

São Paulo, January 21, 2019 - Grupo Carrefour Brasil (Atacadão S.A.) [B3: CRFB3] announces its preliminary and non-audited fourth-quarter and full-year 2018 sales performance:

Solid sales momentum in Q4 and 2018

Gross sales up 10.9% in Q4 and 7.8% in 2018*

LfL accelerated by 6.2% in Q4 and 3.9% in 2018*

Our omnichannel strategy and successful commercial initiatives boosted sales in all divisions in Q4, further reinforcing our leadership position in Brazil, with 2018 full-year sales of R\$56.3 billion

- **Atacadão: LfL up 7.4% in Q4, total sales up 14.9% to R\$10.7 billion (+ R\$1.4 billion)**

- LfL sales accelerated consistently every quarter and were up 7.4% in Q4, the highest quarterly increase since Q1 2017. In the full-year, LfL sales also accelerated by 4.8% in 2018 vs 3.6% in 2017
- Volumes and number of tickets up in Q4. Market share gain of 80bps over the year⁽¹⁾
- Annual target of 20 openings achieved, with six new stores and two wholesales in Q4; sales area increased by 13.6% in the full-year. On track to continue sustained pace of openings in 2019

- **Carrefour Retail: LfL accelerated by 3.5% in Q4*; continued outperformance of GMV**

- LfL sales ex-petrol also accelerated every quarter and grew by 3.5% (or 2.8% inc. petrol) in Q4, driven by successful commercial and omnichannel initiatives, strong e-commerce performance and double-digit growth in convenience stores. In FY 2018, LfL of 2.1% (inc. petrol) vs. 0.7% in 2017
- E-commerce GMV strongly outperformed the industry (+110%) in Q4 and continues to gather momentum. Own sales up 83% year-on-year in Q4, fueled by a strong Black Friday and even stronger December performance. Marketplace accounted for 19% of total GMV sales in Q4 and 16% in full-year 2018. The number of sellers and SKUs continues to grow at a fast pace: 1,600 sellers and 1.5 million SKUs at year-end
- Further advances in the food transition for all, including greater offer and increasing sales of organic, private label and fresh produce

- **Banco CSF: Total billings up 25.5% in Q4 to R\$7.5 billion (+ R\$1.5 billion)**

- Robust performance of Carrefour and Atacadão credit cards: billings up respectively 13.5% to R\$5.6 billion and 90% to R\$1.8 billion in Q4; Atacadão credit card ramping up faster than expected, already accounting for 24% of CSF's total billings
- CSF's credit portfolio rose by 33.3% to R\$8.4 billion (+ R\$2 billion) in full-year 2018, with 8 million cards issued (~1.6 million Atacadão cards). The overall quality of our credit portfolio continues to improve
- Strategic initiatives for omnichannel experience: As of December, Carrefour card has been accepted in all Atacadão stores; customers who make at least one purchase per month on any Carrefour with their card are exempted from the monthly installment of the annuity fees

Grupo Carrefour Brasil will release its Q4 results on Tuesday, February 26 after market close. Q4 earnings call will take place on February 27 at 11:00 am São Paulo time.

(*) Ex-petrol (1) Nielsen data from January to November 2018

Q4 AND 2018 CONSOLIDATED SALES

In Q4 2018, Grupo Carrefour Brasil's consolidated sales reached R\$15.8 billion, with growth accelerating to 10.2%, the first quarterly double-digit sales growth since Q4 2016. In 2018, Grupo Carrefour Brasil's consolidated gross sales reached R\$56.3 billion, up 7.6%. The IPCA Food at Home inflation index stood at 4.1% in Q4, confirming the end of the food deflation phase that began in mid-2017.

Grupo Carrefour Brasil posted sales growth of 6.2% on a like-for-like basis ex-petrol (or 5.8% inc. petrol) in Q4, the highest level since Q1 2017. This quarter included a favorable calendar impact of 0.2%. In full-year 2018, LfL growth was 3.9% ex-petrol versus 3.0% in 2017.

Like-for-Like ex-calendar	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Atacadão	6.3%	4.9%	1.6%	2.2%	0.5%	4.5%	6.2%	7.4%
Carrefour ex-petrol	3.9%	3.6%	0.1%	-0.1%	0.1%	0.8%	2.5%	3.5%
Carrefour inc. petrol	3.0%	1.5%	-0.3%	-1.0%	0.1%	2.1%	3.0%	2.8%
Consolidated ex-petrol	5.5%	4.5%	1.1%	1.4%	0.4%	3.4%	5.1%	6.2%
Consolidated inc. petrol	5.0%	3.8%	1.0%	1.0%	0.5%	3.6%	5.1%	5.8%

Calendar effect was +0.2% in Q4.

