

Strength in diversity

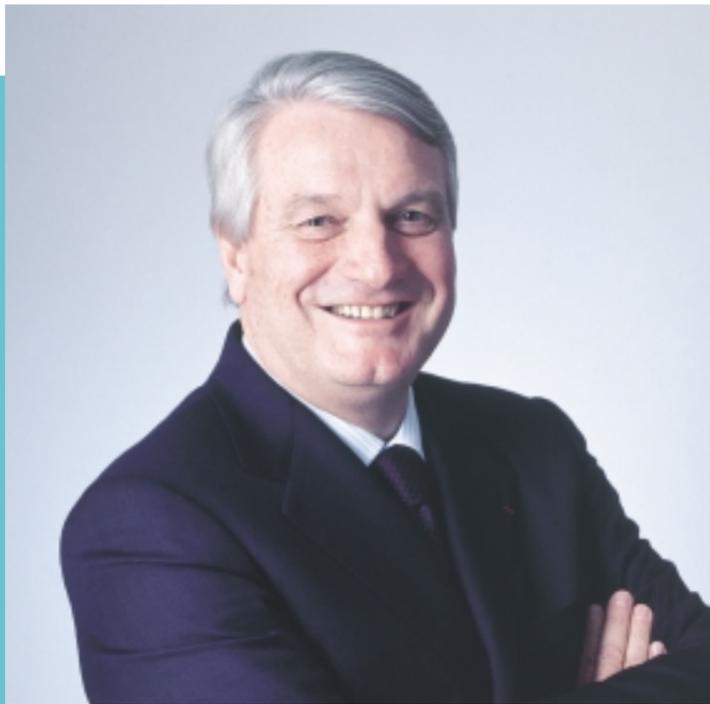


The world's second largest retailer and number one in Europe, the Carrefour Group has, for over forty years now, established itself as the everyday partner of millions of customers in Europe, Asia and Latin America.

With 420,000 employees, it implements an innovative strategy that combines hypermarkets, supermarkets, convenience stores and hard discount stores to offer its customers the lowest possible prices for a wide range of products and services.

The group has made a commitment to a dynamic strategy of growth and profitability and has linked its action to a responsible trade approach that respects diversity and endeavors to bring economic and social progress to all the countries in which it operates.

The seven values of Carrefour are: Freedom, Responsibility, Sharing, Respect, Integrity, Solidarity and Progress.



Message from the Chairman

On-target performance

In late 2003, the Group suffered the loss of Paul-Louis Halley and his wife Annick, who were killed in a plane crash.

Paul-Louis Halley created the Promodès Group, with his father Paul-Auguste Halley and his brother Robert, and made it a retail leader in Europe. He was an essential player in the merger of our two Groups and was a Director of Carrefour from 1999 until his death.

Outside our Group, he played an important role in the economy of France and left his mark on the business throughout Europe. Everyone who worked with him appreciated his wisdom, simplicity and great humanity.

The Board of Directors, the Executive Committee and all of Carrefour's employees want to pay tribute to the man he was and the results he achieved.

In 2003, the Carrefour Group met its performance targets. We met, and even exceeded, all our objectives. In fact, we made significant progress in the three priorities we had identified: sales, costs, and cash flows.

THE INCREASE IN OUR SALES IS THE RESULT OF COMMERCIAL VITALITY DRIVEN BY A GLOBAL VISION

As we projected, our Group responded well to a difficult economy marked by international tensions, and increased its sales by 6% at constant exchange rates. This was the result of a global action plan adapted to each of our three major formats in order to strengthen our retail force in every country.

Thus, we launched in all the hypermarkets and supermarkets in Europe, Latin America, and gradually in Asia the low-priced line known as "No. 1", featuring price leaders that beat even hard discount prices. This proved to be a successful move with these products increasing volumes, sometimes with spectacular results.

We also developed a new line of international branded products, featured in all our hypermarkets and supermarkets, under their name, at hard discount prices with quality on a par with that of national brands. The results were impressive. In the product families in which these international products were introduced, sales volumes were up 10 to 30%.

We were able to develop innovations in order to transform limitations into opportunities. In particular, we developed "clustering", a geographic segmentation that adapts store offers and organization to the expectations and resources of local customers. After testing in Argentina, this system, which meets a broad variety of needs, is being deployed in Brazil and Mexico.

THIS GROWTH IS PROFITABLE GROWTH, BASED ON CUTTING OUR COSTS AND CONTROLLING OUR PURCHASING

Cutting costs was our second priority and we met this commitment, lowering our distribution costs from 19% to 18.6% of sales. More generally, our sales strategy is based on the progressive aggregation of our purchases on a European, and even global, scale for our principal formats. This leverage of scale policy will be expanded to all "N° 1" price leaders in 2004. Our sales policy is also based on supply chain improvements and increased synergies between formats and countries. All these mechanisms reduce our costs and ensure profitable growth.

