

**SCRIPT FOR GRUPO CARREFOUR BRASIL
Q3 2019 CONFERENCE CALL**

Operator:

Good morning ladies and gentlemen, welcome to Grupo Carrefour Brasil's third quarter and nine months of 2019 conference call.

At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session and instructions will be given at that time. If you should require assistance during the call, please press the star key followed by zero two.

As a reminder, this conference is being recorded and broadcasted live on the investor relations website at: <http://www.grupocarrefourbrasil.com.br/>. A slide presentation is also available on this site.

Before proceeding, let me mention that forward-looking statements are being made under the safe harbor of the Securities Litigation Reform Act of 1996. Actual performance could differ materially from that anticipated in any forward-looking comments because of macroeconomic conditions, market risks and other factors.

It is now my pleasure to turn the call over to Mr. Noël PRIOUX, Chief Executive Officer, to start the conference call. Please, Mr. Noel Prioux, you can proceed:

Noël Prioux – CEO – Grupo Carrefour Brasil: Good morning and thank you for joining us on this call to present Grupo Carrefour Brasil's third-quarter and nine-month 2019 results.

I am joined on this call by Roberto Mussnich, CEO of Atacadão; Luis Moreno, who recently joined us as CEO of Carrefour retail and whom I am pleased to welcome; Paula Cardoso, CEO of Carrefour e-Business Brasil; Carlos Mauad, CEO of Banco Carrefour, and Sébastien Durchon, our Chief Financial Officer. Natalia Lacava, our new head of Investor Relations, whom I am also pleased to welcome to Carrefour Brasil, is also with us.

I will start with a brief overview of the key highlights of our performance in the period. Sébastien will detail our financial performance, and Roberto, Luis, Paula and Carlos will present the key performance highlights of our different businesses. After my concluding remarks, we will then open the floor to your questions. The presentation that we will be referring to during this call is available for download on our investor relations website.

Grupo Carrefour Brasil's third-quarter performance provides a new demonstration of the strength of our omnichannel ecosystem. Even while operating in a challenging consumption environment, Grupo Carrefour Brasil posted strong growth in sales and solid profitability in both the third quarter and the nine-months, thanks to consistent execution of our strategy.

Carrefour retail posted its best quarterly sales growth in five years, Atacadão continued its expansion, Banco Carrefour recorded record billings and our e-commerce continues to advance.

I'd like to mention some of the key advances of the nine months as we continued the development of our omnichannel strategy, with a focus on connecting the physical world and the digital one, offering a seamless customer experience in-store and online and a growing range of services.

The strength of our ecosystem starts in the physical store, and we continued our expansion in the third quarter. We opened three new Atacadão stores, bringing the number of openings this year to 15, in line with our target to open 20 this year, and we continue to develop proximity with the opening of two new Express stores, bringing our convenience network to 123 stores at end-September. We also took a decisive step in our supermarket network recently by signing a partnership with the Super Nosso group in Minas Gerais under which they will take over the operation of our 17 supermarkets in the region of Belo Horizonte to re-dynamize their performance based on their local market and customer knowledge.

In line with our omnichannel strategy, we have rolled out Click & Collect to 106 stores for our non-food offer and have rolled it out to five stores for our food offer in the past quarter. Drive is now available for online food order pick-up in 28 stores, of which 11 were opened in Q3.

Our Marketplace continues its rapid ramp-up, and we now have nearly 3,200 sellers and over 3 million SKUs in our platform at end-September. We introduced Carina – Our Artificial Intelligence-enabled virtual after-sales assistant, creating a single customer service from 14 different channels previously.

Our ecosystem concept goes hand-in-hand with partnerships to speed up our digital transformation and enhance our service offering and we continued to make progress in the first nine months of 2019. The Rappi last-mile delivery service is now available in 126 stores in 26 cities, and it has contributed to a growth of more than five-fold on our food GMV compared with the third quarter of last year. We are also testing an autonomous store in Sao Paulo with Zaitt and working with Propz to improve our use of data, as we continue to seek to bring innovation to our customers.

Just yesterday, we announced a new partnership with Hirota to offer their ready to eat meals in our stores, starting with three stores in three different formats in Sao Paulo.

This quarter was also marked by the announcement that we have acquired a 49% stake in Ewally, a fintech specialized in digital financial services. In a nutshell, Ewally is an e-wallet focused on the inclusion of “unbanked” people, a population of 45 million people representing around R\$ 800 billion in transactions, providing services such as paying bills, money transfers and others through a mobile app.

This is another step in developing our financial services as part of our ecosystem and creating touchpoints with clients. We saw record growth in billings at Banco Carrefour, up 30.6% in Q3 vs the same quarter last year.

Finally, as you know, the Carrefour Group has set itself the global ambition of being the leader in the food transition for all, bringing healthy food to consumers at accessible prices, and we continue to make progress towards that goal.

