64	3	66
Change in fair value of financial instruments				(15)		(15)	(2)	(17)
Treasury stock*					(437)	(437)		(437)
Income and expenses recorded directly as shareholders' equity as of 31/12/07		0	64	(15)	(437)	(388)	0	(388)
Income 2007					2,299	2,299	180	2,479
Total income and expenses recorded for 2007		0	64	(15)	1,862	1,911	180	2,091
Dividends 2006					(722)	(722)	(99)	(821)
Change in capital and premiums						0	14	14
Impact of changes in consolidation scope and other movements					(12)	(12)	(6)	(18)
Shareholders' equity as of 31/12/07 before allocation	1,762	(36)	434	(8)	8,510	10,663	1,107	11,770
Foreign currency translation adjustment			(781)			(781)	(47)	(828)
Change in fair value of financial instruments				(25)		(25)	(14)	(39)
Treasury stock*					(220)	(220)		(220)
Income and expenses recorded directly as shareholders' equity as of 31/12/08		0	(781)	(25)	(220)	(1,025)	(61)	(1,087)
Income 2008					1,272	1,272	267	1,539
Total income and expenses recorded for 2008		0	(781)	(25)	1,052	246	206	452
Dividends 2007					(740)	(740)	(187)	(927)
Change in capital and premiums						0	3	3
Impact of changes in consolidation scope and other movements					(8)	(8)	(338)	(346)
Shareholders' equity as of 31/12/08 before allocation	1,762	(36)	(347)	(33)	8,814	10,161	791	10,952

* This line groups together the impact of treasury share movements and the application of IRFS 2 (see Note 1, "Treasury Shares" and "Employee benefits - share-based payments").

** This item groups together the hedging reserve, which includes the effective portion of the change in fair value of cash-flow hedges, and the fair-value reserve, which includes the change in fair value of financial assets available for sale.



NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

The summary statements concern the financial statements drawn up in accordance with IFRS standards as of 31 December 2008 and 31 December 2007. The 2006 financial statements included in the Reference Document filed with the AMF on 24 April 2007 are incorporated by way of reference.

Note 1: Accounting principles

The Carrefour Group's consolidated financial statements were drawn up in euros, the company's functional currency, in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union.

The consolidated financial statements as of 31 December 2008 were adopted by the Board of Directors on 10 March 2009.

These statements were drawn up on the basis of historic cost, with the exception of certain assets and liabilities stated in accordance with IAS standards 32 and 39, pertaining to financial instruments. The asset and liability categories concerned are described, where applicable, in the corresponding notes below.

Non-current assets and groups of assets held for sale are valued at their book value or fair market value minus sale costs, whichever is lower.

Preparation of the consolidated financial statements involves the consideration of estimates and assumptions made by Group management. This may affect the book value of certain asset and liability items, income, and expenses, as well as information provided in the notes to the financial statements. Group management reviews its estimates and assumptions regularly in order to ensure their relevance to past experience and the current economic situation. The consolidated financial statements for the fiscal year were thus drawn up to take into account the current economic and financial crisis, and were based on the financial market criteria available on the balance-sheet date. The immediate effects of the crisis were taken into account in the changes to assets and liabilities. Depending on changes in these assumptions, items appearing in future financial statements may be different from current estimates.

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

NEW STANDARDS AND INTERPRETATIONS APPLICABLE IN 2008

IFRIC Interpretation 11 (IFRS 2 Group and Treasury Share Transactions) provides further information on the reporting rules for shares held in treasury as equity instruments or as cash instruments, as well as intragroup share-based payment arrangements. Application of this standard since 1 January 2008 has not had a significant impact on the Group's financial statements.

IFRIC Interpretation 14 (IAS 19 - Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) sets forth valuation and reporting rules for assets in the event that a defined benefit asset regime is overfinanced. Application of this standard since 1 January 2008 has not had a significant impact on the Group's financial statements.

The amendments to IAS 39 (Financial Instruments: Recognition and Measurement) and IFRS 7 (Financial Instruments: Disclosures) allows the reclassification of certain financial instruments. The Group has not reclassified any financial assets.

NEW STANDARDS AND INTERPRETATIONS FOR SUBSEQUENT APPLICATION

The standards, amendments and interpretations existing as of 31 December 2008 and applicable by the Group as of 1 January 2009 were not applied in advance by the Group.

The Group is currently conducting studies in order to measure the possible effect of their application on the financial statements.

The revision of IAS 1R (Presentation of Financial Statements) modifies the structure of financial statements mainly by limiting the statement of changes in shareholders' equity only to transactions with shareholders, whereas all other current components will be included in a statement of comprehensive income, either in one single statement or in two statements. This standard is applicable as of 1 January 2009.

IFRS 8 (Operating Segments) requires the presentation of segment information, which serves as the basis for management decisions about the direction of the company. Application of IFRS 8 is mandatory as of 1 January 2009. The Group is currently conducting studies on the impact of its application.

The amendment to IAS 23R (Amendment Related to Borrowing Costs) specifies the conditions for capitalization of borrowing costs. IAS 23R was not mandatory as of 31 December 2008 and was not applied in advance. The Group does not expect this amendment to have any significant effect.

IFRIC Interpretation 13 (Customer Loyalty Programmes) specifies the valuation and reporting methods for benefits granted to customers in the scope of a customer loyalty programme. Application of IFRIC 13 is mandatory as of 1 January 2009. The Group is currently conducting studies on the impact of its application.

IFRIC Interpretation 15 (Agreements on the Construction of Real Estate) applies to the accounting for revenue under construction agreements (mainly real-estate development). Application of IFRIC 15 is mandatory as of 1 January 2009. The Group is currently conducting studies on the impact of its application. The revision of

IFRS 3, amendments to IAS 27, IAS 32, IAS 1, IFRS 2 and IAS 39, and IFRIC Interpretations 12, 16, 17 and 18 were not applied in advance.

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

SCOPE/METHOD OF CONSOLIDATION

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

When Carrefour has no significant influence or joint control over the operational or financial decisions of the companies in which it owns securities, these are held as other non-current financial assets. These securities may, where appropriate, be subject to a provision for amortization. The method of amortization is presented in the section on "Financial assets".

The Group does not have any ad-hoc entities.

SEGMENT-BASED INFORMATION

The Carrefour Group is organized by geographic region (France, Europe excluding France, Asia and Latin America) in the first level of segment-based information, and is then organized according to the following store formats: hypermarkets, supermarkets, hard-discount stores and other formats (convenience, cash & carry, financial companies etc.), which constitute the second level of segment-based information.

Accounting principles used for segment-based information are identical to those applied to draw up the consolidated financial statements.

BUSINESS COMBINATIONS

The Group has chosen the option offered by IFRS 1 that does not require restatement of business combinations prior to 1 January 2004 in accordance with IFRS 3.

As of 1 January 2004, all business combinations are entered in the accounts by applying the purchase method. The difference between the purchase cost, which includes expenses directly attributable to the acquisition, and the fair value of assets acquired, net of liability and any liability assumed within the context of the grouping, is shown as goodwill.

Negative goodwill resulting from the acquisition is immediately recognized in the income statement.

Subsequent acquisitions after control is assumed are subject to an additional calculation of goodwill without reassessment of subsidiaries' assets and liabilities.

For companies acquired during the course of the fiscal year and equity-interest increases, only income for the period after the acquisition date is shown in the consolidated income statement.

For companies disposed of during the course of the fiscal year, only income for the period prior to the disposal date is shown in the consolidated income statement.

CONVERSION OF FOREIGN COMPANIES' FINANCIAL STATEMENTS

For companies operating in countries with high inflation rates:

- fixed assets, equity investments, shareholders' equity and other non-monetary items are revalued based on the reduction in the general purchasing power of the local currency during the fiscal year; these items are restated by means of a relevant price index as of the balance-sheet date;
- all balance-sheet items, with the exception of the Group share of shareholders' equity, are then converted into euros on the basis of exchange rates in effect at the end of the fiscal year;
- with respect to the Group share of shareholders' equity, the opening balance is carried forward at its value in euros at the end of the previous fiscal year; other movements are converted at current foreign-currency exchange rates. The difference in euros thus created between assets and liabilities in the balance sheet is recorded in a foreign-currency translation adjustment account included under "Shareholders' equity – Group share";
- the income statement in local currency is adjusted for the effects of inflation between the date of transactions and end of the fiscal year. All items are then converted based on the exchange rates in effect at year-end.

There were no countries with high inflation rates in 2007 and 2008.

For other companies:

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

CONVERSION RATE ADJUSTMENT FOR FOREIGN COMPANIES

In accordance with the option offered under IFRS 1, the Group has chosen to restate the translation adjustments accumulated at 1 January 2004 under "Consolidated reserves". This option has no impact on the Group's total shareholders' equity; it involves a reclassification within shareholders' equity from the "Translation adjustments" entry to the "Other reserves" entry totalling 3,236 million euros.

FIXED ASSETS

1) Goodwill

In accordance with IFRS 3, goodwill has not been amortized since 1 January 2004. Instead, goodwill is subject to an impairment test during the second half of the year.

Methods of depreciation are described in the paragraph, "Impairment tests".



2) Intangible fixed assets

Other intangible fixed assets basically correspond to software programs that are depreciated over a period ranging from one to five years.

3) Tangible fixed assets

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

The cost of borrowing is not included in the acquisition price of fixed assets.

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

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

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

■ Construction:	
• Buildings	40 years
• Grounds	10 years
• Car parks	6-and-two-thirds years
■ Equipment, fixtures, fittings and installations	6-and-two-thirds years to 8 years
■ Other fixed assets	4 to 10 years

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

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

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

4) Impairment tests

In accordance with IAS 36 (Impairment of Assets), when events or changes in the market environment indicate the risk of a loss in value regarding individual assets and cash-generating units (CGUs), these are the subject of a detailed review in order to determine whether the net book value is lower than their recoverable value, defined as their fair value (minus disposal cost) or their useful value, whichever is higher. The useful value is determined by discounting future cash flow expected from use of the asset.

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

These impairment tests are performed for all fixed assets on an annual basis.

IMPAIRMENT OF GOODWILL

IAS 36 (Impairment of Assets) stipulates that an impairment test must be performed annually for each CGU to which goodwill has been allocated.

The level of analysis at which Carrefour appraises the present value of goodwill corresponds to countries or to operations per country.

As stipulated in IAS 36, goodwill must be allocated to each CGU or to each group of CGUs that may benefit from the synergies of the combined companies. Each unit or group of units to which goodwill is allocated must represent the lowest level within the entity at which goodwill is monitored for internal management purposes, and must not be larger than a segment based on either the entity's primary or secondary reporting format, determined in accordance with IAS 14 (Activity or Geographic Region).

The useful value is estimated by discounting future cash flow over a period of five years with determination of a final value calculated by discounting the fifth-year figures at the perpetual rate of growth to infinity and the use of a discount rate specific to each country.

The specific discount rate for each country is obtained by adding the inflation differential and a risk premium to the average cost of unleveraged capital for France. This refers to the difference between the cost of the five-year credit default swap (CDS) applicable to countries where the Group operates and those that apply in France.

These discount rates, which are subject to validation by Group management, ranged between 7.7% and 20.8% for the 2008 fiscal year. They break down as follows, depending on the country:

- France: 7.7%
- Europe: between 8.2% and 16.7%
- Latin America: between 11.0% and 20.8%
- Asia: between 8.1% and 16.0%

IMPAIRMENT OF OTHER INTANGIBLE AND TANGIBLE FIXED ASSETS

In accordance with IAS 36, tangible fixed assets that show identifiable signs of a loss in value (for example, a negative Activity contribution) are subjected to a detailed review to determine whether their net book value is lower than their recoverable value, this being their market value or useful value, whichever is higher.

Useful value is estimated by discounting future cash flow over a period of five years plus a residual value. Market value is assessed with regard to recent transactions and professional practices.

Discount rates used are the same as for impairment testing of goodwill.

FINANCIAL ASSETS

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

- financial assets measured at fair value through the income statement, including derivatives;
- loans and receivables;

■ assets held to maturity;

■ assets available for sale.

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

1) Financial assets reported at fair value in the income statement

These are financial assets held by the Group in order to make a short-term profit on the sale, or financial assets voluntarily classified in this category.

These assets are valued at their fair value with variations in value recognized in the income statement.

Classified as current assets in the cash-flow equivalents, these financial instruments include, in particular, UCITS cash shares.

2) Loans and receivables

Loans and receivables are financial assets, whose payment is fixed or can be determined, which are not listed on an active market and are neither held for trading purposes nor available for sale.

These assets are initially valued at amortized cost on the basis of the effective-rate-of-interest method. For short-term receivables without a declared rate of interest, the fair value will be the same as the amount on the original invoice, unless the effective interest rate has a significant impact.

These assets are subject to impairment testing when there is evidence that they have diminished in value. An impairment loss is recognized if the book value is higher than the estimated recoverable value.

Debts pertaining to equity interests, other debts and receivables and commercial receivables are included in this category. They appear as financial assets and commercial receivables.

3) Assets held to maturity

Assets held to maturity are financial assets, other than loans and receivables, whose payments are determined or can be determined and which the Group has the intention and capacity of holding until this maturity date. These assets are initially booked at fair value and then at their amortized cost on the basis of the effective-rate-of-interest method.

They are subject to impairment testing when there is evidence that they have diminished in value. An impairment loss is recognized if the book value is higher than the estimated recoverable value.

Assets held to maturity are recognized as financial assets.

4) Assets available for sale

Assets available for sale are financial assets that do not belong to the aforementioned categories. They are valued at fair value. Unrealized capital gains or losses are recorded as shareholders' equity until they are sold. When, however, there is an objective indication of the impairment of an asset available for sale, the accumulated loss is recognized in the income statement. Impairment losses recorded on variable-income securities cannot be reversed at a later balance-sheet date.

For listed securities, fair value corresponds to the market price. For non-listed securities, it is determined by reference to recent transactions or by valuation techniques that are based on reliable, observable market data. When, however, it is impossible to reasonably estimate the fair value of a security, it is valued at its historic cost. These assets are then subject to impairment testing in order to evaluate the extent to which they are recoverable.

This category contains primarily non-consolidated equity securities and marketable securities that do not comply with other definitions of financial assets. They are shown as other financial assets.

INVESTMENT PROPERTIES

With regard to IAS 40 as amended, investment properties are tangible-asset items (buildings or land) owned for leasing or capital valuation. As for the criteria that apply to this standard, those assets not used for operational purposes are generally shopping malls within the Group (*i.e.* all businesses and services established behind the stores' cash registers), in full or co-ownership.

Investment properties are posted at their historic value and depreciated over the same period as tangible fixed assets of the same nature.

Assessment of the fair value of investment properties is performed on an annual basis by applying a multiple that is a function of the calculated profitability of each shopping mall and a capitalization rate based on the country to the annualized gross rents generated by each investment property.

The fair value is presented in Note 18.

INVENTORIES

Inventories are valued at the most recent purchase price plus any additional costs, a method that is well suited to rapid inventory turnaround, and does not generate a significant difference from the FIFO method. The cost price includes all costs that constitute the purchase cost of the goods sold (with the exception of foreign currency losses and gains), also taking into consideration all conditions obtained at the time of purchase and from supplier services.

In accordance with IAS 2 (Inventories), inventories are valued at their cost price or net present value, whichever is lower.

The net present value is the estimated selling price minus additional costs necessary for the sale.

OPERATING RECEIVABLES

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

OUTSTANDING CUSTOMER RECEIVABLES/ REFINANCING WITH FINANCIAL SERVICE COMPANIES

Customer receivables due to financial service companies refer primarily to consumer credit granted to customers of companies within the Group's scope of consolidation. These loans, together with the amounts outstanding from refinancing them, are classified on the basis of their maturity date as current or non-current assets and liabilities.

CASH AND CASH EQUIVALENTS

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

Cash refers to cash in hand and demand deposits.



PROVISIONS

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

EMPLOYEE BENEFITS

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

1) Defined-contribution schemes

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

These contributions are recognized as expenses when they fall due.

2) Defined-benefit schemes and long-term benefits

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

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

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

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

In accordance with the option offered under IFRS 1, the Group has chosen to directly recognize actuarial gains and losses on its pension commitments that have not yet been recognized in the French financial statements as of 31 December 2003 by offsetting shareholders' equity at 1 January 2004.

3) Share-based payments

In accordance with the option offered under IFRS 1, the Group has elected to limit the application of IFRS 2 (Share-based Payment) to stock option plans paid in shares, allocated after 7 November 2002, the rights to which had not yet been acquired as of 1 January 2004. This application had no effect on total shareholders' equity at 1 January 2004.

The plans granted between 2003 and 2008 fall within the scope of IFRS 2. These are subscription or purchase options reserved for employees, with no special acquisition conditions aside from effective presence at the end of the vesting period.

The granted benefits that are remunerated via these schemes are posted as expenses, offsetting a capital increase over the vesting period. The expense recognized for each period corresponds to the fair value of the assets and services received on the basis of the Black-Scholes formula, on the date on which these were granted and spread over the vesting period.

The free-share allocation plans granted by the Group also give rise to the recognition of an expense spread over the vesting period.

The granted plans are conditional both upon the effective presence of the beneficiaries at the end of the vesting period and upon the achievement of objectives.

Details of share-allocation plans are also provided in the Reference Document.

INCOME TAX

Deferred taxes are calculated at the tax rate in effect at the beginning of the following fiscal year, on the basis of the carry-forward method. Deferred taxes are reviewed annually when the accounts are closed.

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

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

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

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

FINANCIAL DEBT AND FINANCIAL INSTRUMENTS

Financial debt includes:

- bonds;
- outstanding accrued interest;
- outstanding amounts relating to financial lease agreements;
- bank loans and facilities;
- financial debt pertaining to securitized debt for which the Group incurs credit risk;
- minority share-purchase commitments.

1) Accounting principle

Financial debts are recorded on the basis of the amortized-cost principle. Initially, they were recorded at nominal value, net of transaction costs and premiums directly attributable to their issue.

Derivative instruments intended to cover exposure to interest-rate risk are entered at market value and used as fair value or cash-flow hedges.

Cash-flow hedge: derivatives intended to hedge the floating rate of borrowing are considered cash-flow hedges. The portion of gain or loss related to variations in fair value deemed to be effective is stated as equity until the hedged transaction is itself recognized in Group financial statements. The portion considered ineffective is directly recorded as financial income/expense.

Fair-value hedge: issue swaps backed by fixed-rate bonds are considered fair-value hedge instruments. Financial liabilities hedged via these swaps are revalued for the hedged portion. Fair-value changes are recorded in the income statement and offset by corresponding fair-value variations of rate swaps for the effective portion.