THE GROUP IS IN A SOUND FINANCIAL POSITION ENABLING IT TO INVEST IN GROWTH WHILE REDUCING DEBT

With an increase in sales by volume and expenditures under control, we have demonstrated the validity of our global margin principle, which consists of maximizing the margin earned per linear meter and not as a percentage of sales revenues. Thus, our operating margin reached an historic high (4.6%) and our net income after goodwill climbed 16.6%.

The Group returned to its 1999 ROCE levels at 17.7%, and we are reducing our debt by 1.1 billion euros. Thus,

we are meeting our commitment to our third priority by generating strong cash flows. In 2003, we opened 1,000 banner stores with a total sales area of 1 million m², in all countries and all formats. Focusing on organic growth, we will continue to open and expand stores at a similar rate.

FRANCE WILL BE OUR TOP PRIORITY FOR 2004

This growth momentum did not fully benefit France because of restrictive limitations on the growth of sales areas related to the merger. Those limitations have now been eliminated and we are committed to a turnaround strategy that is our priority for 2004. In the coming year, we expect to create an additional 40,000 m² in hypermarkets and nearly 100,000 m² in additional supermarket space.

Our goal is to open 900 stores under our banners to strengthen our presence in all our formats and all our countries. Our strength, our Group vitality, and the entrepreneurial spirit of our employees give us every confidence in our ability to continue to meet our goals.

Daniel Bernard
Chairman and Chief Executive Officer

The Carrefour Board of Directors defines the Group's policies for our business units, risk management and global objectives. It also approves all acquisitions and disposals of assets that could have a major impact on the financial statements and on all major acquisitions or sales of non-operating assets. The Board is guided solely by the interest of the company as it affects our shareholders, customers and employees.

The Board of Directors is composed of eleven members, four* of whom are residents of countries other than France (Belgium, Great Britain and Spain). The Board has five independent directors, who have no direct or indirect interests with the company or the companies of the Group, and who can, as a result, be considered to participate in the work of the Board with complete objectivity**. During his term of office, each director must hold a minimum of 600 shares. A term of office is four years*.

The Board of Directors met six times in 2003 (including one meeting in the form of a three-day seminar) with an attendance rate for all directors of 87%.

Board of Directors

DANIEL BERNARD

Chairman and Chief Executive Officer

58 years old.
Date of first appointment: 1998.

Daniel BERNARD brings to Carrefour twenty-five years of experience in retail, first as the Director of the Mammouth and Delta hypermarket chains from 1975 to 1981, then with the Métro Group where he was President of Métro France. In 1989, he was appointed to the Executive Board of Métro International in Switzerland. In 1992, he joined Carrefour as Chairman of the Executive Board. Since 1998, he has served as Chairman and Chief Executive Officer of the Group.

Other positions within Carrefour
President of GS, Vice-President of Diasa, Director of Erteco, Grandes Superficies De Colombia, Presicarre, Centros Comerciales Carrefour, Finiper, Carrefour Argentina, Manager of SISP and Director of Vicour.

Other positions
Director of Alcatel and Saint-Gobain.

JOËL SAVEUSE

Chief Operating Officer for Europe

51 years old.
Date of first appointment: 2000.

Joël SAVEUSE began his career in 1973 as Hypermarket Manager for the company Ruche Picarde. In 1985, he joined the Metro Group as Chairman of the Executive Board of the French subsidiary, then as Chairman of the Executive Board of Metro Cash and Carry Germany as of 1994. In 1996, he was named Chairman and Chief Executive Officer of La Redoute, a subsidiary of the Pinault-Printemps-La Redoute Group. He joined Carrefour in 1997 as Executive Vice President for France. In the new Group, he was named Chief Operating Officer for Europe in 1999.

Other positions within Carrefour
Chairman of Carrefour Europe, Chairman and director of Cariges, Vice-Chairman of Centros Comerciales Carrefour, Director of Carrefour Argentina, Carrefour Belgium, Carrefour Comercio e Industria, Distributis, GS and Carrefour Sabanci Ticaret Merkezi AS Carrefour.

JACQUES BADIN

Representative of the Badin family, one of the founding families and core shareholder
Member of the Audit Committee

55 years old.
Date of first appointment: 1998.

Jacques BADIN has spent his entire career in retail, starting in 1972 as head of general merchandise with Carrefour de Mérignac. After a period of residence in the United States, he then served in several capacities, including Chairman of Badin-Defforey from 1975 to 1984. In the Carrefour Group, he has served as Executive Director in Argentina, Executive Vice President for Finance & Management, and a member of the Executive Board.

Other positions
Member of the Supervisory Board of HSBC Private Bank France.

ROBERT HALLEY

Representative of the Halley family Group, the founding family of Promodès and a core shareholder of Carrefour
Member of the Audit Committee

68 years old.
Date of first appointment: 1999.

Robert HALLEY joined the Promodès company in 1961, and was appointed Managing Director of the Executive Board in 1972 and Vice Chairman and Chief Executive Officer in 1987. He has also served as General Adviser for Calvados (Livarot) since 1991 and as Vice Chairman of the Budget, Finance and Personnel Committee of the Calvados Board.

Other positions
Chairman of the Board of Directors and Chief Executive Officer of Paroma, Chairman of Valdes, Chairman of Evaldes.