Healthy food aisles are now rolled out in 74 hypermarkets and the target is to complete the roll-out by the end of the year. We now have about 3,000 healthy and organic food SKUs. Net sales of organic products were up 22% in Q3 vs the same quarter last year, while private label sales rose 30% in the same period. The share of private label in our food offer now represents 13% of total food sales, and we target 20% penetration by 2022.

So as you can see, our omnichannel ecosystem continues to grow and to contribute to our numbers, as Sébastien will now tell you.

Sébastien Durchon – CFO:

Thank you, Noël and good morning to everyone. On slide 5, you see how this strategy translates into our numbers. I will present here the key numbers of the quarter and the nine-month period. My comments are on numbers prior to IFRS 16 for the sake of comparability.

Let's start with our Q3 performance:

Our gross sales rose 8.4% to R\$ 15.1 billion. Ex-petrol reached 8.9%

Adjusted EBITDA grew by 7.2% to R\$ 1.1 billion, for a margin of 7.7%, stable year-on-year and Adjusted net income, Group share, increased by 14.7% to R\$ 448 million, equivalent to a 3.3% margin

If we look at the nine-month performance, growth is equally strong:

Gross sales were up 10% to R\$ 44.6 billion, adjusted EBITDA was up 11.9% to R\$ 3.1 billion, with margin up 14 basis points to 7.6%, adjusted net income, Group share, at R\$ 1.3 billion, was up 13.9%, with a 3.2% margin and our balance sheet is strong even with a high level of investments, with net debt of R\$ 2.2 billion at end-September, representing 0.5 times net debt EBITDA.

This is, a very strong performance that underscores the momentum of the Carrefour Brasil ecosystem.

Before taking a closer look at our financials, I would like to focus on slide 6 on the backdrop of this performance, as we continued to operate in a challenging consumption and macro-economic environment.

As you know, the Brazilian economy has underperformed expectations, even if we have seen some advances recently. Unemployment, while starting to drop, remains persistently high at 11.8%, as shown on the graph on the slide, and household income is increasing below inflation, which impacts purchasing power, notably among lower-income households.

At the same time, we have operated in a somewhat volatile inflation environment, with food inflation rising in Q1, as shown on the first graph on the slide, and then gradually easing beginning in Q2. The IPCA food-at-home inflation index was at 4.3% in Q3 vs 7% in Q2, suggesting more moderate inflation for the rest of the year.

This combination has impacted retail sales, as you see on the chart on the right-hand slide of the slide. Sector volumes are down 2.1% and units are down by 4.5%, and frequency of visits and volume per visit are also down.

I wanted to highlight this as it is important to have this in mind to measure our performance in the period. Let's start with our sales performance on slide 7.

On the graphs on slide 7, you can see consistent year-on-year growth in sales both in Q3 and in the nine months. Our total gross sales were up 8.9% in Q3 ex-petrol.

The graph on the left-hand side shows that we have added R\$ 1.1 billion in gross sales in Q3 2019 vs the same quarter last year, resulting from Atacadão's strong expansion and solid growth in Retail.

Similarly, in the nine-month period, our gross sales reached R\$ 44.6 billion, a growth of 10% or R\$ 4 billion year-on-year.

On the right-hand side, we look at the breakdown of sales. You see that quarter after quarter, the pace of expansion remains steady, with a Q3 contribution of 5%, largely thanks to Atacadão's sustained pace of store openings. Total growth in the period was 8.9%, with Carrefour Retail posting its best like-for-like quarterly growth in five years and reaching a total growth of 8,9% while Atacadão posted total growth of 9% despite a challenging environment. This performance reflects the success of our decisions in the past years to reposition our hypermarkets, expand in Cash & Carry, invest in e-commerce, omnichannel initiatives and new financial services, which demonstrates the power of our ecosystem to generate additional revenue.

Let's now turn to a look at our simplified P&L on slide 8.

Our net sales posted strong growth, up by 8.1% in Q3 and 9.8% in the nine months, driven by solid growth at both Carrefour Retail and Atacadão.

Gross profit was up in double-digits both in Q3 and the nine months reflecting better margins at Carrefour Retail and Banco Carrefour in Q3. Gross margin was up by 44 basis points in Q3 and 39 basis points in the nine months, driven by Carrefour Retail. SG&A expenses were up in Q3, reflecting Atacadão's expansion. However, as a percentage of sales, they were well-controlled, reflecting our continued financial discipline.

EBITDA was up 7.2% to 1.062 billion, and 11.9% nine-months accumulated with stable margins of 7.7%.

Our adjusted net income, Group share, was up a strong 14.7% in Q3 and 13.9% in the nine months, which reflects investments that we're doing to sustain our operations growth. Let's now look at our performance by business unit, and for that, I will now hand over to Roberto to comment on Atacadão.

Roberto Mussnich - CEO – Atacadão:

Thank you very much Sébastien and good morning to all. Atacadão recorded 9% growth in its total sales in Q3, demonstrating the strength of its brand and positioning, as well as our decision to significantly accelerate our expansion with 15 new stores since the start of the year, of which three new openings in the third quarter and three in October. Atacadão's gross sales grew by a strong 12.3% in the first nine months.