Expansion accounted for a further 4.3% of sales growth in Q4 (and 4.0% in FY2018), mainly as a result of new Atacadão stores. Our expansion strategy continues to favor higher return formats with a greater emphasis on Cash & Carry: in Q4, we opened six new Cash & Carry stores, two wholesales, four Market and two Express. Grupo Carrefour Brasil's total store network at end 2018 reached 660 stores.

SALES BY SEGMENT – Q4 AND 2018

	Q4 2018					2018				
	Gross Sales (R\$MM)	LFL w/o petrol	LFL inc petrol	Expansion	Total Growth	Gross Sales (R\$MM)	LFL w/o petrol	LFL inc petrol	Expansion	Total Growth
Atacadão	10,698	7.4%	7.4%	7.0%	14.9%	37,579	4.8%	4.8%	5.6%	10.2%
Carrefour	5,123	3.5%	2.8%	-0.7%	1.6%	18,764	1.8%	2.1%	0.8%	2.6%
Gross sales	15,821	6.2%	5.8%	4.3%	10.2%	56,343	3.9%	3.9%	4.0%	7.6%

Atacadão: Accelerating growth on further gains in volumes and average ticket

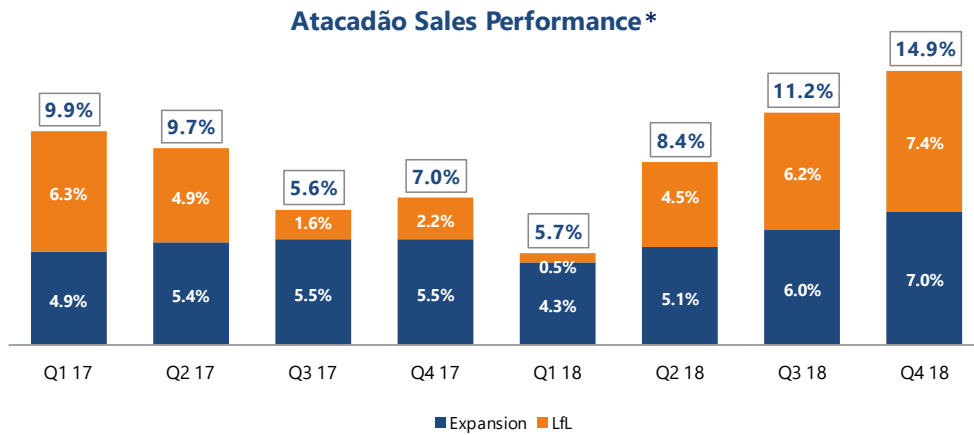
Atacadão's Q4 gross sales were up 14.9% to R\$10.7 billion, of which 7.4% LfL. LfL sales growth accelerated quarter after quarter throughout the year, attesting to the strength of its commercial model. Atacadão's Q4 sales performance reflects continuous gains in volumes, an increase in average ticket and more favorable commodity prices.

In full-year 2018, Atacadão's sales were 10.2% higher at R\$37.6 billion, driven by 4.8% LfL growth and 5.6% expansion. In the first 11 months of 2018, Atacadão gained 80bps of market share (Nielsen).

The decision to accelerate expansion to 20 new stores per year from 10-12 stores previously has resulted in a consistent increase in the contribution of expansion every quarter this year. Expansion brought an additional 7.0% growth in sales in Q4 (vs 6.0% in Q3, 5.1% in Q2 and 4.3% in Q1), with most of the openings in cities where Atacadão was not yet present. Atacadão opened six stores and two

wholesale operations in Q4, for a total of 20 stores and four wholesales in 2018, an increase of almost 14% in sales area.

The 20 openings were well distributed over the year, creating optimal conditions for each opening and enabling us to maintain this expansion pace in the long run.