LUC VANDELVEDE *

Representative of the Halley family Group, Member of the Compensation, Nominating and Corporate Governance Committee

53 years old.

Luc VANDELVEDE began his professional career in 1971 with the Kraft Group in Brussels. After serving as Chief Financial Officer for Kraft in Madrid, Vice-President for Development and Planning for Kraft Europe in Lausanne, and Chief Financial and Management Officer for Kraft GmbH in Germany, he was named Vice-President for Finance and Administration for Kraft International in 1988 in the United States, then as Vice-President for Administration and Development by Kraft General International in 1989. He returned to Europe in 1990 as Chairman-Chief Executive Officer for France, then for France and Italy for Kraft Jacob Suchard. In 1995, he joined Promodès as Chief Executive Officer. Following the merger with Carrefour in 1999, he was named Vice-Chairman and Chief Executive Officer of Carrefour. Since 2000, he has served as Chairman of Marks & Spencer.

Other positions
Non-Executive Director of Vodafone Plc, Chairman of Marks & Spencer, Executive Chairman of the investment fund Change Capital Partners.

CARLOS MARCH DELGADO

Chairman of the March Group and core shareholder
Chairman of the Compensation, Nominating and Corporate Governance Committee

58 years old.
Date of first appointment: 1998.

Vice-Chairman of Juan March Studies and Research Institute. Founder and Chairman of the Spanish section and Member of the Board of Directors of the Association for Monetary Union of Europe. International Council Columbia University, New York, USA (since 1996).

Other positions

Chairman of Banca March (since 1974), Co-Chairman of Corporación Financiera Alba SA (since 1998), Vice-Chairman of the Juan March Foundation.

PIERRE RODOCANACHI

Independent Director
Chairman of the Audit Committee

65 years old.
Date of first appointment: 2003.

Pierre RODOCANACHI is Chairman of the Advisory Board of the international strategy and management consulting firm Booz Allen Hamilton. After joining the Group in 1973, he assumed the position of Chief Executive Officer of the French subsidiary in 1979. In 1987, he was named Senior Vice-Président and member of the Strategic Committee and the Operations Committee of Booz Allen Hamilton Inc., and Vice-President for Southern Europe for all the operations of this Group.

Other positions
Managing Editor of the magazine Commentaires, Advisor for DMC (Dollfus Mieg & Cie).

FRANÇOIS HENROT

Independent Director
Member of the Audit Committee

54 years old.
Date of first appointment: 1998.

A graduate of the École nationale d'administration, he served as auditor and Director of Petitions within the French Council of state, before becoming Director of Commercial and Telematic Affairs in the Department of Telecommunications from 1979 to 1985. He has also held various positions with Compagnie Bancaire, and was named Chairman of the Executive Board in 1995. He will also [sic] be Chairman-Chief Executive Officer of the Supervisory Board of Crédit du Nord, a member of the Executive Board of the finance company Paribas before becoming Managing Partner with Rothschild & Cie Banque in 1997.

Other positions
Member of the Supervisory Board of Cogedim, Pinault-Printemps-La Redoute and of Vallourec. Director of Eramet.

SYLVIA JAY

Independent Director

56 years old.
Date of first appointment: 2003.

Sylvia JAY has served as Managing Director of the British Food and Drink Federation since January 2001. Prior to that date, she held various official positions within the Overseas Development Administration – DFID, and was seconded to the French Ministry of Cooperation, the French Treasury, and the European Bank for Reconstruction and Development (Political Director).

Other positions

Director of Saint-Gobain.

CHRISTIAN BLANC

Independent Director
Member of the Compensation, Nominating and Corporate Governance Committee

61 years old.
Date of first appointment: 1998.

After serving in a number of positions within the French government, Christian Blanc led RATP and the Air France Group before joining the investment bank Merrill Lynch as Vice-Chairman of Merrill Lynch Europe and Chairman of Merrill Lynch France SA. Elected as a deputy for the third district of Yvelines on December 15, 2002, he is a member of the economic affairs committee of the French National Assembly and a member of the France-China friendship group.

Other positions
Director of Cap Gemini, JC Decaux, Thomson, and Coface.

JOSÉ LUIS LEAL-MALDONADO *

Independent Director
Member of the Compensation, Nominating and Corporate Governance Committee

65 years old.

In September 1977, he was named Director General of Economic Policy, a position he held until February 1978, when he became Secretary of state for economic coordination and planning. In April 1979, he was named Minister of the Economy, a position he filled until September 1980. From 1981 to 1990, he served as economic advisor for the Banco de Vizcaya and deputy to the Chairman of Banco Bilbao Vizcaya. Currently he is Chairman of the Spanish Association of Banks.

Other positions
He is a director of Saint Gobain, Saint Gobain Cristalería Española, CEPSA, Renault (Spain) and Alcatel (Spain). He is also Chairman of "Diálogo", the Spanish-French Friendship Association, and of Acción Contra el Hambre, Vice Chairman of the Abril Martorell Foundation, and a member of the Real Patronato del Museo del Prado and the Duques de Soria Foundation.