As you see on the chart, expansion contributed 6.9% to our total sales growth, vs 6% in Q3 of last year, showing greater efficiency in expansion, while like-for-like sales were up 1.8%. This like-for-like growth reflects the challenging environment in which we operated, notably a slowdown in food inflation that was particularly strong in commodities. It's also important to bear in mind that we benefited in Q3 of last year from a sales boost in July linked to the after-effects of the May truckers' strike. Excluding July, like-for-like growth was 2.7%.

In Q3, our gross margin stood at 15.1%, reflecting a tough comparable base as mentioned, a market contraction and continuous attention to market competitiveness, with a strategic decision to maintain our price leadership.

Over the nine-month period, gross margin rose by 18 basis points to 15.4%.

The Adjusted EBITDA trends are similar to those I described for gross margin. Nine-month EBITDA was 11.8% to over R\$ 1.9 billion, with margin stable at 7%. In Q3, EBITDA margin was 6.7% as a result of the three reasons I mentioned.

On slide 11, we take a more detailed look at our expansion strategy. With 12 openings in the first nine months, of which 3 in Q3, plus another three openings in October, we have opened 15 stores year-to-date. We are thus well on track to meet our target of 20 new stores again this year.

As you know, Atacadão is one of the retailers with a truly nationwide presence in Brazil, and our openings this year were well distributed in 9 different states. We recently opened our first store in Curitiba, in the southern state of Parana with new swallow-shaped architectural model.

Reflecting the strategy, we described at the March Investor Day, we have adapted our store sizes. With that, let me hand over to Luis to comment on Carrefour Retail.

Luis Moreno – CEO of Carrefour retail:

Thank you Roberto, and let me say before I begin how happy I am to join Carrefour Brasil and be able to contribute to further developing its retail activities in Brazil. On slide 12, you see the main performance indicators for Carrefour Retail.

Quite simply, the strategy we have been executing over the past couple of months is clearly producing solid results. Carrefour Retail turned in its best like-for-like quarterly sales performance in five years, with growth of 8.8% in Q3, accelerating over 8% in Q2 and 6.1% in Q1. Like-or-like sales were up 7.2% excluding e-commerce.

Gross sales ex petrol in Q3 were up by 8.8%. This strong sales growth validates the strategic decisions we have taken over the past year, as sales growth drivers included strong non-food sales, ongoing food transition initiatives such as the sales of organic and private-label products, growth in our repositioned hypermarkets and convenience stores, omnichannel initiatives such as Click & Collect and Drive and the development of our non-food and food e-commerce, which is boosted by our partnership with Rappi.

This has allowed us to post a 4.3% increase in tickets in our stores and market share gains in all categories, notably a 250 basis-point gain in hypermarkets in Q3, the biggest market share gain since the start by Nielsen of the historical series.

Gross profit rose in Q3 in double digits, at 10.2%, and was also up by a strong 6.3% in the nine months. Gross margin was also higher, up by a strong 84 basis points to 25.7% in Q3 and by 36 basis points in the nine-month period. This improvement reflects better margin at Carrefour as a result of commercial initiatives and operational improvements as well as logistics efficiency. It also reflects better gross margin in our e-commerce as a result of scale and the greater weight of our marketplace in total e-commerce sales. In the first nine months, gross margin grew both at Carrefour Retail's stores and in e-commerce.

In Q3, adjusted EBITDA pre-IFRS 16 was up 7.6% to R\$199 million even as we invested to develop our omnichannel initiatives, and in the nine months, it was up 0.9%.

And beyond financial aggregates, let me mention one customer satisfaction number we are particularly pleased with: Our store NPS reached 44, the best performance of the last three years. Let me now hand over to Paula to present our e-commerce advances.

Paula Cardoso - CEO of Carrefour eBusiness Brasil (CeBB):

Thank you, Luis. Let's go to slide 13. Well, let's talk about eBusiness, whose main objective is to accelerate the connection between the touchpoints of our ecosystem, valuing our assets through our omni proposition, which is to delight our customers! Remembering that we are a late mover in e-commerce, we have been able to walk very, very fast. So, let's get started: our Ability to generate traffic, audience and relevance.

In September, Carrefour was the most popular brand in the country in the food segment, accounting for over 25% of searches, according to Google and with traffic growth of 70% over the previous year. The audience on our APP is no different, 56% YoY growth in downloads. The award for the most beloved retail brand, according to Consumidor Moderno Magazine, confirms the sustainability of this process!

As a result, we have increased our online sales and conversions. I will talk separately about food and non-food operations as they are in very different maturation stages. Let's start with the non-food operation.

Our non-food e-commerce and marketplace operation already represents 26% of Carrefour's non-food sales. We have tripled the number of SKUs in the last 12 months to over 3 million SKUs and over 3,000 sellers. Our marketplace already represents 23% of our e-commerce, with growth of 106%, contributing significantly to our competitiveness and profitability. All of this has led our non-food revenues to grow almost 60% in 9 months.