Other derivatives: these are recorded at market value, and fair-value variations are recorded in profit or loss.

2) Fair value

The market values of exchange-rate and interest-rate instruments are determined on the basis of valuation models that are recognized on the market or by the use of rates established by external financial institutions.

The values estimated by valuation models are based on the discounting of expected future cash flows. These models use criteria based on market data (interest-rate and exchange-rate curves) obtained from Reuters.

The fair value of long-term debt is estimated according to the market value of bonds or of all future flows discounted on the basis of market conditions for a similar instrument (in terms of currency, maturity, interest type and other factors).

3) Derecognition of financial assets

In December 2002, the Group contracted into a programme for securitizing receivables. This programme partially transfers the risks and advantages of the variation in value discounted by future cash flows from receivables. Consequently, part of these securitized receivables has been recognized as financial debt.

4) Commitments for the purchase of minority interests

The Group has agreed to purchase the shares of minority shareholders in some of its fully-consolidated subsidiaries. For the Group, these purchase commitments correspond to option commitments (sales of put options). The exercise price of these transactions may be fixed or determined by a predefined calculation formula; furthermore, these transactions can be exercised at any time or at a predetermined date.

Under current standards, we have chosen the following accounting treatment:

- in accordance with the provisions of IAS 32, the Group has recorded the put options granted to minority shareholders in the subsidiaries concerned as financial liabilities;
- initially, the liability is recorded at the current exercise price, and then, in later closing, on the basis of the fair value of potentially purchased shares, if the exercise price is based on the fair value;
- the counterpart to this liability is recorded minus minority interests, with the balance recorded as goodwill in reference to IFRS 3. For the sake of consistency, the obligation to record a liability when the put option has not been exercised suggests that we should continue to treat these transactions in the same way as we do to increase the percentage of shares in controlled companies;
- any further change in commitment value is recorded by adjusting the goodwill amount (excluding the discounting effect);

- the Group share figure is calculated on the basis of the percentage holding in the subsidiary, without taking into consideration the percentage of interest attached to put-option sales.

The accounting principles described above may be revised based on changes in the standards.

FOREIGN-EXCHANGE RATE HEDGING INSTRUMENTS

The Group uses foreign-exchange rate hedging instruments (mainly forward currency contracts) to manage and reduce its exposure to fluctuations in currency rates. These financial instruments are valued at their fair value. Variations in fair value of these instruments are treated as follows:

- when the instrument is classified as a hedging instrument for future cash flows, variations in fair value corresponding to the effective portion are directly recorded as shareholders' equity, while variations corresponding to the ineffective portion are recorded on the income statement;
- when the instrument is classified as a fair-value hedging instrument, variations in fair value are recorded in the income statement, where they offset variations in fair value of the underlying instrument for the effective portion.

RISK MANAGEMENT

The Group is exposed to the following risks relating to the use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

It is the Board of Directors' responsibility to define and supervise risk management for the Group. A Risk Committee, responsible for defining and controlling the Group's risk management policy, has been put in place, comprising the Group's Chief Financial Officer, the director of the Group's Cash-flow and Financing Operations department (DTFG), DTFG Front Office and Risk Control managers, the director of the Group's internal auditing department, and an outside consulting firm.

The purpose of the Group's risk-management policy is to identify and analyze risks faced by the Group, to define risk limits and controls to be implemented, to manage risks, and to ensure compliance with defined risk limits. Risk-management policy and systems are reviewed on a regular basis to take into account changes in market conditions and Group operations. Through its training and management rules and procedures, the Group aims to develop a rigorous, constructive control environment where all personnel have a full understanding of their roles and obligations. The Group's Audit Committee is responsible for ensuring the application of Group risk-management policies and procedures and for examining whether the risk-management framework adequately addresses risks faced by the Group. The Group's Audit Committee is assisted in its supervisory role by the Internal Audit department, which conducts regular, targeted reviews of risk-management controls and procedures and reports its results to the Audit Committee.



Credit risk

Credit risk is the risk of financial loss for the Group in the event that a client or counterparty to a financial instrument fails to meet its contractual obligations. This risk mainly arises from commercial receivables and marketable securities.

Commercial receivables

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

Customer receivables due to financial service companies refer primarily to consumer credit granted to customers of companies within the Group’s scope of consolidation. These loans, together with the amounts outstanding from refinancing them, are classified on the basis of their maturity date as current or non-current assets and liabilities. In order to assess the credit risk, the Group discounts (on the original terms of the credit) recoverable cash flow in the context of calculating depreciation on bad debts. Furthermore, a discount is calculated on the restructured credit using a base rate. Lastly, for questionable restructured debt and non-restructured bad debt, provisions and reversal of impairment losses for risk of the debt’s non-recovery are recorded as risk cost; the increase in book value relating to reversal of impairment loss and depreciation of the discount arising from the passage of time is recorded as interest margin.

Investments

The Group limits its exposure to credit risk by diversifying its investments in liquid securities and limiting them to counterparties with a minimum credit rating of A with Standard and Poor’s and A1 with Moody’s. Given these credit-rating requirements, management does not expect any counterparty to default on its obligations.

Liquidity risk

Liquidity risk involves the risk that the Group will experience difficulties in honouring its debts when they are due. To manage liquidity risk, the Group’s approach is to ensure, to the extent possible, that it has sufficient liquid assets at all times to honour its liabilities when they become due, under normal or “strained” conditions, without incurring unacceptable losses or damaging the Group’s reputation.

Following renegotiation of syndicated loans in 2004, the Group is no longer subject to any financial covenants.

The breakdown of debt according to expiration date and currency is presented in Note 27, and the commitments received from and given to financial institutions is presented in Note 33.

Market risk

Market risk corresponds to the risk of variations in market price, such as exchange rates, interest rates and the price of equity instruments, that affect Group results. The purpose of market-risk management is to manage and control exposure to market risk within acceptable limits while optimizing the profitability/risk trade-off.

The Group buys and sells derivatives in order to manage market risk. All of these transactions are executed in compliance with directives set forth by the Risk Committee. In general and to the extent possible, the Group seeks to apply hedge accounting to manage the volatility of its results.

Foreign-exchange risk

Group operations throughout the world are performed by subsidiaries that primarily operate in their own countries (with purchasing and sales in local currencies). As a result, the Group’s exposure to exchange-rate risk in commercial operations is naturally limited, and mainly involves imports. Risk related to fixed import transactions is hedged via forward currency purchases.

Investments planned in foreign countries are sometimes hedged by options.

Local financing operations are generally conducted in the local currency.

The maturity of foreign-exchange transactions is less than 18 months.

Interest-rate risk

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

- the outcome of actions undertaken;
- whether or not the actions undertaken comply with the Group’s risk policy.

The Risk Committee is responsible for controlling compliance with internal risk limits and monitoring Carrefour policy through the DTFG. Chaired by the Group’s Chief Financial Officer, the Risk Committee meets at least once every two months.

The DTFG’s management procedures are subject to approval by the Audit Committee.

To achieve its aims, the DTFG has various reporting schedules (weekly, monthly and annually).

The Group’s net exposure to interest-rate fluctuation risk is reduced via the use of financial instruments comprising interest-rate swaps and options.

The types of hedge used as of 31 December 2008 and the amount of capital hedged are presented in Note 27 of the financial statements.

We have calculated our susceptibility to rate changes in accordance with IFRS 7.

The results of the calculation (on short-term debt) are as follows:

Effect of an interest-rate simulation on financial expenses (in millions of euros)*	Rate reduction of 1%	Rate increase of 1%
Variation in financial expenses before derivatives	(44)	44
Variation of financial expenses of derivatives	(3)	1
Variation of financial expenses after derivatives	(47)	45

* (gain), loss.

Share risk

The Group's policy is to maintain a sound capital base to preserve investor, creditor and market confidence and to support the future development of operations. The Group occasionally purchases its own shares on the market. The rate of these purchases depends on stock prices. These shares are mainly used in the context of programmes under which Group stock options are granted. As of 31 December 2008, the Group held 19,325,573 treasury shares. Furthermore, marketable securities and financial investments primarily comprise monetary investments, where Group exposure is low.

TREASURY STOCK

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

ASSETS AND ASSET GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS

A discontinued operation is a component of an entity that the latter has sold or that is being held with a view to sale, and which:

- represents an activity line or primary, distinct geographic region, and
- is part of a unique, coordinated plan to dispose of an activity line or distinct geographic region, or
- is a subsidiary acquired exclusively for the purpose of resale.

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

NET SALES

Net sales include only store and warehouse sales.

Note 2: The year's highlights

Acquisitions during the period

- Acquisition of Artima: On 26 October 2007, Carrefour signed a memorandum of agreement with PEF V Investment Holdings SARL and Mr. Clemens Petschniker to acquire 100% of shares in Artima SA for a price of 55 million euros. This acquisition is subject to approval by the relevant authorities. On 27 January 2008, the Romanian competition authorities approved the acquisition. Artima operates 21 stores. This company was fully consolidated as of 1 February 2008.

OTHER INCOME

Other income (financial and travel services, rental income, franchise fees etc.) are recorded on a separate "Other income" line and under the "Net sales" line on the income statement.

Certain expenses, such as the cost of payments made by customers in several instalments and of loyalty schemes not funded by suppliers, are recorded net of other revenue.

This entry includes fees received by finance companies from debit cards, traditional credit applications and revolving credit applications. Fees are spread across the duration of the contract.

GROSS MARGIN FROM CURRENT OPERATIONS

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

ACTIVITY CONTRIBUTION

Activities correspond to the gross margin from current operations minus sales, general and administrative expenses and depreciation, amortization and provisions.

NON-CURRENT INCOME AND EXPENSES

Items of an unusual nature and frequency are accounted for under non-current income and non-current expenses, such as depreciation of assets and restructuring costs.

INCOME PER SHARE

The Group presents basic and diluted income per share for its ordinary shares.

Basic income per share is calculated by dividing income attributable to the bearers of the company's ordinary shares by the weighted average number of ordinary shares in circulation during the period.

Diluted income per share is determined by adjusting income attributable to bearers of ordinary shares and the average weighted number of ordinary shares in circulation to accommodate the effects of all potential ordinary dilutive shares, which mainly include convertible bonds and share-subscription options allocated to members of the workforce.

- Acquisition of Alfa: On 21 January 2008, Carrefour Indonesia signed a memorandum of agreement with PT Sigmantara Alfindo and Prime Horizon Pte to acquire 75% of shares in PT Alfa Retailindo Tbk for a price of 49 million euros. On 4 April 2008, Carrefour Indonesia acquired 4.9% of additional shares. Listed on the Jakarta Stock Exchange, Alfa Retailindo operates 29 stores. Since the agreement is not subject to approval by the local competition authorities, the company was fully consolidated as of 21 January 2008.



Disposals and discontinued operations during the period

- **Withdrawal from Slovakia:** on 1 June 2007, Carrefour signed an agreement with ICS and ECM Group BV concerning the sale of its hypermarkets in Slovakia. This agreement was entered into after the Slovakian competition authorities' 29 December 2006 refusal to approve the sale of these four stores to Tesco. These hypermarkets will be operated as Carrefour franchises as of the effective date of sale. On 31 December 2007, this transaction remained subject to the approval of the competition authorities, but approval was granted in February of 2008. In accordance with IFRS 5, results from the first half of 2008 were recorded as "Results from operations sold or in the process of being sold".
- **Withdrawal from Switzerland:** on 21 August 2007, the Carrefour Group and Maus Frères signed a joint memorandum of

agreement concerning the sale of their respective interests in Distributis AG to Coop. Distributis AG is a joint venture in which Carrefour and its partner, Maus Frères, each own a 50% interest. It operated 12 hypermarkets at the end of 2008. As of 31 December 2007, this agreement remained subject to the approval of the Swiss competition authorities, which did approve the sale on 28 March 2008. In accordance with IFRS 5, income from the sale and results up to the date of sale were recorded as "Results from operations sold or in the process of being sold".

- **Sale of land in Turkey:** on 29 January 2008, Carrefour SA, a joint venture between Carrefour and Sabanci, announced the sale of land in Merter (Istanbul) to a joint venture controlled by Apollo Real Estate and Multi Turkmall for the purpose of building a shopping centre. A Carrefour hypermarket will be built on this site. The transaction price amounted to 267 million euros.

Note 3: Sectoral information

a) Sectoral information by region

Investment by region

(in millions of euros)	31/12/2008	31/12/2007
France	849	1,105
Europe (excluding France)	1,134	1,162
Latin America	577	537
Asia	357	265
Total	2,918	3,069

In 2008, 53% of capital expenditure concerned the extension of sales area, with the balance primarily involving maintenance and renovation of the existing network.

In 2007, extensions of sales area represented 50% of capital expenditure.

Sales

(in millions of euros)	31/12/2008	31/12/2007
France	37,968	37,621
Europe (excluding France)	32,418	30,837
Latin America	10,505	8,211
Asia	6,076	5,480
Total	86,967	82,148

Other income

(in millions of euros)	31/12/2008	31/12/2007
France	365	299
Europe (excluding France)	360	299
Latin America	363	357
Asia	171	192
Total	1,258	1,147

Activity contribution before depreciation, amortization and provisions

(in millions of euros)	31/12/2008	31/12/2007
France	2,228	2,244
Europe (excluding France)	1,866	1,884
Latin America	627	488
Asia	440	397
Total	5,161	5,014

Depreciation, amortization and provisions

(in millions of euros)	31/12/2008	31/12/2007
France	718	688
Europe (excluding France)	713	668
Latin America	232	187
Asia	198	179
Total	1,861	1,722

Activity contribution

(in millions of euros)	31/12/2008	31/12/2007
France	1,510	1,556
Europe (excluding France)	1,153	1,216
Latin America	395	301
Asia	242	218
Total	3,300	3,291

Non-current income and expenses

(in millions of euros)	31/12/2008	31/12/2007
France	(347)	(1)
Europe (excluding France)	(157)	41
Latin America	(1)	15
Asia	(20)	(7)
Total	(524)	47

Income from companies consolidated by the equity method

(in millions of euros)	31/12/2008	31/12/2007
France	31	30
Europe (excluding France)	22	19
Latin America	(1)	(6)
Asia	-	-
Total	52	43

Net intangible fixed assets

(in millions of euros)	31/12/2008	31/12/2007
France	4,573	4,448
Europe (excluding France)	6,658	7,025
Latin America	1,086	1,280
Asia	100	93
Total	12,417	12,847

Net tangible fixed assets

(in millions of euros)	31/12/2008	31/12/2007
France	4,751	4,786
Europe (excluding France)	6,209	6,333
Latin America	2,445	2,420
Asia	1,405	1,211
Total	14,809	14,751

Investment properties

(in millions of euros)	31/12/2008	31/12/2007
France	32	41
Europe (excluding France)	217	369
Latin America	16	17
Asia	81	74
Total	346	500

Foreign currency translation - Group share

(in millions of euros)	31/12/2008	31/12/2007
France	-	-
Europe (excluding France)	(73)	154
Latin America	(221)	337
Asia	(53)	(57)
Total	(347)	434

Provisions for risks and expenses

(in millions of euros)	31/12/2008	31/12/2007
France	980	723
Europe (excluding France)	989	1,033
Latin America	322	366
Asia	30	25
Total	2,320	2,147

Trade payables

(in millions of euros)	31/12/2008	31/12/2007
France	6,200	6,346
Europe (excluding France)	8,196	8,080
Latin America	1,631	1,676
Asia	1,249	975
Total	17,276	17,077

Other liabilities

(in millions of euros)	31/12/2008	31/12/2007
France	1,461	1,540
Europe (excluding France)	796	1,004
Latin America	412	387
Asia	241	182
Total	2,910	3,114


Total balance sheet

(in millions of euros)	31/12/2008	31/12/2007
France	31,924	32,567
Europe (excluding France)	18,060	16,947
Latin America	123	913
Asia	1,974	1,504
Total	52,082	51,932

b) Segment information by format

Investments by format

(in millions of euros)	31/12/2008	31/12/2007
Hypermarkets	1,529	1,535
Supermarkets	535	526
Hard-discount stores	442	430
Other activities	411	578
Total	2,918	3,069

Sales

(in millions of euros)	31/12/2008	31/12/2007
Hypermarkets	53,875	50,883
Supermarkets	18,745	17,665
Hard-discount stores	9,629	8,641
Other activities	4,718	4,960
Total	86,967	82,148

Net tangible and intangible fixed assets

(in millions of euros)	31/12/2008	31/12/2007
Hypermarkets	13,084	13,343
Supermarkets	6,008	6,184
Hard-discount stores	2,506	2,343
Other activities	5,628	5,728
Total	27,227	27,597

Total balance sheet

(in millions of euros)	31/12/2008	31/12/2007
Hypermarkets	22,265	24,442
Supermarkets	7,341	5,662
Hard-discount stores	3,009	3,038
Other activities	19,467	18,790
Total	52,082	51,932

"Other activities" comprises convenience stores, cash & carry and holding companies.

Note 4: Net sales

(in millions of euros)	31/12/2008	31/12/2007	Change
Sales	86,967	82,148	5.9%

At constant exchange rates, sales would have been 87,420 million euros.

The impact of exchange-rate fluctuations represented (453) million euros as of 31 December 2008, including (250) million euros in Latin America, (132) million euros in Asia and (70) million euros in the Europe zone.

Net sales by country

(In millions of euros)	31/12/2008	31/12/2007
France	37,968	37,621
Europe (excluding France)	32,418	30,837
Spain	13,776	13,034
Italy	6,384	6,373
Belgium	4,205	4,316
Greece	2,623	2,471
Poland	2,129	1,713
Turkey	1,470	1,462
Romania	1,000	728
Portugal (hard-discount stores)	830	740

(In millions of euros)	31/12/2008	31/12/2007
Latin America	10,505	8,211
Brazil	7,255	5,608
Argentina	2,135	1,659
Colombia	1,114	944
Asia	6,076	5,480
Taiwan	1,302	1,331
China	2,990	2,554
Thailand	550	525
Malaysia	326	281
Indonesia	820	699
Singapore	88	90

Note 5: Other income by type

(In millions of euros)	31/12/2008	31/12/2007	Change
Rental income	246	225	9.3%
Sub-leasing income	149	124	19.9%
Sundry income	863	798	8.2%
Total	1,258	1,147	9.7%

"Sundry income" refers mainly to the cost of loyalty programmes as well as related products, franchise fees and income from finance companies.