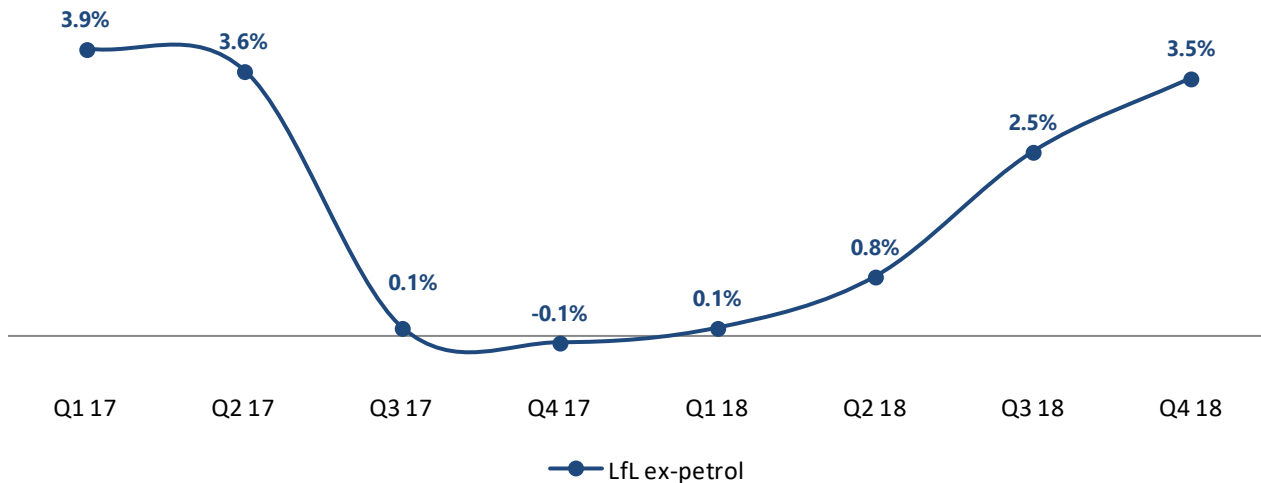


(*) total growth includes the calendar effect of each quarter

Carrefour Retail: Successful commercial initiatives, double-digit convenience LfL growth and strong performance in e-commerce

In Q4, Carrefour LfL sales ex-petrol were up 3.5% and total sales amounted to R\$5.1 billion, driven by successful commercial initiatives in hypermarkets, an improving trend in proximity formats and strong performance in e-commerce. In full-year 2018, Carrefour LfL sales, ex-petrol, were up 1.8% and total sales reached R\$18.8 billion.

Carrefour Retail Sales Performance



In our **hypermarkets**, we carried on implementing our differentiation strategy, further adapting our commercial offer and making significant new advances in the food transition initiated in January 2018. Food sales trend has been continuously improving, helped by the end of food deflation. Volumes at the recently repositioned hypermarket stores have been growing significantly above other stores, validating the decision taken in 2018 to adjust the value proposition of those stores.

In line with Carrefour Group’s strategy of being the leader in the food transition for all, we continued to develop our private label offer, which already represented 11.1% of total food sales by year-end, a gain of 1.1 percentage points versus Q3 with double-digit LfL sales growth. As a reminder, our goal is to

double the number of private label SKUs to 2,000 by 2022 and reach 20% of Carrefour's sales, with competitive prices. During 2018, we reinforced in-store communication at Carrefour hypermarkets, highlighting Carrefour's public commitment to offering fresh products at affordable prices.

Organic products grew 84% versus last year in Q4, driven by a broader offer, more competitive prices and dedicated in-store areas. We intend to grow our organic product sales to R\$ 500 million by 2022 from less than R\$ 50 million in 2018, notably through a revamped organic offer in all hypermarkets. In 2019, we plan to extend our food transition initiatives to our supermarkets (Bairro and Market) as well as to half of our Express stores.

Our **proximity strategy** continues to show progress, notably the **Market** banner launched in December 2017, whose performance is significantly above plan. The revamp of the commercial model of our convenience format, **Express**, with a renewed assortment, more fresh products and new services for customers (ATMs, payment of bills) resulted in double-digit LfL growth in Q4 and market share gains.

E-commerce and Digital initiatives

E-commerce was the fastest-growing format within Carrefour Retail in Q4 thanks to a **strong Black Friday and even stronger December sales**. GMV grew five times faster than the industry (source: E-bit) in Q4 2018 with sales up **110%**. 1P sales represents **10.4% of Carrefour Retail's sales**, ex-petrol, compared with 5.8% in Q4 2017. The number of visitors, orders and average ticket all grew strongly during the quarter versus last year. Top selling products in this year's Black Friday included notebooks, printers and smartphones. Marketplace sales represented 20% of GMV during Black Friday. Food e-commerce debuted its first Black Friday with strong sales.