* Subject to the approval of the resolutions by the Shareholders' Meeting.

** These directors are not employees, or Chairman or Chief Executive Officer of the company or any company of its group, nor have they held these positions; they are not core shareholders of the company or of any company of its group, or related in any manner to such a shareholder; finally, they are not related in any manner to any significant or normal commercial or financial partner of the company or the companies of its group.

Three special committees were established in 1998 by the Board of Directors. The members were selected from among the Board members. The purpose of these Committees is to study certain specific questions and make recommendations to the Board of Directors.

Committees of the Board of Directors

AUDIT COMMITTEE

Missions of the Committee

The responsibilities of the Audit Committee include:

- The annual and interim financial statements for which:
 - it reviews the parent company and consolidated statements before they are presented to the Board of Directors;
 - it ensures the relevance and permanence of the accounting methods adopted to prepare the consolidated and corporate financial statements;
 - it analyzes preliminary and interim results, as well as related comments, before any public announcement;
 - it verifies that the internal procedures for collecting and managing data guarantee the application of the foregoing accounting methods;
 - it studies changes and adaptations to the accounting principles and rules used to prepare the financial statements.

- Market regulations for which:
 - it ensures the quality of the procedures and information pertaining to market regulations (reference document).
- Internal and external audit of the company and its principal subsidiaries for which:
 - it evaluates recommendations for the appointment and renewal of the auditors of the company and their compensation;
 - it evaluates the Group's internal auditing systems with those responsible for internal control.
- Financial, strategic or operational risks, which it reviews regularly with the Board of Directors.

The Committee may receive available information from the Group's Chief Financial and Management Officer. Once a year, it may meet with the Auditors under conditions defined by it.

Members of the Committee

The Committee has four members named by the Board of Directors from among its members, including two independent directors. The Chairman of the Committee is appointed by the Chairman of the Board. The Compensation Committee, meeting on January 30, 2004, recommended that the Board appoint a new member, Pierre Rodocanachi, who will also fill the position of Chairman, which is now expiring.

From now on, the members of the Committee are as follows:

Chairman:	Pierre Rodocanachi (Independent Director)
Members:	Jacques Badin François Henrot (Independent Director) Robert Halley.

The Committee meets at least three times a year. Two meetings are scheduled before the presentation of the annual and half-year financial statements. The Committee requires a quorum of at least half the members. A member may not be represented at the meetings.

Work of the Committee

In fiscal 2003, the primary work of the Committee was to review the management of interest rate and currency risks, consolidation methods, and the accounting of the backward margin. The Committee analyzed the distinction between income from recurring operations and non-recurring income, the Group's balance sheet, compliance with IAS standards governing real estate disposals and carefully reviewed off-balance sheet commitments.

At each of its meetings, the Audit Committee analyzes the summary of the work of the Internal Audit Department presented to the Committee. The Committee monitors the independence of the Internal Audit and ensures that the resources allocated to the department are adequate for its mission.

In addition, the Committee presented to the Board of Directors, after a bid tender procedure, its recommendations on the choice of Auditors when the current terms expire.

Finally, the Committee studied changes in the standards governing the company (IFRS standards and promulgation of the financial security law) and defined the calendar for the Company to implement these new standards, while assessing the impact for the Group.

COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Missions of the Committee

The Committee focuses on the following issues:

- recommendations to the Board for the appointment of Board members;
- recommendations for executive compensation and the distribution of directors' fees;
- evaluation of the total stock-option package;
- information on the appointment and compensation of members of the Executive Committee and the principal executives of the Group;
- evaluation of the quality of the work performed by the Board of Directors.

The Committee, which met on January 30, 2004, recommended that the Board adopt the name "Compensation, Nominating and Corporate Governance Committee" as a more accurate reflection of the scope of its responsibilities.

Members of the Committee

The Committee consists of four members named by the Board of Directors from among the Board members, including two independent directors. The Chairman of the Committee is appointed by the Board of Directors.

Subject to adoption by the Shareholders' Meeting of the resolutions submitted for its approval concerning the election and ratification of Board members, **the members of the Committee would be as follows:**

Chairman: Carlos March
Members : Christian Blanc (Independent Director)
 Luc Vandavelde
 José-Luis Leal-Maldonado (Independent Director).

The Committee meets at least once a year. It may meet at the request of the Chairman of the Board or of two members of the Committee. The Committee requires a quorum of at least half the members. A member of the Committee may not be represented.

Work of the Committee

In fiscal 2003, the Committee defined and recommended to the Board of Directors the conditions under which a stock option plan could be adopted, defined the amount of executive compensation and the variable percentage of this compensation, and identified persons who, because of their independence, expertise, motivation and availability, might hold the position of Board member.

In addition, in order to improve practices likely to promote transparency and the smooth operation of the Board and its Committees, the Chairman of the Committee proposed that an assessment of Carrefour's corporate governance be conducted in fiscal 2004.

This analysis will include individual interviews with the Board members. It will result in specific recommendations concerning the membership and operations of the Board and its Committees.