Note 6: Cost of sales

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

Note 7: Sales, general and administrative expenses

(In millions of euros)	31/12/2008	31/12/2007	Change
Labour costs	8,307	7,988	4.0%
Property rentals	1,049	966	8.6%
Maintenance and repairs	758	771	(1.7%)
Fees	665	654	1.8%
Advertising	1,061	1,057	0.3%
Taxes	557	484	15.0%
Consumables	728	660	10.3%
Other general expenses	1,230	1,092	12.6%
Total	14,355	13,673	5.0%



Note 8: Depreciation, amortization and provisions

(in millions of euros)	31/12/2008	31/12/2007	Change
Depreciation of tangible fixed assets	1,623	1,484	9.4%
Depreciation of intangible fixed assets	198	183	8.0%
Amortization of financial lease agreements	28	33	(14.4%)
Depreciation of investment properties	20	18	12.9%
Allocations and reversals of provisions	(9)	5	n.s.
Total	1,861	1,722	8.0%

Note 9: Non-current income and expenses

(in millions of euros)	31/12/2008	31/12/2007
Depreciation of assets	(396)	(23)
Restructuring costs	(72)	(92)
Other non-current income and expenses	(56)	162
Total	(524)	47

In 2008, depreciation of assets mainly included impairment of goodwill involving GS (Italy) in the amount of 197 million euros and stores located in Italy in the amount of 131 million euros. Regarding a loss in value of 197 million euros resulting solely from impairment tests on all CGUs, an analysis of susceptibility to discount rates saw the following impact:

- a 0.5-point increase in the discount rate, with associated loss in value of 195 million euros;
- a 0.5-point reduction in the discount rate, with no loss in value recorded.

Restructuring costs include non-recurring costs related to specific events like store closings and conversions. Items that are unusual due to their nature and frequency are accounted for under non-current income and non-current expenses. In 2008, a tax provision of 126 million euros was recorded.

Note 10: Interest income

(in millions of euros)	31/12/2008	31/12/2007
Other financial expenses and income	(92)	(58)
Debt expense	(471)	(468)
Income from cash and cash equivalents	67	42
Interest expenses	(500)	(474)
Interest expenses for financial leasing operations	(38)	(36)
Total	(562)	(526)

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

Recorded on the income statement (in millions of euros)	31/12/2008	31/12/2007
Income from interest on bank deposits	17	38
Dividends received for assets available for sale	10	5
Net income from the sale of assets available for sale reclassified from equity	6	37
Net foreign-currency gain	-	12
Change in fair value of financial assets held for trading	117	22
Change in fair value of financial assets, accounted for at fair value through profit or loss	12	6
Net change in fair value of cash-flow hedging instruments reclassified from equity	2	1
Change in fair value of financial liabilities	115	58
Income from interest rate instruments	99	52
Income from marketable securities	5	5
Miscellaneous	-	8
Financial income	382	244
Interest expenses on financial liabilities valued at amortized cost	(672)	(628)
Net foreign currency losses	(18)	-
Change in fair value of financial assets held for trading	(63)	(19)
Change in fair value of financial assets accounted for at fair value through profit or loss	(115)	(65)
Change in fair value of financial liabilities accounted for at fair value through profit or loss	(12)	-
Loss in value of securities held to maturity	n/a	n/a
Ineffective portion of the change in fair value of cash-flow hedging instruments	-	-
Financial expense from discounting	(41)	(31)
Other financial expenses	(24)	(27)
Financial expenses	(945)	(769)
Net financial income	(562)	(526)
Entered directly as shareholders' equity (in millions of euros)	31/12/2008	31/12/2007
Net change in fair value of financial assets available for sale	(6)	(35)
Net change in fair value of financial assets available for sale transferred to income	6	37
Ineffective portion of the change in fair value of cash-flow hedging instruments	(39)	(5)
Fair value of cash-flow hedging instruments transferred to income	(2)	(1)
Foreign currency translation resulting from foreign operations	828	66
Total	787	62



Note 11: Income tax

(in millions of euros)	31/12/2008	31/12/2007
Income tax	573	619
Deferred tax	170	188
Total tax	743	807
Actual tax rate	33.6%	28.7%

(in millions of euros)	31/12/2008
Current income before tax	2,214
Standard rate	33.3%
Surplus tax	1.1%
Theoretical tax	762
Effects of permanent differences on tax	153
Tax effects of income not taxed or taxed at a different rate	(303)
Other	131
Total tax	743
Actual tax rate	33.6%

Note 12: Net income from discontinued operations

(in millions of euros)	31/12/2008	31/12/2007
Discontinued operations – Group share	16	431
Discontinued operations – minority share	0	(0)
Total	16	431

In 2008, net income from discontinued operations was accounted for by:

- adjustment of the sale price of operations in Portugal for (30) million euros;
- income from the sale and operations for the period of Slovakia, amounting to 23 million euros;

- income from the sale and operations for the period of Switzerland, amounting to 12 million euros;

- completion of prior sales amounting to 11 million euros.

In 2007, net income from discontinued operations was accounted for by:

- income for the year and income from the sale of Portuguese hypermarkets, amounting to 431 million euros;
- the impact of income for the year from Slovakia, amounting to 9 million euros;
- zero impact on income for the year from Switzerland;
- the final impact of transactions for discontinued operations during prior fiscal years, amounting to (9) million euros.

Note 13: Net income per share

Net income per share before dilution	31/12/2008	31/12/2007
Net income from recurring operations – Group share (in millions of euros)	1,256	1,869
Net income from discontinued operations – Group share (in millions of euros)	16	431
Net income – Group share (in millions of euros)	1,272	2,299
Average weighted number of shares	686,525,459	700,118,405
Income from recurring operations per share (in euros) – Group share	1.83	2.67
Income from discontinued operations per share (in euros) – Group share	0.02	0.62
Net income – Group share per share (in euros)	1.85	3.28
Net income per share after dilution	31/12/2008	31/12/2007
Net income from recurring operations – Group share (in millions of euros)	1,256	1,869
Net income from discontinued operations – Group share (in millions of euros)	16	431
Net income – Group share	1,272	2,299
Average weighted number of shares	686,525,459	700,118,405
Dilutive shares	-	-
Number of shares restated	686,525,459	700,118,405
Income from recurring operations per share (in euros) – Group share	1.83	2.67
Income from discontinued operations per share (in euros) – Group share	0.02	0.62
Net income, Group share per share after dilution	1.85	3.28

Treasury stock was not taken into account in calculating income per share.

A significant amount of treasury stock was purchased during the 2008 fiscal year. These purchases increased the income per share for recurring operations – Group share by 1.6%.

Note 14: Intangible fixed assets

(in millions of euros)	31/12/2008	31/12/2007
Net goodwill	11,363	11,674
Other gross intangible fixed assets	2,430	2,282
Amortization of other intangible fixed assets	(1,323)	(1,186)
Impairment	(178)	(164)
Other net intangible fixed assets	929	931
Intangible fixed assets in progress	126	242
Net intangible fixed assets	12,418	12,847



CHANGE TO GOODWILL

	Net goodwill at the end of December 2006	Acquisitions for 2007	Disposals for 2007	Impairment for 2007	Foreign currency translation adjustments for 2007	Net goodwill at the end of December 2007	Acquisitions for 2008	Disposals for 2008	Impairment for 2008	Other movements	Foreign currency translation adjustments for 2008	Net goodwill at the end of December 2008
(in millions of euros)												
France	4,059	45				4,104	95					4,199
Italy	3,132	3				3,135	9		(197)			2,947
Belgium	954		(9)			946	2					948
Spain	1,231	97	(2)			1,327	88					1,415
Brazil	313	505			24	841	35				(164)	712
Argentina	185				(24)	161					(6)	155
Other countries	978	401	(217)		(1)	1,161	105			(200)	(78)	988
Total	10,852	1,051	(228)	0	(1)	11,674	334	0	(197)	(200)	(248)	11,363

As of 31 December 2008, goodwill in France consisted mainly of Comptoirs Modernes, Euromarché and Hyparlo; in Italy, of GS; in Belgium, of GB; in Spain, of Continente and the buyback of minority-shareholder shares in Centros Comerciales Carrefour; in Brazil, of RDC and Atacadão; in Poland, of Ahold Polska; and in Argentina, exclusively of Norte.

The main acquisitions during the year were: Artima in Romania, Alfa in Indonesia, various supermarkets in France, and final adjustments

on acquisitions for the prior fiscal year (Atacadão in Brazil, Ahold Polska in Poland and Plus Supermercados in Spain).

Other movements involved the change in value of commitments to purchase the interests of minority shareholders (accounting method described in the accounting principles (Financial Debt and Instruments)).

CHANGE TO INTANGIBLE FIXED ASSETS

	Gross	Reduction in value	Net
(in millions of euros)			
As of 31 December 2006	15,941	(4,050)	11,890
Acquisitions	537		537
Disposals	(95)		(95)
Foreign-currency adjustments	23		23
Amortization		(183)	(183)
Impairment			
Changes in consolidation scope and transfer	591	82	674
As of 31 December 2007	16,998	(4,151)	12,847
Acquisitions	405		405
Disposals	(83)	25	(59)
Foreign-currency adjustments	(306)		(306)
Amortization		(193)	(193)
Impairment		(245)	(245)
Changes in consolidation scope, transfers and other movements	(179)	147	(32)
As of 31 December 2008	16,835	(4,417)	12,418

Note 15: Tangible fixed assets

(in millions of euros)	31/12/2008	31/12/2007
Land	2,913	2,934
Buildings	9,838	9,628
Equipment, fixtures, fittings and installations	14,006	13,219
Other fixed assets	1,159	1,148
Fixed assets in progress	769	790
Leased land	195	177
Leased buildings	1,374	1,378
Leased equipment, fixtures, fittings and installations	129	143
Other leased fixed assets	17	22
Gross tangible fixed assets	30,402	29,439
Depreciation	(14,321)	(13,474)
Depreciation of leased fixed assets	(1,011)	(1,012)
Impairment	(260)	(202)
Net tangible fixed assets	14,809	14,751

Tangible fixed assets mainly include sales areas operated by the Group. At the end of December 2008, the Group operated 14 million sq m in sales area. A breakdown is available in the Consolidated Store Network note at the end of this report.

LEASED FIXED ASSETS

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

Financial-leasing agreements

(in millions of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Minimum rates to be paid	885	78	407	400
Discounted value	550	71	305	174
Total sub-leasing income receivable	20	n/a	n/a	n/a
Minimum rents paid during the year	71	n/a	n/a	n/a
Conditional rents	-	n/a	n/a	n/a
Sub-leasing income	17	n/a	n/a	n/a

Simple leasing agreements

(in millions of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Minimum rents to be paid	5,864	859	2,076	2,928
Total minimum income to be received from sub-leasing	36	n/a	n/a	n/a
Minimum rents paid during the year	1,152	n/a	n/a	n/a
Conditional rents	27	n/a	n/a	n/a



CHANGE TO TANGIBLE FIXED ASSETS

(in millions of euros)	Gross	Reduction in value	Net
As of 31 December 2006	27,624	(13,888)	13,736
Acquisitions	2,755		2,755
Disposals	(283)		(283)
Depreciation		(1,514)	(1,514)
Impairment		11	11
Foreign-currency adjustments	27		27
Changes in consolidation scope and transfer	(684)	703	19
As of 31 December 2007	29,439	(14,687)	14,751
Acquisitions	2,605		2,605
Disposals	(882)	580	(302)
Depreciation		(1,651)	(1,651)
Impairment		(122)	(122)
Foreign-currency adjustments	(487)		(487)
Changes in consolidation scope, transfers and other movements	(275)	290	15
As of 31 December 2008	30,401	(15,591)	14,809

Note 16: Other non-current financial assets and investments in companies accounted for by the equity method

(in millions of euros)	31/12/2008	31/12/2007
Investments in companies accounted for by the equity method ⁽¹⁾	429	436
Investments	420	297
Loans at more than one year	10	16
Other ⁽²⁾	882	806
Total	1,741	1,554

(1) This item corresponds primarily to securities held in Italy (Finiper).

Net income from companies consolidated by the equity method amounted to 52 million euros as of 31 December 2008.

(2) This item refers primarily to guarantees, deposits and other capitalized receivables.

Note 17: Deferred tax

(in millions of euros)	31/12/2008	31/12/2007
Deferred tax on assets	672	944
Deferred tax liabilities	(424)	(462)
Total	249	482

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

DEFERRED TAX BRIDGE TABLE

(In millions of euros)	31/12/2007	Foreign-currency effect	Allocations/reversals	Other*	31/12/2008
Net deferred tax	482	(37)	(170)	(26)	249

* Essentially changes in consolidation perimeter

UNRECOGNIZED DEFERRED TAX ASSETS

(In millions of euros)	31/12/2008	31/12/2007
Deferred tax on temporary differences	403	236
Deferred tax on deficits that can be carried forward	568	706
Unrecognized deferred tax assets	971	942

The amount of deferred tax on assets not recorded as of 31 December 2008 amounted to 971 million euros. This corresponds principally to tax liabilities that can be carried forward and which were not capitalized because their recovery was considered unlikely.

Note 18: Investment properties

(in millions of euros)	31/12/2008	31/12/2007
Investment properties at gross value	441	596
Depreciation	(95)	(96)
Total	346	500

CHANGE IN INVESTMENT PROPERTIES

These changes are presented as follows:

Opening balance (01/01/2007)	455
Allowances for depreciation and amortization for the period	(19)
Foreign-currency effect	9
Investments during the period	30
Disposals during the period	(53)
Other movements	79
Closing balance (31/12/2007)	500
Allowances for depreciation and amortization for the period	(20)
Foreign-currency effect	(38)
Investments during the period	17
Disposals during the period	(3)
Transfers	(91)
Other movements	(21)
Closing balance (31/12/2008)	346

Rental income generated by these investment properties and recorded on the income statement in 2008 amounted to 72 million euros. Their fair value as of 31 December 2008 was estimated at 786 million euros. As of 31 December 2007, the fair value of investment properties was estimated at 831 million euros.



Note 19: Inventories

(in millions of euros)	31/12/2008	31/12/2007
Inventories at gross value	7,167	7,154
Depreciation	(275)	(287)
Inventories at net value	6,891	6,867

Note 20: Commercial receivables

(in millions of euros)	31/12/2008	31/12/2007
Trade receivables	959	1,030
Depreciation on bad debts	(180)	(167)
Net receivables from customers	779	863
Supplier receivables	2,140	2,561
Total	2,919	3,424

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

Note 21: Other current financial assets

(in millions of euros)	31/12/2008	31/12/2007
Assets available for sale	51	-
Derivatives	126	-
Deposits at more than 3 months	69	-
Total	245	0

Note 22: Other assets

(in millions of euros)	31/12/2008	31/12/2007
Receivables from employees	19	25
Loans at less than 1 year	14	16
Receivables from the disposal of intangible, tangible and financial assets	91	42
Prepaid expenses	382	228
Other net operating receivables	590	645
Total	1,096	956

Note 23: Cash and cash equivalents

(in millions of euros)	31/12/2008	31/12/2007
Cash equivalents	3,338	1,723
Cash	1,979	2,442
Total	5,317	4,164

Note 24: Credit risk associated with financial assets

The book value of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk as of the balance-sheet date is as follows:

Exposure to credit risk

(in millions of euros)	31/12/2008	31/12/2007
Investments	420	297
Other long-term financial investments*	892	822
Total other non-current financial assets	1,312	1,119
Consumer credit from financial companies	4,805	4,672
Commercial receivables	2,919	3,424
Other current financial assets	245	-
Other assets	1,096	956
Cash and cash equivalents	5,317	4,164
Total financial assets	15,694	14,335

* Basically comprising deposits and guarantees.

Maximum exposure to credit risk concerns commercial receivables (operating receivables and credit from financial companies) as of the balance-sheet date, analyzed by geographic region, is as follows:

Exposure to credit risk

(in millions of euros)	31/12/2008	31/12/2007
France	5,997	6,406
Europe	7,080	5,186
Latin America	1,818	2,062
Asia	799	682
Total	15,694	14,335


Consumer credit from financial companies

(in millions of euros)	< 1 year	> 1 year < 5 years	> 5 years	TOTAL
France	1,235	1,269	60	2,564
Belgium	95	62	1	158
Spain	693	342	311	1,346
Italy	82	23	9	114
Greece	10			10
Argentina	77	12		89
Brazil	512			512
Dia Spain	4	9		13
Total	2,708	1,717	381	4,806

Note 25: Capital and issuance premiums

Capital and issuance premiums

(in thousands of shares)	Ordinary shares	
	2008	2007
In circulation as of 1 January	704,903	704,903
Issuance against cash	-	-
Exercised stock options	-	-
In circulation as of 31 December	704,903	704,903

As of 31 December 2008, equity capital comprised 704,902,716 ordinary shares with a nominal value of 2.5 euros. All issued shares were fully paid up.

Concerning company shares held by the Group, all rights are suspended until these shares are returned to circulation.

Note 26: Provisions

(in millions of euros)	31/12/2007	Foreign-currency translation	Allowance	Discounting	Reversals (unused)	Reversals (used)	Other	31/12/2008
Provisions for retirement benefits	674	(2)	67	41	(85)	(97)	69	668
Legal risk	992	(62)	376		(72)	(33)	(143)	1,057
Restructuring	78	(0)	29		(28)	(30)	22	71
After-sales service	57	0	10		(30)	(30)	31	37
Other	346	(25)	144		(33)	(48)	104	487
Total	2,147	(89)	626	41	(248)	(238)	82	2,320

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

Other provisions comprise elements related to tax, labour and legal risk.

In the normal course of business, Group companies are involved in certain legal proceedings and litigation, including disputes with tax and social-security authorities. A provision for contingency and loss has been established for expenses that can be estimated with sufficient reliability and are deemed probable by the companies and their expert assessors.

