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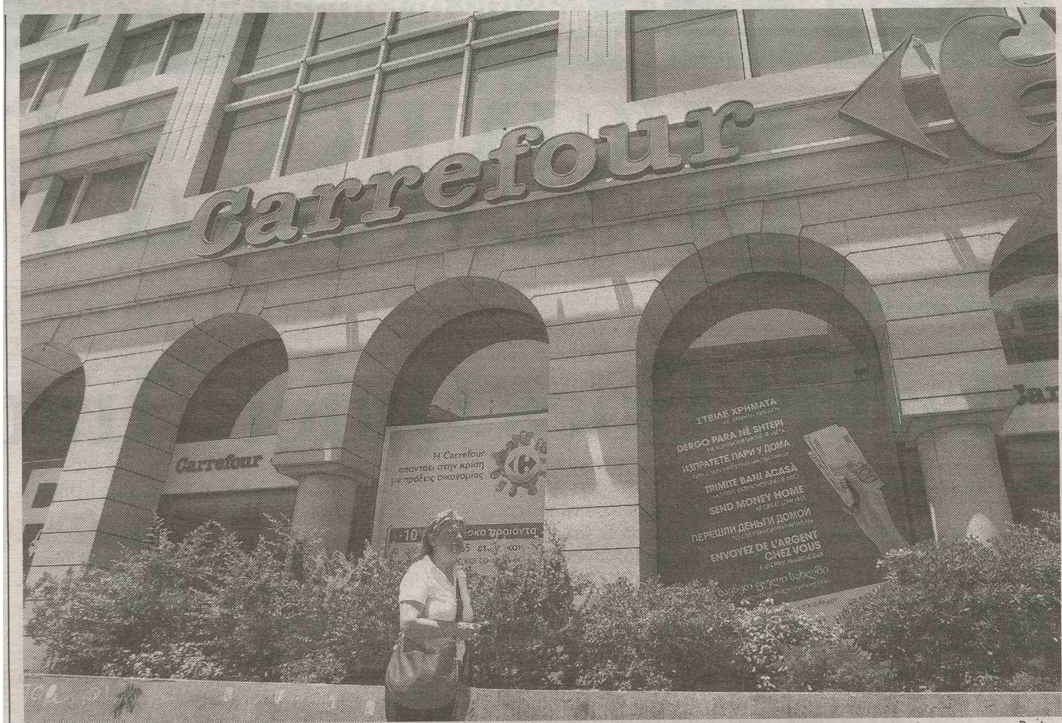

Reuters

Carrefour aims to cut ties with a country that it recently called its sole unprofitable market. Above, a store in Athens.

Carrefour Checks Out Of Greece With a Loss

By Inti Landauro

PARIS—**Carrefour** SA said it would sell its Greek supermarket to its local partner and walk away from the country at a loss, offering concrete evidence of foreign investors severing ties with Greece amid a deeply contracting economy and political upheaval.

The announcement came just two days ahead of elections that could prove decisive in whether Greece stays in the euro zone or not. A host of international companies have said they are preparing contingency plans for such a risk, with many voicing concerns about how to retrieve cash in the event Greece leaves the 17-nation euro common currency.

For Carrefour, the decision to exit Greece represents a strategic shift under new chief executive Georges Plassat, who took over from Lars Olofsson last month with a mission to turn the struggling retailer around. Mr. Plassat is due to make his first public presentation as chief executive officer to the annual shareholders meeting on Monday.

The French retailer said it would sell its 50% stake in its supermarket chain in Greece to the Marinopoulos family and take a mostly noncash charge of €220 million ($277.9 million), comprised largely of a write-down of its investment in Greece. Carrefour didn't disclose further details, notably on the cash component of the financial charge. Carrefour had already written down its Greek business by €188 million in 2011.

A banker for the Marinopoulos family, which will now fully own Carrefour Marinopoulos, said it agreed to pay Carrefour a symbolic euro for the stake. Jean-Marc Forneri of Paris-based investment bank Bucéphale Finance, which advised the family on the deal, said the Greek buyer will invest €300 million in the stores.

A Carrefour spokeswoman said upon completion of the deal the company would no longer have any exposure to Greece, suggesting that any debt associated with the Greek supermarket business was transferred alongside the assets.

Mr. Forneri declined to comment on whether the Greek family assumed any debt as part of the deal.

Carrefour's move represents an effort to cut ties with a country that it recently described as its sole unprofitable market.

Though Greece contributes a small part of its overall revenue, the world's second-largest retailer after U.S. giant Wal-Mart Stores Inc. has over 800 stores in the country, along with its local partner, and is one of Greece's biggest private employers.

Sales have plummeted in the country, now in its fifth year of recession, as the banking system reels from mounting bad loans, the economy nose dives and fears over an eventual exit from the euro zone shatter consumer confidence.

Mr. Forneri said negotiations between the two sides began a few weeks ago, shortly after Mr. Plassat joined Carrefour. Both sides reached agreement quickly as Carrefour wanted the deal to be ready for the shareholders meeting on Monday, he said.

While Mr. Plassat has yet to publicly outline his plans for the retailer, since his arrival at the company's helm Carrefour has announced a reorganization of its real-estate operations and late Thursday said it will expand in Argentina, where business is brisk.

—Nadya Masidlover contributed to this article.