



In a year of re-foundation, Auchan Holding has posted solid and improving results, in line with its expectations

- Increase in **consolidated revenue excluding taxes**: up 0.7%¹ to €52.8 billion
- Rise in **EBITDA**: up 2.1%¹ to €2.6 billion
- Growth in **Operating Profit from Continuing Operations**: up 1.3%¹ to €1.159 billion
- A strong increase in **Net Profit from Continuing Operations**: up 18.2%¹ to €824 million

Auchan Retail: increasing revenue (up 0.7%²) and EBITDA (up 1.3%²)

- An **ambitious 2025 Vision, co-created and shared** with employees in all countries
- Auchan Retail, **the cheapest banner** in 12 of its countries of operation
- Continued **store modernisation and expansion** (126 store openings) across all regions
- Launch of **banner convergence towards one single strong brand** per country, with initial results in France, Russia, Senegal and Vietnam justifying this strategy
- Implementation of strategic programmes for the development of multi-format stores and to improve business efficiency
- Acceleration of the **digital retail**
 - The Auchan Retail Data service has been developed to help all stores to personalise their offerings and forecast their needs
 - Russia, France: increasing the number of cross-channel shopping experiences
 - Ukraine, Hungary: launch of e-commerce businesses
- A maintained **recruitment dynamic**: Auchan Retail, 35th largest employer worldwide (source: Fortune Global 500), **42,807 workers recruited** worldwide in 2016

Immochan: growth in proforma revenue (up 3.4%) and EBITDA (up 2.8%), excluding the impact of disposals

- **Teams motivated** to write the new 2030 Vision alltogether
- **Continued development** (6 more shopping centres under management) and **more than 10%** of the network (45 assets) **modernised**
- Signature of an **investment partnership with Dalian Wanda** to develop EuropaCity
- Accelerated **deployment of the Aushopping label**, the quality label in customer services (France, Romania, Poland)

Oney: a good year driven by a sharp increase in sales and financial performances

- **Accelerated transformation of the company to achieve its ambition**: “Customer Experience: make it easy and smart!”.
- Oney, becoming the **sole worldwide trademark**
- **Strengthening the core business** by developing new insurance products and innovative payment and financing solutions.
- A dynamism contributed by **innovative subsidiaries** (Automatric, Oney Tech), accelerated **growth in all countries** through strong projects (payment wallet in China, independent bank in Russia, etc.)

¹ At constant exchange rates; 2015 figures and changes from the previous year adjusted for the impact of reclassifying Alinéa as a “discontinued operation”.

² At constant exchange rates

Solid and improving results, in line with expectations

At the end of 2016, in order to refocus on its three large autonomous businesses, namely Auchan Retail, Immochan and Oney, Auchan Holding began the process of disposing of Alinéa, in compliance with legal and employment restrictions. As the disposal has not yet been finalised, the contribution by Alinéa to Auchan Holding's 2016 consolidated financial statements was reclassified under "non-current assets held for sale". Figures that exclude the contribution of Alinéa are therefore given for 2015, together with changes from the previous year.

Increased consolidated revenue excluding taxes at constant exchange rates (up 0.7%¹), driven by a solid sales performance

At 31 December 2016, **Auchan Holding recorded consolidated revenue excluding taxes of €52.82 billion, up 0.7%¹** at constant exchange rates.

While 2016 was a year of re-foundation for the Auchan Holding companies, **organic sales grew by 0.9%**. This increase was principally driven by the expansion of the worldwide stores network under the banners (126 points of sale were opened, including 53 hypermarkets, mainly in China, Russia and France) but also by the three companies maintaining their sales activity. **11 countries saw increases in sales at constant exchange rates**. Lastly, exchange rates had a strong negative impact on the consolidated accounts in euro. In 2016, **changes in foreign exchange rates**, principally in the Russian ruble, the Polish zloty, the Ukrainian hryvnia and the Chinese yuan, had a negative impact on revenue of 2.5%, leading to a loss of **more than €1.3 billion**.