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

Breakdown of charges to 2008 income statement

(in millions of euros)	Total
Service costs	26
Financial cost	44
Expected return on financial assets	(14)
Other	(12)
Expenses (income) as of 31 December 2008	45

Balance-sheet movements

(in millions of euros)	Total
Provision as of 31 December 2007	611
Impact on income statement	45
Changes in consolidation perimeter	
Benefits paid	(53)
Other	(6)
Provision as of 31 December 2008	597

Change in the fair value of hedging assets

(in millions of euros)	Total
Fair value as of 31 December 2007	292
Changes in the consolidation perimeter	
Expected return	14
Benefits paid by the fund	(57)
Actuarial losses	(33)
Other	8
Fair value as of 31 December 2008	223

Provision

(in millions of euros)	Total
Defined benefit obligations (DBOs)	835
Unrecognized actuarial adjustments	(15)
Fair value of hedging assets	(223)
Provision as of 31 December 2008	597

The criteria are as follows:

Retirement age	60-65 years
Salary increases	2.5% to 3.0%
Salary expense rate	7% to 45%
Discount rate	4.15% to 6.0%

Note 27: Financial liabilities

NOTE 27.1 - NET DEBT

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

(in millions of euros)	December 2008	December 2007
Bonds	9,249	8,149
Derivatives - liabilities	791	606
Other borrowing	469	662
Other long-term debt	66	89
Commercial paper	1,197	1,550
Leasing	443	466
Total borrowing	12,214	11,523
Total borrowing, excluding derivative liabilities	11,424	10,917
Current financial assets	245	-
Cash	5,317	4,164
Total investment	5,562	4,164
Net debt	6,652	7,358



NOTE 27.2 - BORROWING

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

(in millions of euros)	December 2008	December 2007
Fixed-rate debt	9,984	8,702
Variable-rate debt	1,440	2,215
Total	11,424	10,917

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

Breakdown of borrowing, excluding derivative liabilities, by currency

(in millions of euros)	December 2008	December 2007
Euro	10,911	10,365
US dollar	9	0
Brazilian real	266	304
Chinese yuan	51	42
Turkish lira	2	4
Cypriot pound	-	-
Taiwanese dollar	80	65
Malaysian ringgit	7	3
Colombian peso	-	103
Thai baht	7	4
Polish zloty	57	26
Romanian lei	9	-
Indonesian rupiah	8	-
Russian ruble	18	-
Total	11,424	10,917

The debt in euros represented 96% of the total in December 2008, against 95% in December 2007.

Breakdown of bonds

(in millions of euros)	Maturity	Total
Breakdown of bonds		9,249
Public issues:		8,796
Bond, FRF, 10 years, 4.50%	2009	1,000
Euro MTN bond, EUR, 2.5 years, 6.125%	2010	1,000
Euro MTN bond, EUR, 2.5 years, 4.375%	2011	300
Euro MTN bond, EUR, 8 years, 4.375%	2011	1,100
Euro bond, EUR, 5 years, Euribor 3M+15bp	2012	200
Euro MTN bond, GBP, 10 years, 5.375%	2012	796
Euro MTN bond, EUR, 5 years, 6.625%	2013	700
Euro fixed-rate bond, EUR, 8 years, 3.625%	2013	750
Euro fixed-rate bond, EUR, 7 years, 5.125%	2014	1,250
Euro fixed-rate bond, EUR, 7 years, 5.375%	2015	1,000
Euro fixed-rate bond, EUR, 10 years, 3.825%	2015	50
Euro fixed-rate bond, EUR, 10 years, 3.85%	2015	50
Euro fixed-rate bond, EUR, 10 years, 4.375%	2016	600
Private issues:		453

Breakdown of borrowing, excluding derivative liabilities, by maturity date

(In millions of euros)	December 2008	December 2007
1 year	2,648	3,247
2 years	1,282	1,082
3-5 years	3,808	3,223
Over 5 years	3,686	3,254
Unspecified	0	111
Total	11,424	10,917

Bank covenants

As of 31 December 2008, the Group had no bank covenants.

NOTE 27.3 - LIQUIDITY RISK ASSOCIATED WITH FINANCIAL LIABILITIES

The contractual residual maturity date of financial liabilities may be analyzed as follows:

(in millions of euros)	31/12/2008	Book value	Contractual cash flow	< 1 year	2-5 years	> 5 years
Debt hedged for fair value		796	608	27	581	0
Debt hedged for cash flow		251	301	9	32	260
Fixed-rate debt		8,517	10,231	1,922	4,968	3,341
Unhedged debt		1,417	2,638	2,401	237	0
Liabilities related to financial lease agreements		443	0	0	0	0
Interest-rate derivatives		791	1,618	68	1,004	546
Total borrowing		12,214	15,396	4,427	6,822	4,147
Trade payables		17,276	17,276	17,276	0	0
Consumer credit refinancing		4,495	4,495	4,044	451	0
Other liabilities*		2,910	2,910	2,910	0	0
Total		36,894	40,076	28,656	7,273	4,147

Contractual cash flow is not discounted. For variable-rate instruments, the rate taken into account is the spot rate of 31 December.

(in millions of euros)	31/12/2007	Book value	Contractual cash flow	< 1 year	2-5 years	> 5 years
Debt hedged for fair value		846	960	80	880	0
Debt hedged for cash flow		100	101	101	0	0
Fixed rate debt		7,865	9,253	2,227	4,054	2,972
Unhedged debt		2,111	2,166	1,908	257	0
Liabilities related to financial lease agreements		466	0	0	0	0
Interest-rate derivatives		135	1,142	127	1,015	0
Total borrowing		11,523	13,623	4,444	6,207	2,972
Trade payables		17,077	17,077	17,077	0	0
Consumer credit refinancing		4,419	4,419	3,989	430	0
Other liabilities*		3,114	3,114	3,114	0	0
Total		36,132	38,232	28,623	6,637	2,972

* See page 39.



Other liabilities comprise the following items:

(in millions of euros)	31/12/2008	31/12/2007
Trade payables for fixed assets	757	877
Payables to employees	1,585	1,633
Prepaid income	64	94
Other liabilities	503	509
Total	2,910	3,114

Long-term liabilities (with the exception of provisions) are not discounted, as the effect of discounting on the financial statement would be insignificant.

NOTE 27.4 - FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

As of 31/12/2008	Breakdown by category of instruments					
	Book value	For fair value by result	Assets available for sale	Loans, receivables and other liabilities	Liabilities at amortized cost ⁽¹⁾	Derivative instruments
(in millions of euros)						
Investments	420		420			
Other long-term financial investments	892			892		
Other non-current financial assets	1,312	-	420	892	-	-
Total consumer credit from financial companies	4,805			4,805		
Commercial receivables	2,919			2,919		
Other current financial assets	245		51	68		126
Other assets ⁽²⁾	715			715		
Cash and cash equivalents	5,317	5,317				
Assets	15,313	5,317	471	9,398	-	126
Total borrowing	12,214				11,423	791
Total consumer credit refinancing	4,495				4,495	
Trade payables	17,276			17,276		
Other liabilities ⁽³⁾	2,846			2,846		
Liabilities	36,830	-	-	20,122	15,918	791
As of 31/12/2007						
(in millions of euros)						
Investments	297		297			
Other long-term financial investments	822			822		
Other non-current financial assets	1,119	-	297	822	-	-
Total consumer credit from financial companies	4,672			4,672		
Commercial receivables	3,424			3,424		
Other current financial assets	-					
Other assets ⁽²⁾	728			728		
Cash and cash equivalents	4,164	4,095				69
Assets	14,107	4,095	297	9,646	-	69
Total borrowing	11,523				10,917	606
Total consumer credit refinancing	4,419				4,419	
Trade payables	17,077			17,077		
Other liabilities ⁽³⁾	3,020			3,020		
Liabilities	36,039	-	-	20,097	15,336	606

(1) Including financial liabilities that are the subject of a fair-value hedge.

(2) Excluding prepaid expenses.

(3) Excluding prepaid income.

Note 28: Financial instruments: Cash-flow hedges

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

(in millions of euros)	2008					2007				
	Book value	Expected cash flow	< 1 year	> 1 year	> 5 years	Book value	Expected cash flow	< 1 year	> 1 year	> 5 years
Interest-rate hedges*	(16)	(24)	(4)	(20)	1	0	0	0	0	0
Foreign-exchange rate hedges*	311	314	314	0	0	248	260	260	0	0
Total	295	290	309	(20)	1	248	260	260	0	0

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

Note 29: Financial instruments: foreign-exchange risk

EXPOSURE TO FOREIGN-EXCHANGE RISK

The Group's operations throughout the world are conducted by subsidiaries operating primarily in their own countries (with purchasing and sales in local currencies). As a result, the Group's exposure to exchange-rate risk in commercial operations is naturally limited, and its susceptibility to foreign-exchange risk is low.

Country	Currency	31/12/2008		31/12/2007	
		Year-end	Average rate	Year-end	Average rate
ARGENTINA	ARS	0.2083	0.2166	0.2157	0.2331
BRAZIL	BRL	0.3080	0.3738	0.3827	0.3775
CHINA	CNY	0.1053	0.0983	0.0930	0.0961
COLOMBIA	1000 COP	0.3192	0.3472	0.3372	0.3517
UNITED STATES	USD	0.7185	0.6798	0.6793	0.7297
UNITED KINGDOM	GBP	1.0499	1.2550	1.3636	1.4604
HONG KONG	HKD	0.0927	0.0865	0.0871	0.0937
INDIA	INR	0.0148	0.0157	-	-
INDONESIA	100 IDR	0.0066	0.0071	0.0072	0.0080
MALAYSIA	MYR	0.2081	0.2048	0.2054	0.2125
POLAND	PLN	0.2408	0.2837	0.2783	0.2660
ROMANIA	RON	0.2486	0.2706	0.2772	0.2985
RUSSIA	RUB	0.0235	0.0274	-	-
SLOVAKIA	SKK	0.0332	0.0300	0.0298	0.0296
SINGAPORE	SGD	0.4990	0.4819	0.4725	0.4849
SWITZERLAND	CHF	0.6734	0.6250	0.6043	0.6085
TAIWAN	TWD	0.0219	0.0216	0.0209	0.0223
THAILAND	THB	0.0207	0.0207	0.0231	0.0222
TURKEY	TRY	0.4654	0.5259	0.5824	0.5616



Note 30: Financial instruments: fair value

The following table indicates the fair value of financial assets and liabilities as well as their book value on the balance sheet. The principle used to define fair value is indicated in Note 1.

Fair value/book value

(in millions of euros)	31/12/2008		31/12/2007	
	Book value	Fair value	Book value	Fair value
Investments	420	420	297	297
Other long-term financial investments	892	892	822	822
Other non-current financial assets	1,312	1,312	1,119	1,119
Consumer credit from financial companies	4,805	4,805	4,672	4,672
Operating receivables	2,919	2,919	3,424	3,424
Other current financial assets	245	245	-	-
Other assets	1,096	1,096	956	956
Cash and marketable securities	5,317	5,317	4,164	4,164
Total assets	15,694	15,694	14,335	14,335
Debt hedged for fair value	796	796	846	846
Debt hedged for cash flow	251	251	100	100
Fixed-rate debt	8,517	8,466	7,865	7,814
Unhedged debt	1,417	1,417	2,111	2,111
Liabilities related to financial lease agreements	443	443	466	466
Interest-rate derivatives	791	791	135	135
Total borrowing	12,214	12,164	11,523	11,472
Trade payables	17,276	17,276	17,077	17,077
Consumer credit refinancing	4,495	4,495	4,419	4,419
Other liabilities	2,910	2,910	3,114	3,114
Total liabilities	36,894	36,844	36,133	36,082
Total (+ net liability / - net asset)	21,200	21,149	21,798	21,747
Profit (non-recorded losses)		(50)		(50)

Note 31: Post year-end events

There are no post year-end events to report.

Note 32: Contingent liabilities

In the context of their everyday operations, companies within the Group are regularly subject to tax audits.

These tax adjustments, or the identified outstanding tax not subject to adjustment, are the object of appropriate provisions whose amount is regularly reviewed in accordance with the criteria of

IAS 37. The Group relies on internal and external advisors to assist in evaluating such litigation or disputes.

Furthermore, the Group is subject to litigation or disputes that it believes will not give rise to any significant expenses or have a major impact on its financial situation, business and/or results.

Note 33: Off-balance-sheet commitments

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

1. Off-balance-sheet commitments relating to funds comprise:

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

2. Off-balance-sheet commitments related to operations consist of:

- commitments to purchase plots of land under the Group's expansion programme;
- various undertakings arising from commercial contracts;
- commitments made to carry out construction work as part of the Group's expansion programme;
- rental guarantees and guarantees on shopping-mall operators;

- guarantees for receivables;

- any other commitments given or received.

3. Commitments related to the acquisition of securities

These comprise firm commitments received to purchase or sell securities – mainly in France, in the context of Group franchising activities – plus options to purchase securities and liability guarantees. Liability guarantees received are not disclosed.

4. Commitments related to leasing agreements

At the end of December 2008, the Group fully owned 664 hypermarkets out of 1,213 consolidated hypermarkets, 669 supermarkets out of 1,745 consolidated supermarkets and 457 hard-discount stores out of 4,795 consolidated hard-discount stores.

Stores not fully owned are rented under leasing agreements that represented an expense of 1,049 million euros over the year 2008 (see Note 7).

Of these contracts, 14% expire in less than 1 year, 37% in 1-5 years and 49% in more than 5 years.

The gross amount of future rental payments, determined on the basis of the maximum future commitment made by the Group in terms of both duration and amount for each of the property-leasing agreements existing to date, amounts to 6,748 million euros. Discounted future rental flow corresponds to a commitment of 5,206 million euros.

The Group also owns shopping centres, mainly anchored by its hypermarkets and supermarkets, that are rented out and represented income of 246 million euros in 2008. The gross amount of future rental payments receivable, dependant on future commitments made by lessees in terms of both the duration and amount of each property-lease agreement existing to date, amounts to 447 million euros. The discounted future rental flow corresponds to a commitment received of 396 million euros.


Commitments given:

Commitments given (in millions of euros)	31/12/2008	Breakdown by maturity		
		- 1 year	1-5 years	+ 5 years
Relating to funds	8,628	4,222	4,006	399
<i>Relating to financial companies</i>	7,386	3,526	3,533	327
<i>Relating to other companies</i>	1,242	697	473	72
Relating to operation/property/expansion	1,035	434	411	190
Relating to acquisition of securities	1,747	202	1,492	54
Relating to lease agreements	6,748	937	2,483	3,328
TOTAL	18,159	5,796	8,392	3,971

Commitments received:

Commitments received (in millions of euros)	31/12/2008	Breakdown by maturity		
		- 1 year	1-5 years	+ 5 years
Relating to funds	5,031	1,416	3,081	534
<i>Relating to financial companies</i>	2,356	711	1,366	278
<i>Relating to other companies</i>	2,675	704	1,714	256
Relating to operation/property/expansion	908	262	425	222
Relating to acquisitions of securities	350	13	323	14
Relating to lease agreements	447	169	221	56
TOTAL	6,735	1,860	4,049	827

Note 34: Employees

	31/12/2008	31/12/2007
Average number of Group employees	479,072	461,260
Group employees at year-end	495,287	490,042

Note 35: Related parties

Remuneration for the year 2008 paid to members of the Group's Management Committee (excluding the Management Board and the Board of Directors) is detailed in the "Remuneration and benefits" section of the Reference Document.
Information on the remuneration of corporate officers is provided in the Carrefour management report prepared by the Board of Directors.

Transactions between the parent company and equity affiliates are summarized below:

Nature of transaction

(in millions of euros)	Transaction amounts		Receivables from affiliated companies		Payables to affiliated companies		Off-balance-sheet commitments	
	2008	2007	2008	2007	2008	2007	2008	2007
Sale of goods	1	4	2	2				
Commitments given: firm commitments to purchase securities							1,004	979
Commitments received: firm commitments to purchase securities								
Other	(41)	(41)			(8)	(10)		



COMPANIES CONSOLIDATED BY FULL INTEGRATION AS OF 31 DECEMBER 2008

FRANCE

	Percentage interest used in consolidation	Commercial business register number
ACTIS	100.0	345 274 310
AGON	100.0	326 803 202
ALFROY	100.0	398 260 950
ALLU	100.0	383 966 496
ALODIS	100.0	345 130 306
ANADIA	100.0	442 769 691
ANDELYSIENNE DE DISTRIBUTION	100.0	384 418 331
AUCEMA	99.9	398 656 660
AUREJAN	100.0	409 581 154
BCG	100.0	347 514 895
BDD	100.0	380 060 210
BELLEVUE DISTRIBUTION	100.0	300 513 041
BERMITTO	100.0	334 897 220
BREAL DISTRIBUTION	100.0	432 807 550
BRUMAT	100.0	337 730 683
CADS	100.0	353 110 554
CAMARSYL	100.0	443 499 041
CANNECAR	100.0	421 295 213
CAOR	100.0	428 777 999
CARAUTOROUTES	100.0	433 970 944
CARCOOP	50.0	317 599 231
CARCOOP FRANCE	50.0	333 955 912
CARDADEL	100.0	335 014 411
CARFUEL	100.0	306 094 194
CARJORY	100.0	477 732 887
CARLIER	100.0	379 535 909
CARMA	50.0	330 598 616
CARMA VIE	50.0	428 798 136
CARMIN	100.0	392 312 898
CARREFOUR ADMINISTRATIF FRANCE	100.0	428 240 352
CARREFOUR ASSISTANCE A DOMICILE	100.0	487 596 173
CARREFOUR FORMATION HYPERMARCHES FRANCE (CFHF)	100.0	433 970 811
CARREFOUR FRANCE	100.0	672 050 085
CARREFOUR HYPERMARCHES	100.0	451 321 335
CARREFOUR HYPERMARCHES FRANCE	100.0	428 767 859
CARREFOUR INTERACTIVE	100.0	493 123 095
CARREFOUR MOBILIER HYPERMARCHES FRANCE	100.0	433 970 886
CARREFOUR MONACO	100.0	92 502 820
CARREFOUR PROPERTY	100.0	775 632 169
CARREFOUR PROPERTY DEVELOPPEMENT	100.0	381 844 471
CARREFOUR SERVICES CLIENTS	100.0	423 697 523
CARREFOUR STATION SERVICE (ex PARIDIS 75)	100.0	451 321 376
CARREFOUR SYSTEMES D'INFORMATIONS FRANCE	100.0	433 929 114
CARREFOUR VOYAGES	100.0	379 601 974
CARTAILLAN	100.0	447 729 815