The food e-commerce platform, our small big start up, which has grown by a Chinese-like 142% in nine months and is already starting to make an important contribution to the group's strategy and growth and store traffic stimulation. As announced, we have opened 7 sides stores in our Hypermarkets through October. A disruptive logistics model that allows us a high level of service for our customers: For example, we achieved 98% in the complete order index, with a 23% reduction in the cost of delivery and a very high repurchase rate. A great achievement for a startup! We currently have operations in Sao Paulo, Brasilia, Belo Horizonte and Curitiba and we continue our strategy of being leaders in food e-commerce. Rappi continues as a significant partnership, already operating in more than 27 cities and helping us in this acceleration.

All of our e-comm operations brings Carrefour more than 45% new customers with our e-commerce expansion, reaching 60%.

Moving to Omnichannel Propositions next slide - non-food Click & Collect is now available inside and outside our stores with over 200 distribution points and representing 10% of non-food e-commerce sales. There are already 106 food Click & Collect and 26 Drives and despite being a new model of food purchase, they already represent 8.5% of eligible food e-commerce sales (ex-Rappi). This year we also expanded the Click & Collect Store Inventory, buy on the website, get the store inventory!

By the sum of all these initiatives, by September they already accounted for more than R\$ 190 million in sales, reaching a 1112% growth, not to mention that around 25% of digital customers who pick up at the store make additional purchases. It is the client ratifying the omnichannel proposal.

The Power of Data - Increasingly, we are moving toward personalized offers based on knowledge of our customers. Currently 89% of our campaigns are already customized. This is only possible through marketing automation and the use of artificial intelligence, which take into account the customer's consumption journey, the best purchasing timing and products that adhere to our customer's profile.

Highly engaged Meu Carrefour customers increase their average spend by up to 50% and their lifetime value is 14.5 times higher than that of an occasional customer, 81% own a Carrefour card, 81% frequently use Private Label and 49 % are Omnichannel.

We created our engagement index that can measure customer compliance across the entire ecosystem: shopping in different store and online formats, app usage, and Carrefour card usage are examples of some of the indicators we track.

We know that the higher the level of customer engagement in our ecosystem, the more they spend at Carrefour.

Since the launch of Carrefour eBusiness Solutions, we have said that startups would be a way to accelerate our skills and time to market. Cybercook is a great example: we have more than 1 million registered users. The big news this quarter was the Buy CyberCook Button that creates a solution to simplify and shorten the steps of the consumer journey. The technology is proprietary and developed by CyberCook, using machine learning. This is one of the first steps in making ACT FOR FOOD tangible and leading the food transition for Brazilians.

To close on our partnerships with start-ups, eWally, our digital wallet will be the cornerstone for positioning our APP as the main relationship vehicle. Today we have achieved 154% growth in sales with the APP, demonstrating our strategic focus on solutions that make life easier for the customer. The program has gained relevance and our Carina Artificial Intelligence-powered virtual assistant should reach 2mm interactions by 2019. It is interesting to note that 60% of conversations are searches for store offers and the vast majority of searches are organic, i.e. without media stimulus.

Looking ahead, the purchase of eWally, our digital wallet, is crucial our new “Super App” and our entire ecosystem that should benefit from the entry of a large unbanked mass that can access all our programs and loyal customer benefits. We don't want to be one more, we want to be a relevant APP in the journey and life of our customers.

Let me now hand over to Carlos Mauad to talk about Banco Carrefour.

Carlos Mauad – CEO of Banco Carrefour:

Thank you, Paula. Banco Carrefour posted another quarter of very strong growth.

Total billings in Q3 rose 30.6% to R\$ 8.4 billion, driven by growth in both the Atacadão card, whose billings rose by a very strong 57% and now account for 28% of total billings, while the Carrefour Card also grew by a record 22.5% to R\$ 5.9 billion even though it's a much more mature operation. This reflects the many investments we have carried out in our operation, especially in our products, channels and teams, and the success of our commercial initiatives, notably the acquisition of new clients in the store and digital channels. These initiatives increase ON US sales and strengthening our connection with the ecosystem.

The loan portfolio grew 39%, totaling R\$ 10.2 billion in the period, with strong credit quality. On a comparable basis, under the Central Bank methodology, credit provision totaled R\$ 1 billion, with a coverage ratio of 11.5%. This performance is a result of our well-defined strategy, with emphasis on growth, disciplined risk and cost management and the consolidation of a culture of innovation and simplicity.

Adjusted EBITDA also grew strongly, reaching R\$ 268 million in Q3, an increase of 39.6% in relation to the same period of the previous year. Over nine months, Adjusted EBITDA was up 23% to R\$ 765 million.

On the next slide, I would like to share with you some examples of how we are turning our technology investments into better customer experience and greater convenience.

The company's transformation process is nearing completion and we are beginning to reap the rewards of new work dynamics, as shown by the speed at which we can deliver new solutions to our ecosystem.