STRATEGIC ORIENTATION COMMITTEE

The Compensation Committee, which met on January 30, 2004, recommended that the Board of Directors dissolve the Strategic Orientation Committee. In fact, this Committee was created as part of the merger with Promodès. It was able to meet with greater flexibility and regularity than the Board. It was set up to guarantee the large-scale balances and make decisions essential to the Carrefour/Promodès merger (capital investments, synergies, etc.). Therefore, there is no longer any reason for this committee.



(from left to right)

■ BERNARD DUNAND
FRANCE

■ JAVIER CAMPO
HARD DISCOUNT

■ RENÉ BRILLET
ASIA

■ PHILIPPE JARRY
AMERICAS

■ JOËL SAVEUSE
EUROPE

■ DANIEL BERNARD
CHAIRMAN
AND CHIEF EXECUTIVE OFFICER

■ PHILIPPE PAUZE
SUPERMARKETS

■ JEAN-FRANÇOIS DOMONT
MERCHANDISE

■ JOSÉ LUIS DURAN
FINANCE AND MANAGEMENT
ORGANIZATION AND SYSTEMS

■ GUY YRAETA
OTHER EUROPEAN COUNTRIES

■ JACQUES BEAUCHET
HUMAN RESOURCES

René BRILLET, Executive Vice-President for Asia, retired in the first quarter of 2004. Philippe JARRY, Executive Vice-President for the Americas, replaces him and has been named Executive Vice-President for Asia. Éric Uzan, formerly Executive Vice-President for Brazil, has been named Executive Vice-President for the Americas.



World managers' Convention

To highlight its 40th anniversary, Carrefour organized an exceptional conference that revealed the scope, diversity and potential of the Group.

From March 9-12, 2003, in an exhibit space of more than 25,000 m2 at Le Bourget, the 2500 Group managers participated in the World Convention.

The goals of the Convention were to "inform the Group as a whole about the Group as a whole", present its strategy, and enlist the support of managers in meeting the Group's objectives and the challenges that lie ahead. For the managers, the Convention provided an opportunity to return the customer to the center of their concerns, and solidify their pride in their country, their business, their brand and the Group.

The convention, which encouraged communication, recognized performance, and promoted a culture of innovation, gave managers an opportunity to bond together around common values.

Three key moments highlighted the World Convention



The International Show at Le Bourget with more than 100 booths, staffed by 400 employees, presented all aspects of the Group through exhibit and conversation areas organized in villages, town squares and streets. Grouped by country and region, all the companies of the Group introduced themselves and described their competitive positions, their strategy and their achievements. This was a real-life experience in terms of the themes presented and the spectacular and often interactive presentation of those themes.



The Exchange and Business Workshop Forum provided a platform for the expression of Carrefour's "Global Vision" through three break-out sessions on "Global consumer trends", "Environment and sustainable development", and "Major economic and strategic balances".

This Forum provided a valuable opportunity for exchange, enriched by the presence of prestigious guests: Georges Semprun, Mikhail Gorbachev, Franck Riboud, Claude Martin, Managing Director of the WWF, Pascal Lamy, European Commissioner, and Jean-François Richard, Vice-Chairman of the World Bank. In the Workshops, which dealt directly with professional issues, the Group's employees were able to discuss their experiences and thoughts, and exchange and share good practices and innovative approaches.



The Group meeting at the Zenith given the threefold topic of "benchmark, discipline and growth" by Daniel Bernard, concluded this exceptional convention by mobilizing the managers to focus on the strategy and values of the Group. It was an opportunity to recall Carrefour's assets: the fact that it is a balanced, international Group, operating in 29 countries, and the leader in 12 major countries in Europe, Asia and Latin America, present in 16 metropolitan areas worldwide in its four major formats.



The World Convention also welcomed special conventions. Thus, a small and medium-sized business convention brought together more than 700 corporate leaders representing the manufacturers of name brands with Renaud Dutreil, Secretary of State for Small Business, Commerce, Craftsmen, Professionals and Consumers.



The "Global Village of Product Lines" provided spaces for dialogue, information and tasting, in a living demonstration of the vitality of these lines and their value for tomorrow's agriculture, with 35,000 partners complying with precise specifications. It was an opportunity to launch the Carrefour Quality Lines Club, which brings together all the agricultural partners of the Group, in the presence of Hervé Gaymard, French Minister of Agriculture, Food Processing and Fisheries.

The Carrefour Solidarity team presented its concrete commitment in support of more than 2,000 projects worldwide every year on behalf of children, employment, social integration and solidarity. Several partnerships have been signed with NGOs, notably with Greencross, led by Mikhail Gorbachev, which works to protect our waters and environment.

Our commitments

To be the benchmark of modern retailing in each of our markets is the ambition that leads us in every region of the world and in all our stores toward new products and growth. It is reflected in concrete commitments to all those who play a role in our performance.

OUR CUSTOMERS

To meet their expectations and those of all consumers in terms of price, product offers, services, innovations, convenience and quality.

"No.1" products, Ticket Cash, and the benefits of loyalty cards. Our price offensive has benefited consumers in all countries where the Group operates.