	Percentage interest used in consolidation	Commercial business register number
CASCH	100.0	444 531 180
CHAMPION SUPERMARCHES FRANCE (C.S.F)	100.0	440 283 752
CHAMVOG	100.0	410 907 315
CHANGE DISTRIBUTION	100.0	443 738 463
CHARSAC	100.0	326 313 426
CHRISTHALIE	100.0	344 389 820
CHRISTING	100.0	330 305 558
CLAIREFONTAINE	100.0	326 964 715
COJADIS	100.0	445 018 633
COLODIS	100.0	480 569 813
COMIDIS	100.0	333 903 789
CONTINENT 2001	100.0	430 209 650
COVICAR 2	100.0	440 274 454
CSD	74.0	326 220 654
CSD TRANSPORTS	74.0	433 859 154
CSF France	100.0	501 238 414
CUBZADIS	100.0	353 125 255
DAGUI	100.0	339 443 137
DARTAGNAN	99.9	339 211 450
DAVARD	100.0	333 940 120
DDAPS	100.0	383 946 795
DE LA BUHUETTERIE	100.0	352 295 232
DEFENSE ORLEANAISE	50.0	85 580 728
DES JARDINS	100.0	383 329 968
DES TROIS G	100.0	347 852 428
DIJOI	100.0	333 134 641
DIONYESIENNE DE SUPERMARCHES	100.0	397 728 122
DISANIS	100.0	418 544 516
DISTRABAUD	100.0	402 068 456
DISTRAL	100.0	331 057 075
DISTRIPAS	100.0	433 842 960
DISTRIVAL	100.0	383 257 938
DUNIEDIS	100.0	338 434 673
ESQUIEZIENNE DE SUPERMARCHES (S.E.S)	100.0	332 136 050
ETADIS	100.0	440 274 355
ETS CATTEAU	100.0	576 280 101
EUROMARCHE	100.0	780 060 414
FINIFAC	100.0	409 468 857
FLORADIS	100.0	330 202 680
FORUM DEVELOPPEMENT	100.0	381 485 176
GEDEL	100.0	395 104 243
GENEDIS	100.0	345 130 512
GEOTIS	100.0	384 878 468
GILVER	100.0	382 944 684
GML - GRANDS MAGASINS LABRUYERE	50.0	314 832 387
GML FRANCE	50.0	397 894 296
GML STATIONS SERVICE	50.0	504 801 705
GOUDY	100.0	353 898 125
GUILLOT ET FILS	100.0	775 543 846
GUIROVI	100.0	381 618 461
HALLDIS	100.0	391 982 980
HAMON	100.0	622 007 821
HONDIS	100.0	437 939 952
HYPARLO SA	100.0	779 636 174
IMMODIS (ex HYPARMO)	99.3	334 440 849
IMMOBILIERE CARREFOUR	100.0	323 439 786
IMMODIS	100.0	950 340 927
INTERDIS	100.0	421 437 591
JBM HOLDING	100.0	401 634 852
JORI	100.0	350 832 267
JULIEME	100.0	392 746 194



	Percentage interest used in consolidation	Commercial business register number
KANY	100.0	353 484 595
KERRIS	100.0	340 382 548
KOALA	100.0	401 401 443
LA BURRIERE	100.0	433 511 045
LA CHARTREUSE	100.0	349 857 011
LA CIOTAT DISTRIIBUTION SNC	100.0	451 625 354
LA FONTAINE	100.0	421 787 086
LA VOULTE DISTRIBUTION	100.0	391 571 312
LALAUDIS	99.0	339 176 885
LAMBIN	100.0	341 092 609
LAPALUS & FILS (ETABS)	100.0	795 920 172
LAUL	100.0	410 261 689
LE RELAIS DE CARIMAI	100.0	420 047 938
LEDISAND	100.0	401 140 330
LES REMPARTS	100.0	389 347 063
LEVALDIS	100.0	381 681 345
LOGIDIS	100.0	303 010 789
LOGIDIS COMPTOIRS MODERNES	100.0	428 240 287
LORDIS	100.0	430 160 010
LUDIS	100.0	345 316 855
MADRAS	100.0	380 239 228
MAISON JOHANES BOUBEE	100.0	775 583 248
MANDY	100.0	319 449 708
MATEDIS	100.0	383 230 703
MEGANE	100.0	399 381 979
MIBILCO	100.0	347 737 157
MONDEVILLE 1	100.0	422 382 051
MONEDIS	100.0	351 036 017
MONTEL DISTRIBUTION	100.0	398 834 226
MONTELMAR DISTRIBUTION	100.0	487 596 165
MONTVERT	100.0	379 843 139
NEUVILLE DISTRIBUTION	100.0	439 525 148
NODIS	100.0	325 485 902
NOISY DISTRIBUTION	100.0	350 498 416
NOVIGRAY	100.0	479 570 798
OGALIM	100.0	348 302 613
OOSHOP	95.0	420 153 538
OSMADIS	100.0	404 239 584
PERPIGNAN DISTRIBUTION SNC	100.0	451 603 070
PHILEVE	100.0	347 970 592
PHIVETOL	100.0	340 721 844
POLE	100.0	341 455 855
PONTORSON DISTRIBUTION	100.0	352 725 808
PRODIM	100.0	345 130 488
PROFIDIS	100.0	323 514 406
PROFIDIS & CIE	99.0	327 753 372
PROMECAR	100.0	421 194 531
RIOM DISTRIBUTION	100.0	487 596 199
RIOMOISE DE DISTRIBUTION SA	100.0	318 623 790
ROBINSON	100.0	403 877 863
S 2M I	100.0	440 272 789
S.D.O	100.0	487 280 307
S.L.M. DISTRIBUTION	100.0	453 585 101
S2P - SOCIETE DES PAIEMENTS PASS	60.0	313 811 515
SAB	100.0	419 278 270
SAINT MICHEL DISTRIBUTION	100.0	314 208 752
SAMAD DISTRIBUTION	100.0	352 729 636
SARL DE SAINT HERMENTAIRE	100.0	384 235 602
SAUDIS	100.0	338 625 759
SAVIMMO	100.0	341 876 936
SCI LA SEE	100.0	484 144 399
SCI POUR LE COMMERCE	100.0	378 384 002

	Percentage interest used in consolidation	Commercial business register number
SELIMA	100.0	411 495 369
SES 1 (ex Coviam 7)	100.0	487 647 091
SETEDIS	100.0	309 085 280
SICODI	100.0	352 487 722
SIFO	100.0	401 321 344
SIGECA	100.0	353 866 619
SISP	100.0	349 146 878
SMANG	100.0	328 816 004
SMSM	100.0	329 275 978
SOBEDIS	100.0	308 250 240
SOBRUDIS	100.0	380 848 051
SOCIETE DE DISTRIBUTION PLOEUCOISE - SODIP	100.0	325 517 464
SOCIETE DES HYPERMARCHES DE LA VEZERE	50.0	382 824 761
SOCIETE D'EXPLOITATION AMIDIS & Cie	100.0	319 730 339
SOCIETE FECAMPOISE DE SUPERMARCHES	100.0	305 490 039
SOCIETE NOUVELLE SOGARA	50.0	441 037 405
SODILOC	100.0	382 005 916
SODISAL	100.0	332 161 686
SODISCAF	100.0	398 008 565
SODISOR	100.0	788 358 588
SODITA	100.0	482 053 352
SOFEDIS	100.0	317 516 441
SOFIDIM	100.0	673 820 601
SOFINEDIS	100.0	304 515 380
SOFODIS	100.0	729 201 384
SOGARA	50.0	662 720 341
SOGARA FRANCE	50.0	397 509 647
SOGARA STATION SERVICE	50.0	504 767 104
SOGIPIC	100.0	400 881 058
SOGRIN	100.0	325 663 771
SOLADIS	100.0	345 027 171
SOLEDIS	100.0	401 146 311
SOPLANDI	100.0	392 435 905
SOVAL	100.0	847 250 503
STEMA	100.0	440 068 625
STROFI	100.0	421 892 134
SUPER ALBA	100.0	325 183 655
SUPERDIS	100.0	315 399 063
SUPERMARCHE MOREL	100.0	672 950 078
THOMAS DISTRIBUTION	100.0	394 183 040
TIALMON	100.0	403 085 467
TILLY DISTRIBUTION	100.0	350 553 517
TONICLEM	100.0	414 102 657
TY FRAPP	100.0	324 754 555
UNICAGES	100.0	414 855 650
UNIVU	100.0	351 914 460
VALCAOR	100.0	411 033 129
VEZERE DISTRIBUTION	100.0	478 502 651
VIADIX	100.0	351 233 010
VICUS	100.0	333 963 627
VIMOUTIERS DISTRIBUTION	100.0	310 712 278
VIZEGU	100.0	323 945 154
BOEDIM	100.0	379 874 571
BEARBULL	100.0	423 143 718
CARREFOUR MANAGEMENT	100.0	403 245 061
CARREFOUR SA	100.0	652 014 051
CHAMNORD	62.6	303 543 128
COMPTOIRS MODERNES SAS (CMSAS)	100.0	575 450 317
COSG	100.0	440 091 114
CRFP10	100.0	444 531 628
CRFP11	100.0	444 531 719
CRFP13	100.0	487 564 590



	Percentage interest used in consolidation	Commercial business register number
CRFP16	100.0	507 869 220
CRFP4	100.0	440 160 570
DAUPHINOISE DE PARTICIPATIONS	100.0	337 748 552
HAUTS DE ROYA	100.0	428 470 900
HYPARLO FRANCE	100.0	439 916 677
P.R.M.	100.0	352 442 826
TOURANGELLE DE PARTICIPATIONS	100.0	339 487 787
CARREFOUR IMPORT SAS (EX CRFP2)	100.0	434 212 130
CARREFOUR MARCHANDISES INTERNATIONALES	100.0	385 171 582
COMPAGNIE D'ACTIVITE ET DE COMMERCE INTERNATIONAL -CACI-	100.0	352 860 084
CARREFOUR EUROPE	100.0	420 265 845
ED FRANCHISE SAS	100.0	434 193 454
ED SAS	100.0	381 548 791
ERTECO	100.0	303 477 038
IMMOBILIERE ERTECO SNC	100.0	389 526 617
SARL ERTECO EST	100.0	401 636 550
SOCIETE NOUVELLE DES MAGASINS ED	100.0	352 730 816
SNC ED EST	100.0	402 628 283
HOFIDIS II	100.0	423 143 718
SET	100.0	433 964 202

ARGENTINA

	Percentage interest used in consolidation	Percentage interest used in consolidation
BANCO CETELEM ARGENTINA SA	40.0	100.0
BANCO DE SERVICIOS FINANCIEROS SA	60.0	100.0
INC S.A.	100.0	100.0
CARREFOUR AMERICAS	100.0	100.0
DIA ARGENTINA SA	100.0	100.0

BELGIUM

	Percentage interest used in consolidation	Percentage interest used in consolidation
CENTRE DE COORDINATION CARREFOUR	100.0	100.0
FOURCAR BELGIUM SA	100.0	100.0
FOURFINANCE HOLDING BV	100.0	100.0
GMR	100.0	100.0
NORTHSHORE PARTICIPATION	100.0	100.0
SERCAR	100.0	100.0
SOUTH MED INVESTMENTS	100.0	100.0
ALL IN FOOD	100.0	100.0
BIGG'S SA	100.0	100.0
BRUGGE RETAIL ASSOCIATE	100.0	100.0
CARREFOUR BELGIUM	100.0	100.0
CARREFOUR INFORMATION SYSTEM	100.0	100.0
CARUM	100.0	100.0
CUSTOMER LOYALTY PROGRAMME	100.0	100.0
BELGIUM - CLPB	100.0	100.0
DE NETELAAR	100.0	100.0
DEURNE RETAIL ASSOCIATE	100.0	100.0
DIKON	100.0	100.0
DIZO	100.0	100.0
ECLAIR	100.0	100.0
EXTENSION BEL-TEX	100.0	100.0
FILMAR	100.0	100.0
FILUNIC	100.0	100.0
FIMASER	60.0	100.0
FOMAR	100.0	100.0
FRESHCARE	100.0	100.0
FRESHFOOD	100.0	100.0
GB RETAIL ASSOCIATES SA	100.0	100.0
GENT DAMPOORT RETAIL ASSOCIATE	100.0	100.0
GROFRUIT	100.0	100.0
HALLE RETAIL ASSOCIATE	100.0	100.0
HEPPEN RETAIL ASSOCIATE	100.0	100.0
LA LOUVIERE RETAIL ASSOCIATE	100.0	100.0
MABE	100.0	100.0
OUDENARDE RETAIL	100.0	100.0
QUIEVRAIN RETAIL ASSOCIATE	100.0	100.0
R&D FOOD	100.0	100.0
ROB	100.0	100.0
ROTHIDI	100.0	100.0
RULUK	100.0	100.0
SAMDIS	78.8	100.0
SCHILCO	100.0	100.0
SINDIS	100.0	100.0
SOCIETE RELAIS	100.0	100.0
STIGAM	100.0	100.0
VANDEN MEERSSCHE NV	100.0	100.0
VERSMARKT	100.0	100.0
VOMARKT	100.0	100.0
WAPRO	100.0	100.0

BRAZIL

	Percentage interest used in consolidation
BREPA COMERCIO PARTICIPACAO LTDA	100.0
CARREFOUR ADMINISTRADORA DE CARTOES DE CREDITO, COMERCIO E PARTICIPACOES LTDA	60.0
CARREFOUR COMMERCIO E INDUSTRIA LTDA	100.0
CARREFOUR GALERIAS COMERCIAIS LTDA	100.0
CARREFOUR PARTICIPACOES SA	100.0
CARREFOUR VIAGENS E TURISMO LTDA. ELDORADO	100.0
IMOPAR PARTICIPCOES E ADMINISTRACAO IMOBILIARIA LTDA	100.0
KORCULA PARTICIPACOES	100.0
LOJIPART PARTICIPACOES SA	100.0
NOVA GAULE COMERCIO E PARTICIPACOES S.A.	100.0
RDC FACCOR FACTORING FOMENTO COMERCIAL LTDA.	100.0
ZAP	100.0
DIA BRASIL	100.0

BULGARIA

	Percentage interest used in consolidation
CARREFOUR BULGARIA AD	100.0

CHINA

	Percentage interest used in consolidation
BEIJING CARREFOUR COMMERCIAL CO., LTD.	55.0
BEIJING CHAMPION SHOULIAN COMMUNITY CHAIN STORES CO LTD	100.0
BEIJING CHUANGYIJIA CARREFOUR COMMERCIAL	100.0
BEIJING REPRESENTATIVE OFFICE OF CARREFOUR S.A.	100.0
CARREFOUR (CHINA) MANAGEMENT & CONSULTING SERVICES CO.	100.0
CHANGCHUN CARREFOUR COMMERCIAL CO., LTD.	100.0
CHANGSHA CARREFOUR HYPERMARKET	100.0
CHENGDU CARREFOUR HYPERMARKET CO LTD	92.5
CHENGDU YUSHENG INDUSTRIAL DEVELOPMENT CO LTD	100.0
CHONGQING CARREFOUR COMMERCIAL CO LTD	55.0
DALIAN CARREFOUR COMMERCIAL CO., LTD.	65.0
DONGGUAN DONESHENG SUPERMARKET CO	100.0
DONGGUAN CARREFOUR COMMERCIAL CO., LTD	100.0

Percentage interest used in consolidation

FOSHAN CARREFOUR COMMERCIAL CO.,LTD	100.0
FUZHOU CARREFOUR COMMERCIAL CO LTD	65.0
GUANGZHOU JIAGUANG SUPERMARKET CO	55.0
HAIKOU CARREFOUR COMMERCIAL HANGZHOU CARREFOUR HYPERMARKET CO., LTD	100.0
HARBIN CARREFOUR HYPERMARKET CO., LTD	65.0
HEFEI YUEJIA COMMERCIAL CO., LTD.	60.0
JINAN CARREFOUR COMMERCIAL CO., LTD	100.0
KUNMING CARREFOUR HYPERMARKET CO., LTD	100.0
NANJING YUEJIA SUPERMARKET CO LTD	65.0
NINGBO LEFU INDUSTRIAL DEVELOPMENT CO. LTD	100.0
NINGBO CARREFOUR COMMERCIAL	60.0
QINGDAO CARREFOUR COMMERCIAL	97.7
SHANGAI CARHUA SUPERMARKET LTD	55.0
SHENYANG CARREFOUR COMMERCIAL CO LTD	65.0
SHENZHEN CARREFOUR COMMERCIAL	100.0
SHENZHEN LERONG SUPERMARKET CO LTD	100.0
SUZHOU YUEJIA SUPERMARKET CO., LTD	55.0
CARREFOUR (CHINA) FOUNDATION	100.0
TIANJIN JIAFU COMMERCIAL CO., LTD.	55.0
TIANJIN QUANYE CARREFOUR HYPERMARKET CO., LTD	65.0
WUHAN HANFU CHAIN SUPERMARKET CO LTD	100.0
WUXI YUEFU COMMERCIAL CO., LTD.	60.0
XIAMEN CARREFOUR COMMERCIAL CO LTD	100.0
XIAN CARREFOUR HYPERMARKET CO LTD	100.0
XINJIANG CARREFOUR HYPERMARKET	100.0
XUZHOU YUEJIA COMMERCIAL CO LTD	60.0
ZHENGZHOU YUEJIA COMMERCIAL CO., LTD.	60.0
ZHUHAI LETIN SUPERMARKET CO., LTD.	100.0
ZHUZHOU CARREFOUR COMMERCIAL CO., LTD.	100.0
BEIJING DIA-SHOULIAN COMMERCIAL RETAIL CO. LTD	87.4
DIA TIENTIAN (SHANGHAI) MANAGEMENT CONSULTING SERVICE CO. LTD	100.0
SHANGHAI DIA RETAIL CO. LTD	100.0

COLOMBIA

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



CZECH REPUBLIC

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

GERMANY

	Percentage interest used in consolidation
ERTECO DEUTSCHLAND GMBH	100.0
PROMOHYPERMARKT AG & CO. KG	100.0

GREECE

	Percentage interest used in consolidation
CARREFOUR CREDIT	30.0
CARREFOUR MARINOPOULOS	50.0
PIRAIKO SA	50.0
XYNOS SA	50.0
DIA HELLAS	80.0
GUEDO Holding Ltd.	25.1

HONG KONG

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

INDIA

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

INDONESIA

	Percentage interest used in consolidation
PT ALFA RETAILINDO TBK	79.9
PT CARREFOUR INDONESIA (EX CONTIMAS)	100.0

IRELAND

	Percentage interest used in consolidation
CARREFOUR INSURANCE	100.0

ITALY

	Percentage interest used in consolidation
CARREFOUR DISTRIBUZIONE SRL (ex CONSORZIO CARREFOUR)	99.8
CARREFOUR ITALIA	100.0
CARREFOUR ITALIA IMMOBILIARE	99.8
CARREFOUR SERVIZI FINANZIARI SPA	60.0
DEMETER ITALIA SPA (ex HYPERMARKET HOLDING)	99.8
DI PER DI SRL	99.8
ETNASTORE SPA	99.8
FINMAR SPA	99.8
GS SpA (EX ATENA)	99.8
I.S. CINQUE SRL	99.8
SOCIETA SVILUPPO COMMERCIALE IL BOSCO SRL	99.8 94.8