We are moving ahead in digital payments, with payments via QR code and NFC through our app, and payment via Google Pay and Samsung Pay. Carrefour cardholders can authorize their purchases using their smartphones and smartwatches at Carrefour stores and various other stores, applications and e-commerce sites.

We rebuilt the entire digital acquisition strategy, with a four-fold increase in the number of cards sold through the channel. The new digital relationship experience utilizes Progressive Web Applications, or PWA, technology that delivers uniformity across digital channels, performance for our customers, and cost efficiency in their development.

We also implemented the Atacadão card discount program by differentiating the product from the value proposition perspective.

In addition, we are developing a digital account that will offer a variety of services such as payroll transfers, bill payment, mobile recharge and access to credit bringing convenience and a better store experience to our customers. The acquisition of 49% in Ewally is part of this strategy. This transaction further strengthens our ecosystem and our digital transformation.

Let me now hand back to Noël for his closing remarks.

Noël Prioux – CEO of Grupo Carrefour Brasil:

Thank you, Carlos. To conclude, I think you saw through today's presentation that the Carrefour Brasil ecosystem is at work and advancing. Our growth, even in a challenging consumption environment, is the consequence of a well thought-out and well-executed strategy and demonstrates the power of our ecosystem.

It's all about connecting our clients, our stores and our services through multiple touchpoints to increase share of wallet and generate more sales.

The result of this is that: we multiplied touchpoints with clients through our website, our partnership with Rappi, Click & Collect, Drives and physical stores.

And we continue to offer more services, be they financial services, express delivery, new partnerships such as digital payments, an enriched offer at accessible prices that attracts customers such as healthy food, organic products or private label.

All these are elements of the interconnected ecosystem we are building to drive more sales and more profitability.

With that, I conclude today's presentation. Thank you very much for your attention and we can now move on to the Q&A session.

Operator:

Dear guests, now we will start the question-and-answer session. To make a question, please press *9. We already have here the first questions, the first question comes from Mrs. Olívia, JP Morgan. Good morning, Olívia.

Olívia Petronilho – JP Morgan:

Good morning people and thank you for taking my question. In fact, I have two questions about the margin of Atacadão and Retail. Firstly, Atacadão, Roberto broadly discussed on a heavier competitive environment, and your low-price strategy. Then, when we think about gross margin, EBITDA margin, could we consider a margin in the medium and long term returning to that historical level, perhaps a balance of 14.6?

Or with your scale today, do you believe this margin has potential to increase compared to previous periods? When we look at retail, we can see especially a combination of a promotional strategy for hypermarkets, and on the other hand, growing e-commerce, despite investments, the marketplace is increasing its penetration, isn't it? Then, if you could explain what you expect from EBITDA margin evolution for retail, and when e-commerce will reach a breakeven. Thank you.

José Roberto Meister Mussnich – CEO - Atacadão:

Good morning Olívia, thank you very much for your question. Commenting on Atacadão, considering our topline position, we always drive the best results in terms of margin and sales. Since the market is a living being, it virtually changes every day, within our value proposal of leading the everyday-low-price and all-in-all meeting the needs of people and businesses. We work on a good balance between margin and sales, every day. Obviously, in the past, we had a few opportunities to improve our margin. If this opportunity arises, we will, of course, take advantage of it. What I mentioned this quarter is the market came a bit more depressed, then,

incentives were necessary to boost sales, and we will always work to balance margin and sales. I expect to have answered your question.

José Luis Gutierrez, CEO of Carrefour Retail:

Referring to Retail's EBITDA, we manage to balance Retail's EBITDA in 3Q19, despite strong investments to develop omnichannel and our estimate is to continue sustaining a reasonably steady level of EBITDA and strongly expecting growth to step up.

Olívia Petronilho – JP Morgan:

Excellent, could you give us a technical overview of EBITDA, if we only look at e-commerce, we can see strong investment in food and e-commerce, but the marketplace also contributes, doesn't it?

Sebastien Durchon - CFO:

Good morning Olívia, this is Sebastien speaking. Only adding to what Luis has just mentioned, six years ago we launched the fast food, and we always questioned that several years would be necessary to reach the breakeven, but you need to understand a relevant point, we have been broadly discussing the ecosystem, and our e-commerce already brought several benefits to the ecosystem. In the bank, for instance, today we have a 2 billion sales account, which is a lot in six years, we already have additional revenue for the bank, thus, helping the bank to sell more cards. With physical stores this is the same. If you think of electronics, non-food e-commerce, today very focused on electronics, we grew by 60%, 70% in three years, sales volume also increased.

Then, obviously, today we have much more competitive prices, we can invest, thus, an endless cycle initiates in the ecosystem. We manage to invest even in cheaper accesses, we have a high like-for-like sales, a two-digit growth in electronics, and e-commerce growing very quickly. Then, our vision of e-commerce has to understand the impacts on the system as a whole. Then, all our digital initiatives, at the end of the day, they impact the physical store and the ecosystem as a whole.