OUR EMPLOYEES

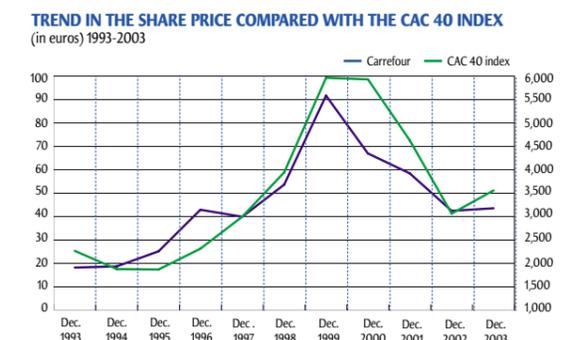
To hire local workers systematically and give our employees the resources for professional development in an atmosphere of confidence informed by the Group's values by encouraging internal advancement.

Our management is attentive to the satisfaction and approval of all our employees. An internal survey with questions about the Group's values as reflected in France, Belgium, Spain and Italy reached more than 12,000 employees.



OUR SHAREHOLDERS

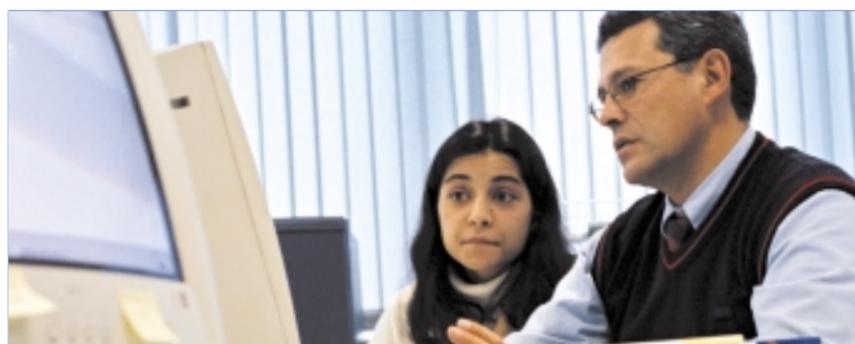
To provide a return on their investment over time and the growth prospects of an international and multi-format Group.



OUR SUPPLIERS

To develop lasting and balanced relationships, based on shared efforts to improve the products and search for new markets.

In 2003, Carrefour organized a two-week program in Japan and Poland to promote French products manufactured by small and medium businesses. 171 companies benefited from the program in Japan. The prospecting program in Poland gave 140 business owners the chance to learn about this market.



OUR ASSOCIATES, FRANCHISES OR AFFILIATED PARTNERS

To support them with powerful banners and brands, sales know-how, purchasing power, a supply chain network and techniques that are continually improving.

In France, 220 new franchise store operators under Group brands received paid training in school stores.

LOCAL AND NATIONAL PUBLIC AUTHORITIES

To assume our responsibilities as an economic player by playing an active role in the life of the city.

The Carrefour International Foundation provides support to SAMU Social International, which assists in the creation of emergency response systems for the most disadvantaged citizens. Created by Dr. Xavier Emmanuelli, SAMU Social serves more than 25,000 people each year.



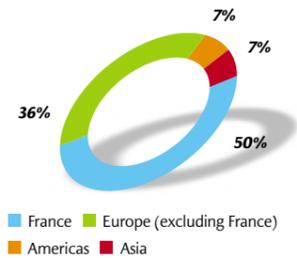
Financial Overview

of objectives achieved

In 2003, Carrefour set three priorities: organic growth in sales, reducing operating costs as a percentage of sales, improving net debt and an ROCE (return on capital employed) above 16%. All these objectives were reached or surpassed. Sales revenues excluding tax grew 5.5% at constant exchange rates, operating costs were cut by 0.4% of sales, and the average net debt declined by 1.6 billion euros. Finally, ROCE returned to the 1999 level of 17.7%, compared with 14.8% in 2002. Thus, 2003 was an excellent year in terms of performance with record sales and operating margin.

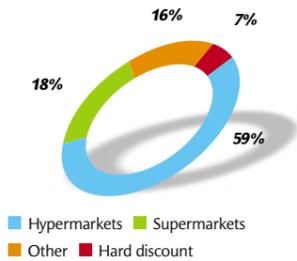
Breakdown of consolidated net sales by geographic region

TOTAL = 70,486 M€



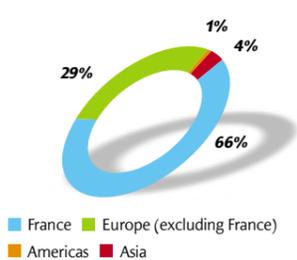
Breakdown of consolidated net sales by format

TOTAL = 70,486 M€



Breakdown of operating income by geographic region

TOTAL = 3,251 M€



+5.5% at constant exchange rates

2003 Consolidated net sales

Organic sales growth accelerated in 2003, rising 5.5% excluding taxes and at constant exchange rates, compared with 4.6% in 2002. The currency impact was again very significant this year, particularly in Latin America and Asia. Thus, at constant currency rates, Carrefour's sales revenues were up 2.6%. Sales revenues including tax for the Group, for all sales under our banners, totaled 88.7 billion euros in 2003.