LUXEMBOURG

	Percentage interest used in consolidation
VELASQUEZ SA	100.0

MALAYSIA

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

POLAND

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

PORTUGAL

	Percentage interest used in consolidation
DIA PORTUGAL SUPERMERCADOS	100.0

ROMANIA

	Percentage interest used in consolidation
ARTIMA SA	100.0
CARREFOUR ROUMANIE	100.0
CARREFOUR VOIAJ	99.0
NOU QUALITY SYSTEM SRL	100.0
TERRA ACHIZITII SRL	100.0

RUSSIA

	Percentage interest used in consolidation
CARREFOUR RUS	100.0

SINGAPORE

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

SLOVAKIA

	Percentage interest used in consolidation
ATERAITA	100.0
CARREFOUR SLOVENSKO	100.0

SPAIN

	Percentage interest used in consolidation
CARREFOUR CANARIAS, S.A.	95.9
CARREFOUR NAVARRA, S.L.	95.9
CARREFOUR NORTE, S.L.	95.9
CARREFOUR ESPANA PROPERTIES, S.L.	95.9
CARREFOURONLINE S.L (SUBMARINO HISPANIA)	95.9
CENTROS COMERCIALES CARREFOUR, S.A.	95.9
ESTABLECIMIENTOS DE CONVENIENCIA	100.0
GROUP SUPECO MAXOR	95.9
INMOBILIARIA CARREFOUR	95.9
INVERSIONES PRYCA, S.A.	100.0
NORFIN HOLDER S.L	100.0
CORREDURIA DE SEGUROS CARREFOUR	71.9
SERVICIOS FINANCIEROS CARREFOUR EF.C. (FINANCIERA PRYCA)	57.7
SIDAMSA CONTINENTE HIPERMERCADOS, S.A.	100.0
SOCIEDAD DE COMPRAS MODERNAS, S.A. (SOCOMO)	95.9
SUPERMERCADOS CHAMPION, S.A.	95.9
VIAJES CARREFOUR, S.L.UNIPERSONAL	95.9
DISTRIBUIDORA INTERNACIONAL DE ALIMENTACION (DIASA)	100.0
FINANDIA E.F.C.	100.0
TWINS ALIMENTACION, S.A.	100.0
PE-TRA SERVICIOS A LA DISTRIBUCION, S.L.	100.0

SWITZERLAND

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

TAIWAN

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

THAILAND

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

THE NETHERLANDS

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

TURKEY

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



COMPANIES CONSOLIDATED BY THE EQUITY METHOD AS OF 31 DECEMBER 2008

FRANCE (1)

	Percentage interest used in consolidation	Commercial business register number
ALTIS	50.0	310 710 223
DISTRIMAG	50.0	301 970 471
HYPERMARCHES DES 2 MERS - H2M	50.0	393 248 554
PROVENCIA SA	50.0	326 521 002
SA BLADIS	33.3	401 298 583
SCI LATOUR	60.0	333 337 053
SOCIETE RESEAU FRANCE BILLET	45.0	414 948 638
SOCIETE SUPERMARCHÉ DU BASSIN - SSB	50.0	324 766 047

ARGENTINA (2)

	Percentage interest used in consolidation
HIPERBROKER	65.0

POLAND (1)

	Percentage interest used in consolidation
CP TELECOM	50.0

ITALY (1)

	Percentage interest used in consolidation
CARREFOUR ITALIA MOBILE SRL	50.0
FINIPER SPA	20.0
G.D. PLUS SCARL	33.3
IPER ORIO SPA	49.9
IPER PESCARA SPA	49.9
PEGASO SPA	48.9
FUTURE SRL (ex TREDI' ESPANSIONE SRL)	25.0
DUEFUSION SRL	35.0
PROMOZIONE SVILUPPO SUD SRL	49.9

SPAIN (1)

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

UNITED ARAB EMIRATES (1)

	Percentage interest used in consolidation
MAJID AL FUTTAIM	25.0

(1) These companies are not consolidated by full integration because they are not controlled by the Group.

(2) These companies are insignificant or in the process of dissolution.

STATUTORY AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2008

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and 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 explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made 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 should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2008, on:

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

The consolidated 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.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2008 and of the results of its operations for the year then ended in accordance with the IFRS as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Note 1 relating to the Notes on the consolidated financial statements indicates that management of the company is required to take into account estimates and assumptions that may affect the book value of certain assets and liabilities, as well as the disclosures provided in the notes to the financial statements. In the scope of our audit as of 31 December 2008, we have in particular:

- reviewed the impact of these estimates made by the company on impairment of goodwill and intangible and tangible fixed assets. We have assessed the information and assumptions on which these estimates are based, in particular cash-flow forecasts prepared by the management of your company in the economic environment relating to the current financial crisis, reviewed their calculations, compared accounting estimates for the prior periods with what was achieved and examined the procedure of approval of these estimates by management;
- assessed the provisions recorded by the company. Our assessment was based on:
 - obtaining an understanding and testing the procedure undertaken by the company to identify the relating risks, and
 - comparing independent estimates to those made by the company.

These assessments were made in the context of the performance of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the formation of our opinion expressed in the first part of this report.



III. Specific verification

As required by law, we also verified the information presented in the Group's management report. We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Paris La Défense and Neuilly sur Seine, 7 April 2009

The Statutory Auditors

French original signed by

KPMG Audit
A division of KPMG S.A.

Deloitte & Associés

Jean-Luc Decornoy
Partner

Jean-Paul Picard

REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

ON CONDITIONS GOVERNING THE PREPARATION AND ORGANIZATION OF THE BOARD'S WORK AND INTERNAL CONTROL AND RISK-MANAGEMENT PROCEDURES

Pursuant to the provisions of Articles L. 225-68 and L. 225-37 of the French Commercial Code, this report states the conditions for the preparation and organization of the Supervisory Board's work, and that of the Board of Directors, during the course of 2008, together with the internal control procedures put in place by the Carrefour Group.

This report was approved by the Board of Directors at its meeting on 10 March 2009.

1. Corporate governance

By decision of the Shareholders' Meeting of 20 April 2005, the company adopted the form of a public limited company with a Management Board and Supervisory Board. By decision of the Shareholders' Meeting of 28 July 2008, the company adopted the form of a public limited company with a Board of Directors. The positions of Chairman and Chief Executive Officer have been separated.

1.1. THE MANAGEMENT BOARD AND SUPERVISORY BOARD (1 JANUARY - 28 JULY 2008)

Provisions concerning the composition and operation of the Management Board and Supervisory Board were as follows:

1.1.1 The Management Board

The company is run by a Management Board comprising at least two and at most seven members, all individuals, who can be selected from outside the ranks of shareholders. No serving member of the Supervisory Board can be a member of the Management Board. The maximum age for members of the Management Board is 65. The Management Board is appointed for two-year terms; its members are appointed and reappointed by the Supervisory Board. Membership in the Management Board may be revoked by the Supervisory Board or at the Shareholders' Meeting. The Supervisory Board determines the method and amount of remuneration for each member of the Management Board. It also determines the number and price of subscription or purchase options for company shares granted to members of the Management Board and, where applicable, the number of company shares that may be allocated to them free of charge, and establishes conditions for the allocation of such shares. The Management Board meets as often as is required in the interests of the company, in cases provided for by law, and in order

to examine all operations requiring the prior authorization of the Supervisory Board. Every three months, the Management Board presents the Supervisory Board with a report summarizing the main actions and events that have occurred in the course of managing the company. It must contain all the information needed to inform the Supervisory Board of the progress of business. The Management Board may, at any time, present the Supervisory Board with a special report on any exceptional operations, their exceptional nature being assessed by the Management Board under its own responsibility.

A meeting of the Management Board is called by its Chairman or, failing this, by any other member of the Management Board. It meets where indicated in the convocation notice. In order for the deliberations of the Management Board to be valid, at least half of the members in office, including the Chairman, must be present.

All decisions of the Management Board must be made by a majority of members present and represented. In the event of a tie, the Chairman will have the deciding vote.

The Management Board has full powers to act in the name of the company under all circumstances; it exercises these powers within the limits of the company's objectives, under the control of the Supervisory Board and subject to the powers expressly assigned to the Shareholders' Meeting and Supervisory Board by law or via the Articles of Association. The Supervisory Board confers the position of Chairman of the Management Board on a Management Board member for the duration of his/her term of office. The Chairman of the Management Board represents the company in its relations with third parties.

At the Supervisory Board meeting on 20 April 2005, the following were appointed as members of the Management Board: Mr. José Luis Durán (Chairman of the Management Board), Mr. Jacques Beauchet, Mr. Javier Campo, Mr. José María Folache and Mr. Guy Yraeta. Their terms of office were renewed for a period of two years, effective as of 20 April 2007. On 22 January 2008, the Supervisory Board appointed Mr. Gilles Petit and Mr. Thierry Garnier as members of the Management Board.



During the course of the 2008 fiscal year, the Management Board met 17 times, with average attendance of 97%. Discussions of the Management Board related to the following subjects in particular:

- group organization, definition of its financial strategy, and the issuance of bonds;
- the study of tactical acquisition operations and rationalization of the business portfolio;
- valuation of property assets and liabilities;
- operational matters such as sustainable development, banner image and IT systems structuring;
- preparation for the Shareholders' Meeting;
- the budget, the annual and half-yearly accounts, quarterly results, the related financial announcements, and the implementation of a share-buyback programme;
- human resources issues: the Worldwide Employee Shareholding Programme, lifting of affiliation conditions, appointments and definition of the long-term remuneration policy (purchase options, free share allocation etc.);
- a one-day strategic seminar with the Supervisory Board;
- changes to the company's corporate-governance structure and preparation for the ad-hoc Shareholders' Meeting.

1.1.2 The Supervisory Board

Following resolutions adopted by the Shareholders' Meeting of 30 April 2007, the Supervisory Board comprised 11 members: Mr. Robert Halley (Chairman), Mr. Amaury de Seze (Vice-Chairman), Ms. Anne-Claire Taittinger, Mr. René Abate, Mr. Sébastien Bazin, Mr. Nicolas Bazire, Mr. René Brillet, Mr. Jean-Martin Folz, Mr. José-Luis Leal Maldonado, Comet BV (represented by Mr. Bernard Bontoux) and Halley Participations (represented by Mr. Pierre-Jean Brenugat).

On 15 April 2008, Comet BV and Halley Participations resigned as members of the Supervisory Board.

On 12 May 2008, Mr. Robert Halley resigned from his position as Chairman and member of the Supervisory Board. The Supervisory Board appointed Mr. Robert Halley as Honorary Chairman of the company. The Board then appointed Mr. Amaury de Seze and Mr. Jean-Martin Folz as Chairman and Vice-Chairman, respectively, of the Supervisory Board. Mr. Bernard Arnault was appointed as a member of the Supervisory Board to replace Mr. Robert Halley.

During the course of the 2008 fiscal year, the Management Board met 10 times (including once in a one-day strategy seminar with the Management Board), with average attendance of 91%.

During its meetings, the Supervisory Board covered the following issues in particular:

- the budget, the study of tactical acquisitions' operations, rationalization of the business portfolio, and valuation of property assets and liabilities;
- the composition of the board and its committees (appointment of a new Chairman and Vice-Chairman following the resignation of the Chairman, and the proposal to appoint a new member), modification of internal regulations, and the company's corporate governance;

- examination of the annual and half-yearly accounts, quarterly results and the related financial announcement;
- approval of authorizations requested by the Management Board (share-buyback programme, implementation of long-term remuneration plans etc.);
- reports on the work of the board's committees (Committee for Remuneration, Appointments and Corporate Governance and the Audit Committee), appointment of two members of the Management Board (increasing the number of members from five to seven).

1.2. THE BOARD OF DIRECTORS AND GENERAL CORPORATE MANAGEMENT (SINCE 28 JULY 2008)

Following resolutions adopted by the Shareholders' Meeting of 28 July 2008, the company has adopted the form of a public limited company with a Board of Directors, and the positions of Chairman and Chief Executive Officer have been separated.

The Board of Directors comprises 12 members: Mr. Amaury de Seze (Chairman), Mr. Jean-Martin Folz (Vice-Chairman), Ms. Anne-Claire Taittinger, Mr. René Abate, Mr. Bernard Arnault, Mr. Sébastien Bazin, Mr. Nicolas Bazire, Mr. Jean-Laurent Bonnafé, Mr. Thierry Breton, Mr. René Brillet, Mr. Charles Edelstenne and Mr. José-Luis Leal Maldonado.

The members of the Board of Directors were appointed by the Shareholders' Meeting on 28 July 2008 for a term of three fiscal years. Pursuant to the 19th resolution adopted by the Shareholders' Meeting, and so that the terms of one-third of the members of the Board are renewed each year, the Board of Directors drew lots to determine the names of those directors whose terms would be subject to early expiration in the first and second year.

Accordingly, the Directors whose terms will expire at the end of the 2008 fiscal year will be Mr. René Abate, Mr. Nicolas Bazire, Mr. Jean-Martin Folz and Mr. José Luis Leal Maldonado. The directors whose terms will expire at the end of the 2009 fiscal year will be Ms. Anne-Claire Taittinger, Mr. Sébastien Bazin, Mr. Thierry Breton and Mr. Charles Edelstenne.

The terms of Mr. Amaury de Seze, Mr. Bernard Arnault, Mr. Jean-Laurent Bonnafé and Mr. René Brillet will expire at the time of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 December 2010.

The board aims to assess the independence of each member of the board as compared with general corporate management. Under the criteria set forth by the AFEP MEDEF corporate governance code for listed companies and by the recommendations of the European Commission, the Board of Directors believes that, among its members, nine may be considered independent with no relationship of any kind with the company, its group or its management that might compromise their freedom of judgement.

Therefore, Ms. Anne-Claire Taittinger, Mr. Amaury de Seze, Mr. Jean-Martin Folz, Mr. René Abate, Mr. Thierry Breton, Mr. Charles Edelstenne and Mr. José Luis Leal Maldonado are independent members. Mr. René Brillet's position as a former employee does not prevent him from qualifying as an independent member, to the extent that Mr. Brillet, who is now retired, has had no relationship with Carrefour that is likely to create a conflict of interest and/or harm his capacity to make judgements. Likewise, the contractual relationships between Carrefour and Cetelem do not bar Mr. Jean-Laurent Bonnafé from being considered independent.

Each member of the Board of Directors must own a minimum of 1,000 shares for the duration of their terms.

Since 28 July 2008, the Board of Directors met seven times, with an average attendance rate of 91%.

During its meetings, the Board of Directors discussed the following issues in particular:

- the composition of the Board and its Committees (appointment of the Chairman, the Vice-Chairman and the Honorary Chairman), adoption of internal rules, appointment of the Chief Executive Officer and defining the scope of his authority;
- the study of acquisitions' operations and rationalization of the business portfolio, valuation of property assets and liabilities;
- approval of the half-yearly accounts, review of quarterly sales and the related financial announcements;
- implementation of a share-buyback programme;
- reports on the work of the board's committees (Committee for Remuneration, Appointments and Corporate Governance and the Accounts and Internal Audit Committee).

As of 31 December 2008, Mr. José Luis Durán was serving as Chief Executive Officer, appointed to this position by the Board of Directors at its 28 July 2008 meeting. Based on a proposal of the Remuneration, Appointments and Corporate Governance Committee, the Board of Directors selected Mr. Lars Olofsson to succeed Mr. José Luis Durán as Chief Executive Officer of the Group as of 1 January 2009.

During its meeting on 28 July 2008, the Board of Directors decided that the Chief Executive Officer could not carry out the following transactions or actions in the name and on behalf of the company without the board's prior consent:

- commitments for any bond, security or guarantee in the name of the company greater than 500 million euros (no limit for commitments concerning tax and customs authorities);
- disposals of buildings exceeding a value of 50 million euros, the full or partial disposal of equity interests, or the granting of security interests on company property;
- direct establishment of overseas sites by forming a company, a direct or indirect subsidiary, or by acquiring an interest, or deciding to withdraw from these sites;
- any merger, spin-off or asset transfer;
- acquisition, in any form (particularly through investment, subscription to a capital increase or borrowing), of fixed assets for an enterprise value (including assumed debt) greater than or equal to 100 million euros or related sales greater than or equal to 150 million euros.
- any entry by minority shareholders into the current or potential capital stock of any controlled entity;
- the sale, in any form (including an asset transfer), of fixed assets in an amount greater than 100 million euros;
- the total or partial disposal of non-financial assets not valued on the balance sheet that involve brands or customer data;
- any decision to borrow (excluding the EMTN programme) beyond a cumulative amount greater than 500 million euros in a single fiscal year;

- in the event of a dispute, any settlement or compromise in an amount greater than the values established by the board, which the board may update;
- any contractual mechanism to establish any share subscription or purchase-option or free-share allocation plans;
- any change to the company's organization;
- the remuneration policy for the company's main executives.

During its 12 November 2008 meeting, the Board of Directors decided that the company would refer to the AFEP MEDEF corporate governance code, including its October 2008 recommendations on compensation of company officers.

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

During its 28 July 2008 meeting, the Board of Directors adopted by-laws, divided into six chapters, whose main provisions are as follows:

- the first chapter sets forth the mission of the Board of Directors, describes board meeting procedures, director information and the board's assessment of its operations and ability to carry out its missions;
- the second and third chapters describe the role and authority of the Chairman and Chief Executive Officer;
- the fourth chapter is dedicated to the board's committees: the Accounts and Internal Audit Committee, the Remuneration, Appointments and Corporate Governance Committee and the Strategy Committee (composition, missions, operations);
- the final two chapters mainly address director compensation and the code of conduct that all board members must follow in carrying out their duties.

1.3. THE BOARD OF DIRECTORS' COMMITTEES

The Group has three specialized committees: the Audit Committee (which became the Accounts and Internal Audit Committee in 2008) and the Remuneration, Appointments and Corporate Governance Committee, which were established by the Supervisory Board in 2005, and the Strategy Committee, which was established in 2008 by the Board of Directors.

These committees meet at their convenience, with or without the involvement of company management. They can call upon outside experts as necessary. The Committee Chairman can ask the Chairman of the Board or Chief Executive Officer to interview any person within the Group who is responsible for issues that fall within the committee's purview.

They issue advice to the Board of Directors. The chairmen of the committees, or, if they are unavailable, another member of the same committee, present an oral summary of their work to the Board. A written report on committee meetings is prepared and submitted to the directors after approval.

1.3.1. The Accounts and Internal Audit Committee

This committee, of which at least two-thirds of all members must be independent directors, meets at least four times per year. No members of the company's general management may sit on this committee. The committee Chairman is appointed by the Board of Directors.



The committee's mission is to analyze the quarterly, half-yearly and annual financial statements issued by the company when the accounts are approved and to delve more deeply into certain items prior to their presentation to the Board of Directors.