Q4 e-commerce highlights included:

- (i) **GMV** strongly outperformed the industry with sales up **110%** in Q4. Own sales were up 83% year-on-year in Q4, fueled by a strong Black Friday and an even stronger December performance. The growth of our consolidated average ticket (+19% YoY) and number of orders (+77% YoY) was also significantly above the industry average. **Our marketplace accounted for 19% of total GMV in Q4** and 16% in the full-year 2018. The number of sellers and SKUs continues to grow at a fast pace to 1,500 sellers (vs. 75 sellers in Q4 2017) and 1.6 million SKUs in our marketplace at year-end;
- (ii) **Click & Collect**: Click & Collect was available at all of our hypermarket stores at year-end. We will further develop Click & Collect in 2019 by adding third-party locations as pick-up points and expanding pick-up points to other formats such as Market and Express. Only a few months after implementation, **our customers are showing strong interest for this new service, as demonstrated by various KPIs**: 25% of the smartphones sold online are collected in stores, 33% of customers collecting items that were purchased online also shop at the store and the average Click & Collect ticket is 35% higher than the online average ticket. The Net Promoter Score (NPS) remains high, above 70%, attesting to the good service experience offered by Carrefour.
- (iii) **Drive**: In Q4, we added 8 more drives in the state of São Paulo, totaling 10 Drives at year-end 2018. Drive **already accounts for 28% of our food-ecommerce sales**. NPS for Drive orders also stands at a very high level, slightly above 75%.
- (iv) **Meu Carrefour**: Since the launch in October of our CRM program, we have significantly increased the percentage of identified customers in our stores to about 67% in December from 25% in March 2018. Our customer base at year-end 2018 was **13.4 million customers**,

a significant increase since the launch of the program, with roughly 2 million apps downloaded.

Banco CSF: Strong billings in Q4, with Atacadão cards already accounting for 24% of total

In Q4, Banco CSF's total billings rose by 25.5% to about R\$7.5 billion, an increase of R\$1.5 billion. Carrefour credit card billings were up 13.5% to R\$5.6 billion. Atacadão credit card billings have been ramping up faster than expected in 2018 and reached R\$1.8 billion and accounted for 24% of total billings in Q4 vs. 16% in the same quarter last year.

In R\$ million	Q4 18	Q4 17	Δ	2018	2017	Δ
Billings Carrefour credit card	5,649	4,977	13.5%	19,676	17,790	10.6%
Billings Atacadão credit card	1,799	949	89.6%	5,813	1,498	288.1%
Other products*	94	86	9.3%	363	375	-3.1%
Total billings	7,543	6,012	25.5%	25,852	19,663	31.5%
Total Credit portfolio	8,382	6,288	33.3%	8,382	6,288	33.3%

*Other products include personal loans and payment of bills using the card

In the full-year 2018 total billings were up 31.5% to R\$25.9 billion. The total credit portfolio rose by 33.3% to R\$8.4 billion in the full-year and the number of cards totaled 8.0 million, with 1.6 million Atacadão cards. Overall credit quality, which has been very high over 2018, continued to improve in Q4.

In Q4, two important initiatives were unveiled to enhance the value proposition of the Carrefour card: (i) Atacadão started accepting the Carrefour card for payment and (ii) customers who make at least one purchase per month on any Carrefour with their card are exempted from the monthly installment of the annuity fees.

STORE NETWORK – Q4 2018

In FY2018, we recorded 26 store openings, of which 20 Atacadão stores. Net of a few closures, our total selling area increased by 6.3%.

In Q4, we opened 6 Cash & Carry and 2 wholesale stores, 4 new Markets and 2 Express during the quarter. We closed 1 hypermarket in the city of Manaus and 5 Express stores.

N° of stores	Dec.17	Openings	Closures	Dec.18
Cash & Carry	146	20		166
Hypermarkets	103		-3	100
Supermarkets	41	8		49
Convenience Stores	119	6	-5	120
Wholesale	23	4		27
Drugstores	126		-2	124
Gas Stations	76		-2	74
Group	634	38	-12	660

Sales area	Dec.17	Dec.18	Δ Change Dec.18 vs Dec.17
Cash & Carry	930,017	1,056,539	13.6%
Hypermarkets	723,110	704,876	-2.5%
Supermarkets	63,006	68,008	7.9%
Convenience Stores	22,111	22,009	-0.5%
Drugstores	8,081	7,851	-2.8%
Gas Stations	31,347	30,485	-2.8%
Total sales area (m²)	1,777,672	1,889,769	6.3%

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