+7.5%

Operating income

Carrefour posted a record operating margin (EBIT) at 4.6%, versus 4.4% in 2002. This performance is even more remarkable because the Group invested heavily in its sales. With a relatively stable consolidated gross margin of 22.5%, Carrefour was able to post a record operating margin by controlling costs and developing synergies in Europe.

10.5 X = Ebitda/interest income

Debt

The Group's net debt fell sharply by 1.1 billion euros. Thus, net debt declined from 9 billion euros to 7.9 billion. This reduction is due primarily to the improvement in the Group's cash flow and its solid management of working capital requirements. The ratio of EBITDA to interest was 10.5 in 2003, compared with 8.9 in 2002, a result that highlights the financial strength of the Carrefour Group.

+16.6%

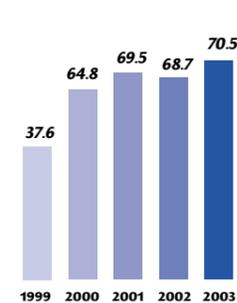
Net income per share from recurring operations

Carrefour announced double-digit growth in net income from recurring operations per share before and after goodwill. The Group's very strong performance in terms of operating income and the new decline of 12% in interest costs allowed the Group to exceed its initial objective significantly. Net income per share after goodwill increased by 15.7% to €2.23, while earnings per share before goodwill rose by 13.7% to €2.67.

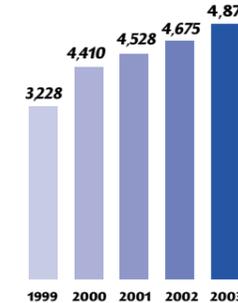
Return on capital employed

In 2003, the Group continued to improve its return on capital employed from 14.8% to 17.7%, surpassing its target of 16% by a substantial margin. ROCE is now just below the 1998 level, an improvement due both to the very strong result in terms of operating income and more efficient capital allocation.

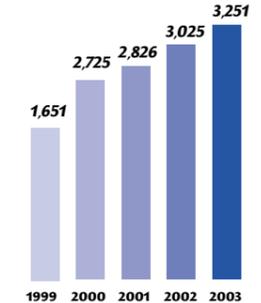
Consolidated net sales (in billions of euros)



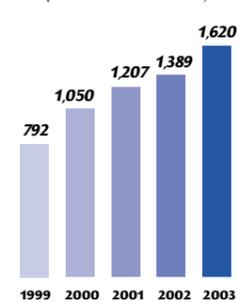
EBITDA (in millions of euros)



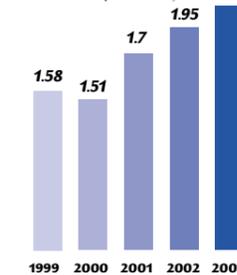
Operating income (in millions of euros)



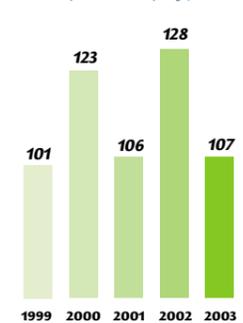
Net income from recurring operations, Group share, after goodwill (in millions of euros)



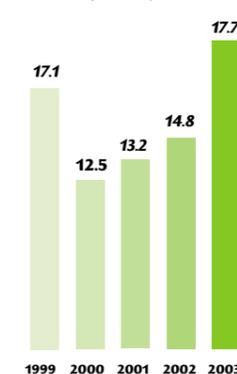
Net income from recurring operations, Group share, per share (in euros)



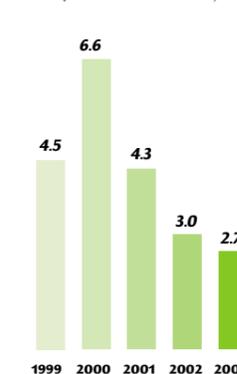
Debt ratio (as % of equity)



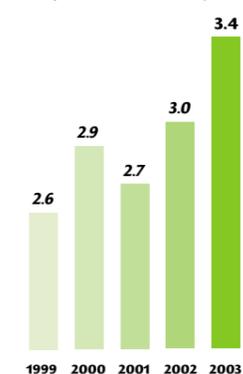
ROCE (as a %)



Investments and acquisitions (in billions of euros)



Cash flow (in billions of euros)



Market Overview

Capital

At December 31, 2003, Carrefour's capital stock was 1,790,355,957.50 euros, represented by 716,142,383 shares with a par value of 2.5 euros, compared with 716,141,771 shares one year earlier. The creation of 612 shares in 2003 is the result of the exercise of 51 equity warrants.