The committee reviews all issues relating to financial statements and other documents, including the selection of accounting standards, provisions, management accounting data, capital sufficiency requirements, profitability indicators and any accounting issues that raise methodological concerns or give rise to potential risk.

The committee also analyzes internal control reports.

The committee manages the procedure for selecting the statutory auditors, expresses an opinion on the amount of fees charged for performing statutory auditing assignments and reports to the board on the outcome of this process.

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 Carrefour to the statutory auditors and the networks to which they belong, calculated according to a model approved by the committee. It ensures that the amount and share of the statutory auditors' revenues represented by Carrefour is not likely to compromise the statutory auditors' independence.

It gives its prior consent for any undertaking whose fees (excluding tax) exceed 1 million euros. The committee approves other undertakings after the fact, based on submissions from the Group Finance department. Each year, the committee receives a report from the Finance department on all "non-audit" undertakings carried out by networks to which the Group's statutory auditors belong.

At least twice per year, the committee devotes part of its meeting to a discussion with the statutory auditors' team without the presence of the company's general management.

The committee reviews the draft Chairman's Report on internal-control procedures relating to the preparation and processing of accounting and financial information.

On all issues within its purview, the committee may - as it sees fit and without 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.

Membership of the committee is as follows:

Chairman: Jean-Martin Folz (independent director)
Members: René Brillet (independent director)
Sébastien Bazin

During the course of the 2008 fiscal year, the committee met four times (twice in its capacity as the Management Board's Audit Committee), with an attendance rate of 100%. Among other things, the committee reviewed the financial statements of 31 December 2007 and 30 June 2008, the methods of consolidation and the Group's balance sheet, key events and principal options, summaries of the income statement and balance sheet, the cash-flow statement and financing, and preparation of the year-end accounts for 2008. It also examined the system in place for the delegation of authority, the Group's insurance strategy and financial-services activities. In addition, it looked at the status of the statutory auditors' terms.

At each meeting, the committee analyzes a summary of work performed by internal auditors. The committee oversees the independence of internal auditors and ensures that the resources allocated to internal auditing are adequate to accomplish the assignment.

1.3.2. The Remuneration, Appointments and Corporate Governance Committee

The majority of Remuneration, Appointments and Corporate Governance Committee members are independent. No members of the company's general management may sit on the committee. The committee Chairman is appointed by the Board of Directors.

As the Remuneration Committee, it is responsible for reviewing all issues relating to the personal status of corporate officers, including remuneration, pension benefits, company subscription or purchase options, and provisions governing the departure of members from the company's management bodies.

It reviews the terms, amounts and allocation basis of stock-option plans, and also reviews conditions for allocating performance-based shares.

It is consulted on the remuneration policy for top management.

As the Corporate Governance Committee, it assists the Board of Directors to determine Carrefour's corporate governance rules and assess its operation.

It tracks developments in corporate governance at both global and national levels, and presents a summary of such developments to the Board of Directors at least once per year. It selects the measures best suited to the Group, with the aim of bringing its procedures, organization and conduct into line with best practices.

It reviews the draft Chairman's Report on corporate governance. With the Chairman, it prepares for Shareholders' Meeting discussions regarding proposals for director nominations.

As the Appointments Committee, it is responsible for submitting recommendations for the position of Chairman of the Board of Directors. Acting jointly with the Chairman, it submits recommendations for the position of chief executive officer and, if applicable, for assistant managing directors.

The committee assesses the Chairman's performance outside of his/her presence. It evaluates the chief executive officer's performance and, if applicable, that of the assistant managing directors.

In addition, it is responsible for developing plans for the succession of corporate officers.

It makes recommendations to the Board of Directors on the appointment of committee chairmen and members.

It is also charged with assessing directors' independence, and suggests corresponding qualifications to the Board of Directors.

Membership of the committee is as follows:

Chairman: Anne-Claire Taittinger (independent director)
Members: René Abate (independent director)
Nicolas Bazire

During the course of fiscal year 2008, the Committee met seven times (six of them as the Supervisory Board's Remuneration, Appointments and Corporate Governance Committee), with attendance of 92%.

The committee defined and proposed to the Supervisory Board the terms under which a share-purchase option plan and performance share plans might be granted. It determined remuneration amounts for corporate officers, proposed to the Supervisory Board the financial conditions applicable to departing Management Board members, as applicable, and proposed to the Supervisory Board the rules applicable to corporate officers on holding a portion of shares issued upon exercise of stock options granted to them and/or performance shares allocated to them.

The committee also evaluated the Supervisory Board's operation and assessed the independence of its members as compared with general management.

In addition, the committee proposed to the Board of Directors methods for remunerating the Chief Executive Officer and

Chairman of the Board of Directors, as well as methods for distributing director's fees allocated by the Shareholders' Meeting. Based on a proposal of the Remuneration, Appointments and Corporate Governance Committee, the Board of Directors established principles and rules to determine corporate officers' remuneration and benefits. Remuneration comprises:

- gross fixed compensation;
- a variable portion that can reach 200% of fixed compensation as set forth above, based on achievement of quantitative objectives (sales, EBIT and free cash flow as compared with the budget, for example) and qualitative objectives set by the board;
- long-term remuneration (stock options and/or allocation of performance shares).

Benefits, include a housing benefit (if applicable), health- and personal-insurance benefits, a company car and communications devices (telephone, computer etc.).

Agreed-upon compensation that complies, in amount and terms and conditions, with the October 2008 AFED MEDEF recommendations, which may, in certain cases, be granted to corporate officers in the event of early termination of their duties.

There is no supplemental pension scheme within the Carrefour Group.

A full description of corporate officers' remuneration appears in the Reference Document.

2. Internal control system

2.1 INTRODUCTION

The Carrefour Group uses the following definition of internal control:

- internal control is a process conducted under the control of the Chairman of the Board of Directors. It is implemented by executive management and company personnel, and is intended to provide reasonable assurance that the following objectives are achieved within each business unit:
 - implementing and optimizing operations;
 - confirming the reliability of financial information;
 - establishing compliance with laws and regulations in force.
- the internal-control process allows for the prevention and monitoring of risk resulting from the company's operations and involving misstatement or fraud, especially in terms of accounting and finance. As with any control system, however, it cannot provide an absolute guarantee that such risk can be totally eliminated.

The following report describes the Group's internal control procedures, in particular measures relating to the preparation and processing of accounting and financial information. The Group scope covered by the report extends to all subsidiaries consolidated via the full-integration method, meaning companies in which the Group exercises a decisive influence, whether directly or indirectly.

1.3.3. The Strategy Committee

This committee is composed of four members appointed by the Board of Directors from among its members. Its Chairman is appointed by the Board of Directors.

The Strategy Committee's mission is to assist the Board of Directors in directing and establishing Group strategy (though not to take its place in this regard).

Its purpose is to prepare for the most significant decisions regarding the Group's future (purchase and sale of assets, study of opportunities for external growth, the opening up of new countries) and to guide preparations for organizing the Board of Directors' annual seminar.

It serves as a think tank, carrying out its work assisted by individuals brought in to contribute according to their areas of expertise and experience.

The Chairman periodically reports to the Board of Directors on the committee's work (analysis, studies, comments and conclusions).

Membership of the committee is as follows:

Chairman: Amaury de Seze (independent director)
Members: Bernard Arnault
Nicolas Bazire (in the event of Mr Arnault's absence)
Sébastien Bazin
René Brillet (independent director)

The committee did not meet during the 2008 fiscal year.

Section 2 of this report presents the Group's general internal-control system in reference to the COSO2 standard.

Section 3 specifically covers accounting and financial internal control, based on the AMF guide concerning internal control of accounting and financial information.

The controls underlying this report involved updating the principles described in the previous report with the main Group functions affected by subjects addressed here, and ensuring that each department has sufficient formal documentation of these principles.

2.2 RISK MANAGEMENT

Risk management is adapted to the Group's decentralized structure.

2.2.1 Risk management at country/BU level

The monitoring and control of decentralized risk exposure depends on local managers, who are as close as possible to the risks involved in the activities they perform or supervise.

The process of drawing up a strategic plan offers a chance to take stock of the principal risks and outside opportunities.

Monthly performance reviews contribute to detection of risk's appearance and occurrence.

In their role as guarantors and promoters of progress, support services may identify risks and suggest action plans to line managers with a view to controlling them.



2.2.2 Risk management at Group level

Risk has been mapped at Group level via the draft Financial Security Act. Mapping is aimed at identifying potential internal and external risks and measuring their relative significance and probability of occurrence. Country and Group directors' assessments of such risks and their potential impact on financial statements facilitated a review of internal process controls over a three-year period, based on self-assessment questionnaires.

In 2008, the Group focused its attention on the following in particular:

- identification of major risk areas in financial statements, supported by a self-assessment process involving the Group's main business units;
- updating of risk mapping at country level, implementation of monthly follow-up on such risks, detailed mapping of Group exposure to natural disasters, and steps taken by the Risk Prevention department aimed at enhancing risk awareness and developing preventive actions.

The principal risks, and the systems implemented by the Operational and Support departments to control them, are described in the Reference Document.

2.2.3 Crisis management

Given its businesses, size, diversity and presence in emerging markets, the Carrefour Group is exposed to a whole range of potential crises. The Institutional Relations and Special Projects department defined and provided all business units with crisis-management standards ("Minimum ticket") that permit units to implement procedures adapted to their situation.

More specifically, as an extension of operational risk mapping, a disaster recovery plan - which includes preparations for a potential pandemic, in particular - was developed at hypermarket level in France.

To boost our teams' preparation, several of our subsidiaries' management committees were trained in crisis management and communications. Some of them tested crisis-management systems during crisis simulations as well.

A system of feedback on known incidents was also implemented at Group level.

2.3 INTERNAL CONTROL ENVIRONMENT

2.3.1 Group organization

The Group is organized geographically in order to take into account specific local characteristics of markets in which it operates. Hard-discount operations in the various countries are specially grouped together, with vertical organization better suited to their operation.

Represented on the Group's Executive Committee are France; an area comprising Spain, Belgium, Italy and Poland; the Group's hard-discount operations; an area comprising the Latin American business unit; an area comprising China and Taiwan; and other Group business units. Carrefour Property, the Sales and Merchandise department and the Financial Management department are also represented on the Group's Executive Committee, which defines and manages company strategy and priorities (country objectives and major support projects).

The Group is decentralized to the extent that each country directly controls the operational aspects associated with its activities, which are divided into business units comprising all stores of a given

format (e.g. hypermarkets or supermarkets) in a given country. Each business unit is run by a management team, which includes operational managers and the support service managers required to conduct business.

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

The dissemination of Group principles and values to the Group's foreign subsidiaries takes place via an active expatriation policy targeting principal management functions.

2.3.2 Delegation of authority

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

Investment decisions are governed by Group-defined procedures that require Group Investment Committee approval beyond a certain threshold.

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

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

2.3.3 Human resources

Our human-resources policy contributes to the internal-control environment's enrichment, in particular through the existence of job descriptions, a system for assessing employee performance, and investment in training.

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

Job descriptions are available for the main jobs and business units. These job descriptions outline the controls needed to supervise the activity and serve as a framework for the individual assessment system. Progressive implementation of a common skills-management programme offers an opportunity to broaden these job descriptions.

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

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

The majority of countries have implemented an annual employee-evaluation system. Furthermore, the principal management positions are monitored by the Group's Human Resources

department, which also manages remuneration policies for such positions. Remuneration policies are handled at country level for other positions, in accordance with broadly defined guidelines. The Group uses several tools to control implementation of these broad guidelines, including regular feedback on performance indicators, in-country inspections, and systems to determine employee opinions at various levels through questionnaires and focus groups.

2.3.4 Information systems

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

Preparation of the strategy is based on a three-year strategic plan that is validated each year by Group general management during the fourth quarter. This plan is based on the following elements:

- IS objectives, and their alignment with regard to Group priorities;
- roadmaps from our Skills Centres, and their alignment with regard to Operations department priorities and country-level management;
- major initiatives, to ensure effective implementation of strategy in terms of IS and achievement of objectives;
- the financial plan, aimed at supporting accomplishment of the roadmap and other major initiatives, alongside its alignment with Group financial objectives.

Guiding the IS strategy's implementation involves the Group's corporate-governance model, which is characterized by the following elements:

- Corporate governance activities
 - Application-portfolio management
 - Request management
 - Project-portfolio management
 - Roadmap management for Skills Centres
 - Establishing product and service standards
 - Listing of products and partners
 - Establishing standards and conditions for contractual terms
 - Purchasing management
 - Delegation-of-authority management
 - Conducting audits and comparative analyses
 - Country ISD and Group ISD roadmap management in terms of IS security
 - Risk management for principal agreements
 - Managing investment, operational expenditure and depreciation
 - Information technology oversight and innovation

- Measuring customer satisfaction
- Measuring satisfaction with regard to strategic partners
- Measuring employee opinion
- Managing relationships with strategic partners
- Human-resource management
- Communications

■ Organization of ISD in the various countries and at Group level

■ Management bodies

- Request-Management Committee
- Investment Committees at country-level ISD or Group level
- Performance reviews at Country-level ISD or Group level
- Contract reviews
- Project reviews
- Project committees
- Crisis meetings
- Reviews with strategic partners
- Career committees
- Management committees
- Team meetings
- Skills-Centre meetings
- Information meetings

2.3.5 Procedures, operating methods and tools

Documentary databases of procedures and operating methods are available for most functions and accessible by all authorized persons.

Support services guarantee and promote progress. Their task involves designing and implementing tools and reports that can be readily used by operational staff, identifying synergies, and proposing innovations. With respect to methods and practices, they play the role of guarantor and whistleblower. They are organized into functional networks (or "lines"); that is to say, within a given support department, the various countries appoint contacts to operate in a network with other countries or, at Group level, to work on projects, exchange best practices and promote activities in their fields of expertise.

Moreover, special activity experts within the organization of operational lines guide operational teams by making recommendations on matters of merchandising, organization and compliance with the product mix. These specialists provide technical support to operational staff in stores by demonstrating best practices, deploying projects, checking control points and undertaking periodic audits using diagnostics and action plans. Standards have been established for each position and are usually available on-line in electronic format for all authorized persons.



2.3.6 Principles and values

In order to develop a shared culture, Carrefour has defined a framework that allows all employees to fulfil their tasks and contribute to the Group's long-term viability and growth. This framework, which serves as a foundation for individual and collective action, includes values, a mission statement and guidelines.

These values include freedom, responsibility, sharing, respect, integrity, solidarity and progress. The mission statement defines objectives with regard to the various stakeholders in the company's activities. The guidelines define the conditions for implementing strategy and provide rules of behaviour and operational management. They serve as a point of reference for decision making.

The dissemination of this framework and its implementation is first achieved through training and then via its integration into the company's structures. For example, values have been integrated into the system for evaluating the performance of top management. The framework defines a working environment that is also used as a context for internal-control activities. For example, the two-level decision rule aims to ensure that unusual actions are subject to approval by line management.

A code of ethics, the expression of Group values and commitments, was released in 2004 and updated in 2007.

In addition, countries may implement an ethics hotline to deal with the environment and risks specific to each country.

2.4 CONTROL ACTIVITIES

Monitoring of operations and projects is ensured by monthly performance reviews that are systematically conducted for both operational and support lines.

The establishment of a corporate model as part of our risk-mapping procedures has made it possible to segment Group activities into major processes of a strategic, operational and support nature.

As of the end of 2006, all Group business-unit managers had at their disposal complete documentation on internal-control procedures resulting from self-assessment questionnaires, since all key Group processes were covered during the 2003-2006 period. This documentation indicates key control points and best practices that should be implemented to effectively cover risk. It also draws attention to malfunctions likely to occur when controls are not effective, thus boosting accountability for the managers involved. This process-control-point documentation is giving rise to a shared repository of best practices for internal control procedures that can be used by all Group countries and functions.

This work has contributed to standardized internal-control levels throughout the Group, and enables each activity to benefit from best practices.

In 2008, the Group focused on business-unit-level internal-control self-assessment, which concerns accounting and financial control activities.

2.5 INFORMATION AND COMMUNICATIONS

In order to allow everyone in the Group to assess their material contributions and the importance of their responsibility in terms of internal controls, the Group relies on a unique, uniform process for setting objectives and analyzing performance.

Objectives are set annually within the context of a budgetary process based on a multi-year strategic plan. This process focuses on collecting budgetary data at appropriate responsibility levels (*i.e.* at department level for hypermarkets and supermarkets and at store level for hard-discount stores). The information-gathering process is supported at various approval stages; one of the main

such stages is at business-unit level. Making all managers (that is, all those responsible for leading teams or overseeing an income statement or activity) accountable for agreed-upon, approved budget objectives is an essential component in effective management control.

The budget is broken down on a monthly basis so that everyone, at each level, can monitor his or her performance throughout the year. It contains commercial and financial data as well as specific performance indicators. During the year, capital expenditure planned for in the budget is subject to updated profitability studies and specific authorizations.

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

Accounting data is reconciled with management data each time financial statements are drawn up.

The scope of this reporting (companies, methods of consolidation, interest percentages etc.) matches the reporting involved in Group consolidated financial statements. In this way, the Group uses the same management reporting information as that obtained via consolidated accounting. The same figures are used for financial communications when half-yearly financial statements are produced.

Each month, actual performance is compared to budgeted performance and the previous year's performance.

A summary of Group and country performance is presented to the Group's Executive Committee. The Board of Directors also receives a summary of sales trends and performance indicators each month.

The financial control team is available to help managers draw up and monitor budgets, participate in validation phases and propose action plans made necessary by discrepancies in their implementation, and, broadly speaking, to help ensure the reliability of the entire process and the financial data thus collected.

2.6 SYSTEM MONITORING

2.6.1 Managerial control

The monitoring of internal control by management is carried out on a continuous basis, insofar as commercial operations require attention at all times, particularly on store sales floors.

Line and business experts actively participate in country/BU control activities and implement control systems to allow for measurement of the correct application of stated principles.

In the scope of the Group's decentralized structure, each business unit defines and implements the appropriate organization for managing the internal control system within its context. Several of them have implemented internal-control functions that focus mainly on compliance.

Performance reviews contribute to regular monitoring of the system at each management level.

Each year, the executive and financial directors of each Group business unit formally attest to the quality of internal controls in the companies they manage.

2.6.2 Internal audit

2.6.2.1 Assignment

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

The Audit department is involved at all Group levels and in all Group companies.

This evaluation relates, in particular, to the following components:

- the reliability and integrity of financial and operational information;
- the effectiveness and efficiency of operations;
- asset protection;
- compliance with laws, regulations and agreements.