Olívia Petronilho – JP Morgan:

Perfect, thank you.

Operator:

Our next question comes from Richard, Bradesco. Good morning, Richard.

Richard Cathcart – Banco Bradesco:

Good morning people. I would like to make a question to Paula about e-commerce. On slide 13, you mentioned Retail NPS, different fulfillment solutions. Carrefour.com's NPS is 52, for instance, this figure is lower than you would like to have. I only would like to understand why this figure came below Click & Collect, for instance, and what do you have to do to improve

this NPS? My second question is to Roberto, just following up Olivia's question. The investments you made in the third quarter to stimulate shopping, traffic, was Atacadão's first move in the market, or was it your decision, a response to few more aggressive competitors? Thank you.

Paula Cardoso - CEO of Carrefour eBusiness Brasil (CeBB):

Hello Richard, answering your question, NPS has been consistently improving. In our opinion, an NPS of 52 is not an unfavorable result, we have been strongly mapping three major impacts on our service quality. Certainly, logistics and delivery are always a challenge in Brazil, a matter of stabilization. We have been working on this now, our delivery time, just for you to have an idea, over the last four months, we improved delivery time from 2.5 to 1.2 days.

Thus, we have been strongly working on quality. Our value proposals are very innovative, and they enchant clients. The shopping experience is very pleasant, you purchase a product, stop your car, and less than one minute, your product is inside your car. This is a competitive advantage in Brazil and client appreciates. The client is not comparing the site with drive, he is comparing site with site, the entire browser experience, and he is paying attention to a specific delivery service. When we refer to the dot.com, he is paying attention to home delivery. Then, these are difficult to be compared, but we can see a positive trend of our NPS across all lines.

José Roberto Meister Mussnich – CEO - Atacadão:

Good morning, Richard, and thank you for your question. First, I think we need to understand that the market is a living being, thus, we need to act in this market according to our expectations. In fact, I would not say that this was a response to competitors, but to own demand, that is to say, when you see a slightly tightened demand, we consistently react to that, and this is what we have been doing. Fortunately, the elasticity of such demand focuses on the merchant, and answer is very fast. I've heard your comments on 1.8 like-for-like. The basis of 1.8 like-for-like, considering the third quarter of 2018, was 6.2.

Then, we really saw a different scenario in October, of the third quarter and we reacted to that. This is an ongoing concern in our business, which means to say, it reflects that our business is healthy, it responds to the market at the exact moment, when the market needs an answer. We are very agile in this regard and concerning competition, obviously, we respect competition, we take a look at our competitors, but forgive me, 'what's is mine, is mine'. We do not give away.

Richard Cathcart – Bradesco:

Ok, thank you, Roberto and Paula.

Operator:

Ok, our next question comes from Gustavo Oliveira, UBS. Good morning, Gustavo.

Gustavo Oliveira - UBS:

Good morning and thank you very much. My question also refers to NPS. Your disclosure was very interesting, Paula, thank you. Besides Richard's comment, what called my attention was Rappi's NPS, on slide 13, one of the lowest NPS, but rapidly growing. Also, when I look on slide 14, you commented on food e-commerce, and 0.5% did not include Rappi, then, I don't know if Rappi is included in the 91.5. I would like to understand, do you think that growing more, I don't know if Rappi's percentage is the highest in your food base, if this NPS is very low, if it is boosted by monetary benefits, if this is a risk for business, or if you have two alternatives, how could you improve this NPS? or if you also will contribute with monetary incentives to keep it strongly growing. This is my first question. I also would like to have a follow-up of Atacadão.

Paula Cardoso - CEO of Carrefour eBusiness Brasil (CeBB):

Hello Gustavo, thank you for your question, it gives me the opportunity to speak of our traditional model, the side store. Rappi started growing very strongly with Click & Collect at stores and it is not included in the 91% we mentioned, which only referred to Carrefour. The Click & Collect at Store offers quick delivery, but it is inefficient in complex orders.

Then, today, Rappi has complex orders at nearly 75%, and when we look at our side store, our complex orders reach 98%, and this is one of the greatest drawbacks in terms of the quality pursued in our food e-commerce. And then what happened? Rappi, since its inception to date, now it starts operating with our side store, the NPS improved 12 points within two months, just because the orders are leaving more complete than previously. Then, our focus here is to improve. Only for you have another idea, when we ask client if he would buy again via Rappi, 94% of clients said they would buy again with Rappi through Carrefour, despite this NPS, because convenience is very good. Then, yes, we have appropriate services, the side store will contribute, but a complete order, today, I would say is the highest drawback, at Click & Collect at Store.

Gustavo Oliveira - UBS:

Ok, this is clear, another question about Atacadão, Roberto, you've mentioned a rapid elasticity and increased business sellers. When you make investments in prices in your operation, how do you perceive elasticity for another part of business, which are the consumers?