DISTRIBUTION OF CAPITAL

There were no major changes in the shareholding structure in 2003. The distribution of shares at December 31 was as follows:

SHAREHOLDERS	Number of shares	As a %	Number of Annual Meeting votes	As a %	Number of Special Meeting votes	As a %
Halley Family Group	81,836,545	11.43	162,381,917	18.54	162,962,837	18.61
Badin-Defforey-Fournier families	34,883,766	4.87	45,775,971	5.23	46,863,959	5.35
March Group	23,976,640	3.35	47,373,280	5.41	47,373,280	5.41
Shareholders' agreement	140,696,951	19.65	255,531,168	29.18	257,200,076	29.37
Employees	20,582,419	2.87	26,370,847	3.01	26,370,847	3.01
Treasury stock	7,303,390	1.02				
Shares held by subsidiaries *	22,833	0.00				
Public	547,536,790	76.46	593,822,736	67.81	592,153,828	67.62
Total	716,142,383	100.00	875,724,751	100.00	875,724,751	100.00

Number of shares held by members of the Executive Committee: 1,551,531

To the Company's knowledge, there are no other shares that hold directly or indirectly or together 5% or more of the capital and/or voting rights.

*Shares held by Carrefour Nederland BV.

A shareholders' agreement was signed on August 29, 1999 by the Halley Family Group, the Badin-Defforey-Fournier families, and the March Group. This agreement provided for a preemptive right to all or part of the Carrefour shares as well as a commitment to act together before Shareholders' Meetings or in the event of a tender offer launched on the Company's shares.

The number of voting rights at December 31, 2003 was 875,724,751. No voting rights are attached to the treasury shares or shares held by subsidiaries. A double voting right is granted to shares which have been registered for more than two years (Shareholders' Meeting of October 30, 1989). The number of shareholders is estimated at approximately 461,000.

The Carrefour share

The Carrefour share is listed for trading on the Premier Marché of Euronext Paris (Deferred Settlement, ISIN code FR 0000120172). It is included in the CAC 40, DJ Euro Stoxx 50 and DJ Stoxx 50 indices. As of December 31, 2003, the Carrefour share ranked 6th in market capitalization in the CAC 40 index with a weight of 4.38%.

MARKET DATA

(in euros)	1999*	2000*	2001*	2002	2003
Price: high	96.6	91.8	69.4	58.15	46.34
low	46.2	62.5	46.3	38.07	29.35
at December 31	91.6	66.9	58.4	42.43	43.52
Number of shares at December 31	685,004,700	711,143,440	711,155,854	716,141,771	716,142,383
Market capitalization at December 31	62.7	47.6	41.5	30.4	31.16
(in billions of euros)					
Average daily volumes	1,414,368	1,704,163	1,934,055	2,567,064	2,513,291
Net income per share from recurring operations	1.58	1.51	1.70	1.95	2.23
Net dividend	0.45	0.50	0.56	0.64	0.74
Return	0.49%	0.74%	0.95%	1.50%	1.70%

*The historical data have been adjusted to take into account the operations performed on the Carrefour share: six-for-one split in 1999 and bonus allotment in 2000.

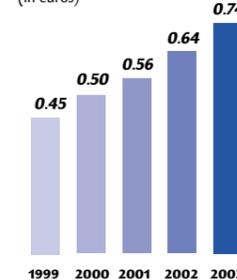
CHANGE IN SHARE PRICE IN 2003 COMPARED WITH THE CAC 40 INDEX

(in euros)



NET DIVIDEND PER SHARE *

(in euros)



* Dividends are returned to the State if not claimed in five years.

SHAREHOLDER INFORMATION

Carrefour shareholders receive rigorous, transparent and regular information. Communications were restructured in 2003 and new tools were added: the shareholder toll-free number (0 805 902 902) is now available 24 hours a day, 7 days a week. Shareholders can check the price of the share, changes in price, and the CAC 40 index in real time; the agenda for meetings and financial publications is available and updated regularly; a voice mail system allows shareholders to leave their names and addresses to receive letters, the shareholder's guide and the annual report.

In 2003, the Group also launched the "Shareholders" email alert to notify shareholders of the publication of press releases.

To sign up, go to the "Shareholders" page on the website at <http://www.carrefour.com>

Financial publication schedule

2003 Annual earnings report	March 4, 2004
Shareholders' Meeting (2nd notice of meeting)	April 27, 2004
Dividend payment	April 30, 2004
First quarter sales revenues	April 7, 2004
Second quarter sales revenues	July 8, 2004
2004 Half-year earnings	September 1, 2004
Third quarter sales revenues	October 12, 2004
Fourth quarter sales revenues	January 11, 2005

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Shareholder Communications

Letter to Shareholders

This letter, designed for all registered shareholders and bearer shareholders who request it, is published twice a year following the publication of the half-year and annual earnings reports in March and September.

The Shareholder's Guide

This guide explains book entry shares registered with the company and administered shares.

Meetings

The Shareholders' Meeting is a unique opportunity for shareholders to meet management and learn about the life of the Group, its achievements and prospects.

For three years, Carrefour has participated in the Paris Actionaria Trade Show.

Our employees are present for both days to answer visitors' questions about the Group's strategy.

In 2003, Carrefour traveled to four cities in the French provinces to present the Group at shareholder meetings in Lyons, Paris, Rouen and Toulouse.

Carrefour also met with shareholders abroad for the first time in Brussels, Belgium.