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

2.6.2.2 Organization

The Audit department reports to the Chief Executive Officer. Internal-audit functions are performed by full-time auditors whose professionalism is ensured through appropriate training and experience, encompassing all regions where the Group operates. Internal-audit managers in each region report to the Group Audit Director, who reports to the Chief Executive Officer.

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

At the end of December 2008, the Carrefour Group had 42 internal auditors.

2.6.2.3 Internal audit plan

A draft annual audit plan is drawn up by the Audit department, which relies, in particular, on the Group's process repository and the risk mapping of Group functions. This draft serves as a basis for discussions with the Group's principal managers. The annual audit plan may be supplemented at the request of the main operational and support managers. The Audit Manager assesses requests before deciding whether to incorporate them into the annual audit plan. An assignment's content is thus defined according to the requesting party. The projected audit plan is then reviewed and validated by the Chief Executive Officer and presented to the Audit Committee.

Special assignments may also be organized at the request of the Audit Committee or Chairman of the Board, in consultation with the Chief Executive Officer.

2.6.2.4 Organization of internal-audit assignments

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

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

2.6.2.5 Internal audit reports and summaries

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

- a final document, which includes the audit report, summary, any written management observations and corrective action plans, plus any Audit department replies to management observations, is provided to the audited party, the executive director and the audited company's finance manager. Corrective action plans specify the major lines of action, responsibilities for implementing the plan and implementation schedule;
- a summary of this report is provided to the chief executive officer, the Group's chief financial officer and the manager of the region concerned.

Audits are subject to monitoring with regard to the implementation of management action plans.

The audit manager informs the chief executive officer and the Audit Committee of the audit plan's proper functioning, as follows:

- each quarter, a detailed report addressing the audit programme's execution and main findings, analyses and recommendations is presented to the chief executive officer. A summary is presented to the Group Executive Committee;
- each quarter, a summary report on the audit programme's performance plus its main findings, analyses and recommendations is presented to the Audit Committee. Results derived from monitoring the recommendations' implementation are presented to the Audit Committee.

3. Data relating to internal accounting and financial control

3.1 MANAGEMENT OF THE ACCOUNTING AND FINANCE ORGANIZATION

3.1.1 Organization of accounting and management reporting functions

Accounting is conducted by centralized teams in each country. These teams belong to the Finance line and are led by the Group Finance department.

In recent years, the Group has standardized the accounting systems used in the various countries. This has led, in particular, to the implementation of an organizational model that includes the establishment of shared service centres (for the processing and payment of invoices involving merchandise, fixed assets, general expenses and payroll), thus standardizing and documenting procedures in various countries and ensuring the appropriate separation of tasks. Operating instructions are available to all users. Management reporting functions guarantee the reliability of financial management data.



3.1.2 Organization of consolidation functions

Each country is responsible for consolidating financial statements at its own level. Consolidation at this level is provided by centralized financial teams in each country.

The Group consolidation team leads this process and is responsible for producing the Group's consolidated statements. Responsibilities have been defined by region, as have cross-functional analysis responsibilities within the Group team.

Group accounting principles are specified in a regularly-updated document that is distributed to all those involved in the process.

Each country implements tools to address its specific consolidation needs. A tool was developed at Group level to facilitate transmission of data, controls and consolidation operations.

3.2 PROCESS FOR PREPARING ACCOUNTING AND FINANCIAL INFORMATION

3.2.1 Risk and control activities

In 2008, a self-assessment questionnaire focusing on a limited number of major risks was sent to finance directors in our main countries. Our major business risks were identified by intersecting analysis points suggested by the AMF reference framework with risk mapping and the specifics of the sector and Group.

The LSF documentary basis established by the Group constitutes a reference baseline for internal activity control on which countries/BUs can rely.

In the scope of its regional and cross-functional responsibilities, the Group consolidation team carries out controls at country consolidation level (in-country inspections, review of reporting packages, identification of main options and any necessary corrections) and Group consolidation level (especially involving cross-functional analyses of items).

3.2.2 Half-yearly and annual financial statements

Since 2008, consolidation has occurred in each quarter.

Subsidiaries prepare their own statutory accounts and consolidated financial statements for their region, and then convert these reports into euros. Financial directors in these countries have a list, prepared by the Group consolidation team, of standard controls to be carried out on their consolidated financial statements.

The main options and accounting estimates are subject to systematic review by the Group and the country's financial directors, in cooperation with local external auditors.

The Group consolidation team's regular in-country visits at the time of financial-statement preparation are an opportunity to improve processes within the country (by aiding in the understanding and dissemination of Group accounting principles, addressing the country's specific issues and performing on-site controls). If necessary, inspections can lead to recommendations aimed at improving the country's consolidation procedures.

3.3. CONTROL OVER FINANCIAL COMMUNICATIONS

3.3.1 Role and mission of financial communications

The objective of financial communications is to keep people informed:

- on a continuous basis: the regularity and continuity of information flows must be ongoing, as they are fundamental to company credibility and guarantee shareholder loyalty;

- by sending a clear, coherent message: communications must allow investors to gain a precise, accurate understanding of the company's value and management's capacity to further boost value. Investors must be properly informed in order to make decisions;

- by respecting the principle of shareholder equality with regard to information: by ensuring that any financial information that might have an impact on market price is made public via a single, centralized source at Group level.

3.3.2 Organization of financial communications

Financial announcements address a diverse audience, primarily comprised of institutional investors, individuals and employees, via four channels:

- the Shareholder Relations department is responsible for informing the general public (individual shareholders);

- the Investor Relations department, Finance department and chief executive officer are the sole contacts for analysts and institutional investors;

- the Human Resources department, with support from the Communications department, manages information intended for employees;

- the Communications department manages press relations.

In practice, financial messages are prepared via close collaboration between the Finance and Communications departments. They are delivered as required by law (via an annual Shareholders' Meeting) and by the regulations of the French Financial Markets Authority (periodic publications, press releases). Furthermore, beyond its legal obligations, Carrefour employs a wide array of media for its financial communications. The Group chooses from among the press, the Internet, direct telephone contact, individual meetings and special meetings in response to exceptional events, depending on the significance of the event.

3.3.3 Procedures for controlling financial information

The Finance department is the exclusive purveyor of financial information.

Internal control over the financial-communications process essentially rests on adhering to the principle of equality among shareholders. Any press release or significant announcement is prepared by mutual agreement between the Financial Communications department, which is part of the Finance department, and the Group Communications department.

Segregation of roles and responsibilities allows for strict independence between the Group Executive Committee, the departments concerned (e.g. Mergers and Acquisitions) and the Financial Communications department.

STATUTORY AUDITORS' REPORT

PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL LAW (CODE DE COMMERCE), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CARREFOUR S.A.

Year ended 31 December 2008

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L. 225-235 of the French Commercial Law on the report prepared by the Chairman of the Board of Directors on the internal control procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction and construed in accordance with French law and the relevant professional 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 Law (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 Law (Code de commerce), for the year ended 31 December 2008.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 of the French Commercial Law (Code de commerce), particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control 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 Law (Code de commerce), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control procedures relating to the preparation and processing of accounting and financial information

These professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control 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 the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Law (Code de commerce).



Other disclosures

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

Paris La Défense and Neuilly sur Seine, 7 April 2009

The Statutory Auditors

French original signed by

KPMG Audit
A division of KPMG S.A.

Deloitte & Associés

Jean-Luc Decornoy
Partner

Jean-Paul Picard

ADDITIONAL INFORMATION

CONSOLIDATED STORE NETWORK

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
FRANCE											
Hypermarkets	117	179	179	175	178	178	179	179	192	194	203
Supermarkets	398	530	539	534	547	566	588	595	615	604	590
Hard-discount stores	384	418	424	459	487	578	630	782	811	840	842
Other formats	357	576	584	127	126	126	129	108	101	61	9
Total	1,256	1,703	1,726	1,295	1,338	1,448	1,526	1,664	1,719	1,699	1,644
EUROPE excluding France											
Hypermarkets	73	142	187	253	268	281	288	321	365	399	437
Supermarkets		181	480	548	650	651	690	765	746	957	974
Hard-discount stores		1,965	2,099	2,210	2,325	2,464	2,606	2,789	2,969	3,136	3,038
Other formats		76	263	173	130	210	240	223	241	229	236
Total	73	2,364	3,029	3,184	3,373	3,606	3,824	4,098	4,321	4,721	4,685
BELGIUM											
Hypermarkets				57	57	56	56	56	56	56	57
Supermarkets				72	73	73	77	79	79	79	63
Other formats				1	1	1	1				
Total				130	131	130	134	135	135	135	120
CZECH REPUBLIC											
Hypermarkets		3	6	7	8	9	10				
Total		3	6	7	8	9	10				
GREECE											
Hypermarkets		4	11	11	13	13	16	19	25	28	31
Supermarkets			85	82	142	101	120	148	164	197	209
Hard-discount stores		142	181	199	212	221	251	267	295	300	271
Other formats			46	46		47	60	52	51	32	33
Total		146	323	338	367	382	447	486	535	557	544
ITALY											
Hypermarkets	6	6	31	34	34	39	38	50	55	58	66
Supermarkets			192	173	203	205	226	238	247	249	236
Other formats		46	190	98	98	130	147	171	190	194	192
Total	6	52	413	305	335	374	411	459	492	501	494
POLAND											
Hypermarkets	3	7	8	9	13	15	17	32	42	72	78
Supermarkets		6	15	51	55	67	70	71	83	247	225
Total	3	13	23	60	68	82	87	103	125	319	303



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
PORTUGAL											
Hypermarkets	4	5	5	5	6	7	7	7	10		
Hard-discount stores		273	272	276	281	283	286	292	320	348	364
Total	4	278	277	281	287	290	293	299	330	348	364
ROMANIA											
Hypermarkets									7	11	21
Supermarkets											20
Total									7	11	41
SLOVAKIA											
Hypermarkets			2	4	4	4	4				
Total			2	4	4	4	4				
SPAIN											
Hypermarkets	58	112	116	108	115	119	121	136	148	155	162
Supermarkets*		175	187	167	174	200	190	143	82	86	96
Hard-discount stores		1,541	1,609	1,649	1,700	1,778	1,836	1,891	1,961	2,072	1,972
Other formats		30	27	28	31	32	32			3	11
Total	58	1,858	1,939	1,952	2,020	2,129	2,179	2,170	2,191	2,316	2,079
SWITZERLAND											
Hypermarkets				8	8	8	8	9	9		
Total				8	8	8	8	9	9		
TURKEY											
Hypermarkets	2	5	8	10	10	11	11	12	13	19	22
Supermarkets			1	3	3	5	7	86	91	99	125
Hard-discount stores		9	37	86	132	182	233	339	393	416	431
Total	2	14	46	99	145	198	251	437	497	534	578
LATIN AMERICA											
Hypermarkets	101	112	120	124	135	147	157	148	204	255	288
Supermarkets		83	253	263	249	254	211	149	118	141	151
Hard-discount stores		106	201	263	313	413	488	520	539	572	606
Other formats										5	8
Total	101	301	574	650	697	814	856	817	861	973	1,053
ARGENTINA											
Hypermarkets	21	22	22	22	23	24	28	28	30	59	67
Supermarkets			138	132	141	141	114	114	118	103	112
Hard-discount stores		106	201	246	246	285	310	319	325	329	339
Total	21	128	361	400	410	450	452	461	473	491	518
BRAZIL											
Hypermarkets	59	69	74	74	79	85	85	99	143	150	162
Supermarkets		83	115	131	108	113	97	35		38	39
Hard-discount stores				17	67	128	178	201	214	243	267
Other formats										5	8
Total	59	152	189	222	254	326	360	335	357	436	476

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
CHILE											
Hypermarkets	1	2	3	4	4						
COLOMBIA											
Hypermarkets	1	2	3	5	8	11	15	21	31	46	59
MEXICO											
Hypermarkets	19	17	18	19	21	27	29				
ASIA											
Hypermarkets	59	80	94	105	123	144	170	191	202	238	285
Supermarkets							6	8			30
Hard-discount stores						55	164	225	255	275	309
Total	59	80	94	105	123	199	340	424	457	513	624
CHINA											
Hypermarkets	14	20	24	24	32	40	56	70	90	112	134
Supermarkets							6	8		0	0
Hard-discount stores						55	164	225	255	275	309
Total	14	20	24	24	32	95	226	303	345	387	443
HONG KONG											
Hypermarkets	4	4									
INDONESIA											
Hypermarkets	1	5	7	8	10	11	15	20	29	37	43
Supermarkets											30
SOUTH KOREA											
Hypermarkets	6	12	20	22	25	27	27	31			
Total	1	5	7	8	10	11	15	20	29	37	73
JAPAN											
Hypermarkets			1	3	4	7	8				
MALAYSIA											
Hypermarkets	5	6	6	6	6	7	8	8	10	12	16
SINGAPORE											
Hypermarkets	1	1	1	1	1	2	2	2	2	2	2
TAIWAN											
Hypermarkets	21	23	24	26	28	31	34	37	47	48	59
THAILAND											
Hypermarkets	7	9	11	15	17	19	20	23	24	27	31
GROUP											
Hypermarkets	350	513	580	657	704	750	794	839	963	1,086	1,213
Supermarkets	398	794	1,272	1,345	1,446	1,471	1,495	1,517	1,479	1,702	1,745
Hard-discount stores	384	2,489	2,724	2,932	3,125	3,510	3,888	4,316	4,574	4,823	4,795
Other formats	357	652	847	300	256	336	369	331	342	295	253
Total	1,489	4,448	5,423	5,234	5,531	6,067	6,546	7,003	7,358	7,906	8,006

* In 2006, the supermarket format in Spain consolidated the Carrefour Express stores. The entire supermarket network was sold or closed and reclassified in accordance with IFRS 5 as income from discontinued operations.



Sales area per format (consolidated stores)

In thousands of sq m	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Hypermarkets	3,489	4,580	5,256	5,674	6,180	6,510	6,885	7,087	7,620	8,539	9,206
Supermarkets		1,195	1,968	2,117	2,132	2,277	2,321	2,319	2,283	2,446	2,507
Hard-discount stores	232	794	906	997	1,093	1,255	1,466	1,674	1,850	2,065	2,101

Sales area by country (consolidated stores)

	Hypermarkets	Supermarkets	Hard-discount stores	Total
France	1,943	1,112	554	3,609
Europe (excluding France)	3,208	1,126	1,276	5,610
Belgium	375	116		491
Greece	176	220	88	484
Italy	458	281		739
Poland	423	207		630
Portugal			147	147
Romania	156	19		175
Spain	1,451	141	941	2,533
Turkey	169	143	100	413
Latin America	1,909	204	201	2,315
Argentina	406	140	103	650
Brazil	1,172	63	98	1,334
Colombia	330	0		330
Asia	2,146	64	70	2,280
China	1,009	0	70	1,079
Indonesia	321	64		386
Malaysia	140	0		140
Singapore	16	0		16
Thailand	242	0		242
Taiwan	418	0		418
Group	9,206	2,507	2,101	13,814

The total does not include the sales areas of other Group formats such as convenience stores.

COMMERCIAL STATISTICS

Consolidated hypermarket data

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sales per sq m (Annual net sales in euros)	7,410	7,410	8,110	7,214	6,594	6,319	6,109	6,201	6,023	5,959	5,852
Sales per store (Annual net sales in millions of euros)	74	66	67	65	58	55	53	52	48	47	44
Annual number of cash transactions	818	974	1,115	1,206	1,264	1,355	1,466	1,487	1,563	1,680	1,773

Annual number of customers passing through check-outs in consolidated hypermarkets by region as of 31 December 2008

In millions	2008	2007
France	361	371
Europe	516	487
Latin America	310	277
Asia	586	546
Total	1,773	1,680

Gross sales according to region and format as of 31 December 2008

(in millions of euros)	Hypermarkets	Supermarkets	Hard-discount stores	Other formats	Total
France	22,664	9,372	2,881	7,571	42,488
Europe	19,685	6,180	5,184	5,030	36,079
Latin America	9,744	1,009	1,013	505	12,271
Asia	6,464	110	140	7	6,721
Total	58,557	16,672	9,217	13,113	97,560



Information on store network under banners

All formats	France	Europe	Latin America	Asia	Group
Total commercial stores incl. tax (in millions of euros)	47,119	42,474	12,094	6,942	108,629
2008/2007 change (as a %)	1.4%	6.1%	24.8%	11.0%	6.0%
% of total commercial sales incl. tax	43.4%	39.1%	11.1%	6.4%	100.0%
Number of stores	5,517	8,085	1,184	644	15,430
Sales area (in sq m)	5,573,381	7,640,433	2,350,861	2,347,137	17,911,812
Hypermarkets					
Total commercial sales incl. tax (in millions of euros)	24,261	23,373	9,744	6,685	64,063
2008/2007 change (as a %)	(0.5%)	5.7%	22.9%	8.9%	5.8%
% of total commercial sales incl. tax	22.3%	21.5%	9.0%	6.2%	59.0%
Number of stores	228	494	288	292	1,302
Sales area (in sq m)	2,093,583	3,655,522	1,909,162	2,211,019	9,869,286
Total commercial sales incl. tax/sq m (in euros)	11,588	6,394	5,104	3,024	6,491
Supermarkets					
Total commercial sales incl. tax (in millions of euros)	17,177	12,058	1,009	110	30,354
2008/2007 change (as a %)	3.9%	11.4%	26.8%	(86.1%)	7.8%
% of total commercial sales incl. tax	15.8%	11.1%	0.9%	0.1%	27.9%
Number of stores	1,001	1,737	151	30	2,919
Sales area (in sq m)	1,814,442	1,894,923	203,939	64,382	3,977,685
Total commercial sales incl. tax/sq m (in euros)	9,467	6,363	4,948	1,713	7,631
Hard-discount stores					
Total commercial sales incl. tax (in millions of euros)	3,129	6,642	1,160	141	11,072
2008/2007 change (as a %)	4.1%	11.4%	30.9%	23.6%	11.3%
% of total commercial sales incl. tax	2.9%	6.1%	1.1%	0.1%	10.2%
Number of stores	914	4,279	737	322	6,252
Sales area (in sq m)	609,673	1,618,100	237,278	71,737	2,536,788
Total commercial sales incl. tax/sq m (in euros)	5,133	4,105	4,887	1,969	4,365
Other formats					
Total commercial sales incl. tax (in millions of euros)	2,552	401	181	6	3,139
2008/2007 change (as a %)	0.6%	(64.9%)	112.0%	N/A	(16.6%)
% of total commercial sales incl. tax	2.3%	0.4%	0.2%	0.0%	2.9%
Number of stores	3,374	1,575	8	0	4,957

OTHERS PUBLICATIONS:



2008 Sustainable Development Report



2008 Annual Report

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