



Boulogne, June 28th, 2011

PRESS RELEASE

Carrefour has received a proposal for a major strategic partnership in Brazil

- On June 27th, 2011 Carrefour received a proposal for a major strategic partnership in Brazil.
- This proposal was received from Gama¹, a company wholly-owned by an investment fund managed by BTG Pactual to be capitalized by the Brazilian National Development Bank (BNDES).
- This project contemplates a merger of Carrefour's Brazilian assets with those of CBD² (Grupo Pão de Açúcar) in an equally-owned joint venture, while Gama would become a reference shareholder in Carrefour.
- Carrefour's Board of Directors has been informed of the terms of this proposal and will review it in the coming days.

Carrefour has received a proposal submitted by Gama to form a strategic partnership that would create the largest player in the Brazilian retail industry, combining the assets of Carrefour and those of CBD in an equally-owned company. As part of this transaction, Gama would become a reference shareholder of Carrefour.

Carrefour's Board of Directors will hold a meeting in the coming days to review this proposal.

Gama is a company wholly-owned by an investment fund managed by BTG Pactual, one of Brazil's leading financial groups, to be capitalized by the Brazilian National Development Bank (BNDES). Gama has indicated that it will benefit from a capital injection from BNDES and BTG Pactual of €2bn and debt financing for €500m.

This proposal will be submitted for final approval to BNDES's Board, further to the favourable opinion already issued by BNDES's Technical Committee. Gama has indicated that its proposal has also been submitted to CBD.

This transaction, if it were to be completed, would lead to the creation of the largest player in the retail industry in Brazil, the world's third biggest market in terms of food spending, with estimated combined 2011 pro-forma turnover in excess of €30bn.

The proposed transaction notably contemplates:

- The merger of Carrefour Brazil's shares into CBD, further to CBD's share merger into Gama and a capital injection of € 1.5bn in CBD.

¹ *Gama 2 SPE Empreendimentos e Participações S/A*

² CBD : Companhia Brasileira de Distribuição, Grupo Pão de Açúcar

- The rebalancing of Gama's and Carrefour's participating interest in CBD at 50-50, in a manner which would allow full consolidation by Carrefour as of Jan. 1, 2013. This would be implemented by a transfer of Gama's stake in excess of 50% of CBD in exchange for 90 million preferred shares of Carrefour (the "Preferred Shares"), representing circa 11.7% of Carrefour's share capital post-issuance of the new shares. Following completion of the transaction, Gama could acquire additional Carrefour shares on the open market representing up to 6% of Carrefour's share capital.

The Preferred Shares issued by Carrefour as consideration for the CBD shares would have the same economic rights as the ordinary shares. Voting rights of Preferred Shares would be adjusted so that the voting rights attached to the combined holding of Gama and Blue Capital in Carrefour would remain below 30%. Gama would benefit from representation rights on Carrefour's Board of Directors with two Board seats, including the Vice Chairmanship, upon completion of the transaction, and three seats after the 2013 general shareholders' meeting. Gama would hold the Chairmanship of the Strategic Committee and would also be represented on all other Board committees.

Gama would enter into a shareholders' agreement and act in concert with Blue Capital SARL, Colony Blue Investor SARL, and Groupe Arnault SAS, which today jointly hold 14.1% of Carrefour's share capital and 20.2% of voting rights, limiting their joint holding to a maximum of 30% of Carrefour's shares and voting rights (including Preferred Shares).

The proposed transaction would be submitted for the possible approval of CBD prior to its implementation. Any further developments will be disclosed to the market in due course. Further details relating to Gama's proposal can be found in Gama's press release.

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