José Roberto Meister Mussnich – CEO - Atacadão:

Well, good morning Gustavo, and thank you for your question. We always have been maintaining the everyday-low-price model for consumers, especially referring to the purchase of suppliers. What actually we have been doing is frequently monitoring the market effects, what the market demands in terms of products and changes in these products for end consumers. We believe that by focusing on merchant, we also reach end consumer trends since by and large, the merchant anticipates end consumer's behavior. Then, we take this very seriously, so that our price is always copied, and we do not copy others' price.

Convey the efficiency of our economic model to the benefit of a rewarding price for end consumers. An increased number of transactions we have seen across all stores in Brazil, in

lower-value tickets, meaning a substantial move, reflect that we have been assertive in sales pricing. I hope to have answered your question.

Gustavo Oliveira - UBS:

Thank you, Roberto.

Operator:

Our next question comes from Irma, Goldman Sachs. Good morning, Irma.

Irma Sgarz– Goldman Sachs:

Good morning and thank you for taking my question. I have two questions. First, again talking about e-commerce, if we look at the margin the company is delivering, and investments still to be made, growth, and the company's heaviest weight in multi-retail, what do you think in terms of margin for 2020; in 2020, do you think that dilution and improvements may offset the natural pressure from these investments relating to the mix? Or maybe, do we need to reflect on this, on topline growth and look at this margin?

You have already mentioned, I think margin is steady, but I would like to understand how you see the impact of e-commerce, and then, if you could comment on Atacadão's growth plan and this new model of store in Curitiba, if you could give us more details on these changes you have been doing, if you will maintain a pilot test, or if this will be rolled out in the future, or if this simply will be a new model for the new stores to be opened in 2020. Thank you very much.

Paula Cardoso - CEO of Carrefour eBusiness Brasil (CeBB):

Irma, as for e-commerce margin, what I can say is, that's why we are splitting the operations because they are in different stages of maturity. The non-food margin grew year-over-year. We have been reaching a very large scale, and obviously, joint negotiations between physical stores and e-commerce gained a higher dimension, and the operation is taking advantage of this fact. Then, margins improved in non-food with marketplace growth and higher scale. The food operation has no scale, it requires investment, but we manage to operate with a price margin very similar to hyper, but obviously, we have been growing and we will continue investing in growth. This topline is our focus.

José Roberto Meister Mussnich – CEO - Atacadão:

Good morning, Irma. Talking about expansion, Atacadão is on the track of opening 20 stores this year. In 2020, our plan is to maintain 20 stores, and virtually we have 11 stores under construction distributed throughout the country. When we refer to resizing, this is because we always pursue efficiency, and efficiency is directly related to a good balance between the sales area's square meter, the construction cost of this sales area, and the entire operation, which means headcount, paying less IPTU (Urban Property Tax), and increasing income. This resizing has been occurring without affecting our model and our offer to clients, with greater CAPEX efficiency, as we need a substantial CAPEX to open 20 stores in the year. When I

mentioned that project we call “Andorinha” (Swallow), this is an architecture project, positioning the store’s operation on the top of a single box, you feel like the store is floating in the air. It looked very nice in Curitiba, the store is located on the top of a hill, with a beautiful view and it is a very different project, in terms of architecture. This is it, the beauty, such as the beauty of our business.

Irma Sgarz– Goldman Sachs:

Ok, thank you, but then... (incomprehensible 00:55:31) should we assume that everything will be steady, the size of stores, and CAPEX by store, etc.?

José Roberto Meister Mussnich – CEO - Atacadão:

Did you see we reduced the sales area’s square meter? This is not a relevant reduction, but a reduction only seeking efficiency. Of course, if we have the opportunity to improve efficiency, we will take advantage of it. Spend less and sell more is my ongoing concern, but we will find a solution.

Irma Sgarz– Goldman Sachs:

Thank you.

Operator:

Now, we have a question from the webcast, then, I will read the question. The question comes from Paul Trejo, Goldman Sachs Asset. Are like-for-like sales of Atacadão having their momentum due to investments in pricing? Please.

José Roberto Meister Mussnich – CEO - Atacadão:

Thank you, Paul, who is listening to us. The like-for-like of Atacadão is clearly linked to sale. Investment in pricing is a market issue, if market needs, we will do it, but not forgetting that any investment in price, before that, we have what we call negotiation with suppliers. Then, if we gain the margin expected in business, we will negotiate. If you look back, 10 or 12 years ago at Atacadão, this is our model and linked to our type of business. We will invest, once negotiated, to maintain the model efficiency and always deliver what we deliver.

Operator:

Very good. Our next question comes from Pedro, XP Investimentos. Good morning, Pedro.

Pedro – XP Investimentos:

Good morning people, thank you for taking my question. In fact, I have two questions. The first question to Mauad, I would like to understand how much of such a year-over-year growth of 39% is related to the bank’s digital strategy, and according to your strategy, which would be the best way of stimulating the digital wallet cash-in, now with integration with Ewally. My second question is to understand the evolution of management alignment over time. In the

last 12 months, the company has changed a lot. Then, if you could explain, from business management to compensation, which are the key KPIs you are looking at now, NPS, customer base growth, did you see any change in the most relevant metrics for the Company? Thank you.

Carlos Mauad – CEO of Banco Carrefour:

Thank you for your question, Pedro. Obviously, such solid growth of the bank is mainly related to the new dynamics of card sale at store implemented this year, the acquisition of new clients at store, with a significantly higher yield, inclusive this is part of our investments in the “Usou Zerou” campaign, a decision made earlier this year.

Then, obviously, we started the year under the aspect of generating revenue a bit slowly, due to a relevant waiver of this revenue coupled with annual fees, but now, we manage to seize part of the benefits of this investment, and growth is an effect. Second, the card sales in digital sales, which have been gaining traction, it is already more representative than our outbound sales, only losing for stores today, which obviously is the key channel, but we can also approach clients out of the distribution network Atacadão and Carrefour, which requires credit, and today, clients can access our portals to buy a card as if it were a traditional card.

Obviously, they are separate from the proposal, our key value proposal, and our ecosystem. But anyway, this is a client seeking credit, and our role today is to effectively grant credit on a differentiated basis. Concerning Ewally, your question is extremely relevant, the key issues associated with digital wallet is that everyone thinks in technology platform, but nobody thinks on cash-in related applications, which is the key challenge of this business. Then, we have few relevant issues concerning cash-in. First, we will offer access to the rebate program, both at Atacadão and Carrefour through the digital wallet.

For that client we cannot approve a branded card, if a client wants to have access to the rebate program, our key value proposal, which currently is only available inside a credit card, with a digital wallet, client may have access to referred program. There is an aspect concerned with convenience, especially at Atacadão, where a lot of money is still used. Thus, client doesn't need to bring money, this is a business we highly believe it can bring more convenience to this type of consumer, this is also a credit-related issue.

We have a percentage of clients, who can't get approval of a branded card, but we will offer a line of credit like a digital private label, wherein we will have a restricted perimeter, with an app 100% enabled by operation, so that client can use this line of credit inside perimeter of Carrefour and Atacadão. Obviously, here we have a reversal of the process, first the check-out, and then the check-in, likewise it occurs with credit card.

First, we spend and then we pay. Also, we should win few relevant points of approval rate with this specific product for the store perimeter of Carrefour and Atacadão. Lastly, referring to your last question, the management structure, which is distributed inside the operation, inside the squads, we already work with KPIs and OKRs completely different from what occurs with officers, including myself. These are movements that take a bit longer to change. Then, these groups, squads and chapters, our center of excellence, they have KPIs including more

qualitative issues, themes directly addressing consumer's needs, themes representing two or three sprints, we are not talking about annual targets.

Then, the new business dynamics we imposed on the bank are also reflected in compensation and how we recognize people. For executive officers, including myself, we still adopt traditional dynamics of scorecard, since we have key PNLs indicators associated with that.

Sebastien Durchon - CFO:

Perhaps the second part of the question about the KPIs, speaking a bit of the group, in such move of digital transformation our bank is already in an advanced stage, but this transformation is occurring in the group as a whole. Then, with the KPIs we have, we would say current KPIs, sales, our operating results are optimum. But you're right, this is an issue we discuss every day here, and what we can see today are transversal KPIs. I think you can see this in our earnings release, in our presentation, we showed the KPIs we have been using. For us, to capture new clients is absolutely relevant, and Paula talked about it. We have 47% new clients deriving from e-commerce. Then, obviously, new clients contribute to our sales, we manage to sell more. We also have clients captured from competitors. Rappi accounts for 40% of new clients, then the KPIs that we disseminate at the organization as a whole, group actions, the capture of new clients, we have the NPS that we broadly discussed in the earnings release, in our today's presentation. Then, we monitor the NPS we have across our businesses. Obviously, the figure we reported today includes an analysis of our points of improvement. Then, I would say, besides the financial KPIs we are continuously monitoring, we gradually add those indicators, which include customer satisfaction.

Pedro – XP Investimentos:

That's great, people, thank you.

Operator:

Now, we have another question from the webcast, from Carole Madjo, BNP Paribas. What are your expectations concerning inflation in the fourth quarter? Please.

Carlos Mauad – CEO of Banco Carrefour:

We have here a difficult scenario to analyze. We only estimate very weak inflation for food sector, all-in-all. We can see a trend at the year's end for perishables, meat, and poultry, with an export development to China, but otherwise, we expect low inflation at the end of the year.

Operator:

Very good, we now close the question-and-answer session. We now turn the floor back to Mr. Noël Prioux, for his final considerations. Please.

Noël Prioux – CEO – Grupo Carrefour Brasil:

If there are no more questions, I will end today's call. I hope it gave you greater insight into how Grupo Carrefour Brasil's omnichannel ecosystem strategy is bearing fruit to ensure continued sustainable profitable growth ahead. Thank you very much for your attention and have a great day. See you soon.

Operator:

Carrefour Brasil's conference call is closed. We thank your participation and have a great day.