Increase in EBITDA (up 2.1%¹) and in Operating Profit from Continuing Operations (up 1.3%¹), in line with expectations

At 31 December 2016, **Auchan Holding posted an increase of 2.1%¹ in EBITDA, to €2.65 billion**. This increase is not only due to stringent controls on costs (stable in overall terms at constant exchange rates) but also to the expertise of all the teams in everyday shopping. As such, **Auchan Retail's gross profit worldwide reached 22.4%** of revenue in 2016, compared to 22.1% in 2015.

Operating profit from continuing operations, which reflects the recurring performance of the Group's activities, **grew by 1.3%¹ to €1.16 billion**. And after deducting the "Other operating profit and expenses", which represented an expense of €78 million in 2016, compared to an expense of €73 million in 2015, operating profit grew by 0.6%¹ to €1.08 billion.

At 31 December 2016, **net profit from continuing operations was €824 million, showing strong growth of 18.2%¹**. In overall terms, Auchan Holding's net profit, which includes Alinéa's 2016 net loss of €21 million, (compared with a €8 million net loss in 2015), reclassified as "assets held for sale and discontinued operations", reached €803 million, a net increase of 16.6% at constant exchange rates.

A level of investment that remains sustained, a net financial debt under control

In 2016, **Oney, Immochan and Auchan Retail invested €1.79 billion worldwide²**, not only to continue their physical and digital growth, but also to accelerate the modernisation of shopping sites (Immochan modernised 45 assets, more than 10% of its network) and the remodelling of points of sale, among which those that are part of the strategic project to converge their banner to one single brand per country.

France was the country that received the most investment from the group, of €560 million. After France came Asia (€528 million) and Eastern Europe (€421 million), which are the Group's main expansion regions, with Auchan Retail opening there 82 points of sale in 2016, even passing the symbolic mark of 100 hypermarkets and 200 supermarkets in Russia. Lastly, €303 million were invested in Western Europe excluding France and €6 million were invested in Africa, where Auchan opened 3 new stores in 2016.

At 31 December 2016, **net financial debt amounted to €2.19 billion**. With gearing (i.e. the ratio of net financial debt to equity) of only 17.0%, financial debt is under strict control, despite a slight increase this year of €449 million. Lastly, the cash flow from operations of the Auchan Holding businesses amounted to €2.18 billion, an increase of 1.8% at constant exchange rates compared with 2015.

¹ At constant exchange rates; 2015 proforma figures and changes from the previous year adjusted for the impact of reclassifying Alinéa as a "discontinued operation".

² Current investments; current investments and acquisitions of securities (before disposals) rose to €1.9 billion

According to **Wilhelm Hubner**, Chairman of the Management Board of Auchan Holding:

“The year that has just finished was a year of major changes for the three Auchan Holding companies. As a result of the new structure that was put in place at the end of 2015, Auchan Retail, Immochan and Oney have become more independent, more successful and more focused on their core businesses.

The processes of Vision that were taken by each of the companies will allow them to respond ever more effectively to the expectations of their customers and employees in the years to come.

They are increasingly demanding, increasingly attentive to well-being and quality of life, increasingly omni-channel, increasingly connected, increasingly multi-devices, and are constantly looking for new forms of customer experience. Challenges that Auchan Retail, Immochan and Oney are now ready to meet.

In a fast-changing global landscape, Auchan Holding has posted solid and improving results, in line with its expectations, and showing potential for the future.”

Key figures in 2016 (per IAS/IFRS)

€ million	2016	2015 ¹	Change at constant exchange rates ¹	Change at current exchange rates
Revenue from ordinary activities	52,820	53,814	+0.7%	-1.8 %
EBITDA ²	2,646	2,678	+2.1 %	-1.2 %
Operating profit from continuing operations before tax	1,159	1,195	+1.3 %	-3.0 %
Other operating profit and expenses	(78)	(73)	+11.1 %	+7.5 %
Operating profit before tax	1,081	1,122	+0.6 %	-3.7 %
Net profit from continuing operations	824	726	+18.2 %	+13.4 %
Net profit from assets held for sale and discontinued operations	(21)	(8)	-	-
Profit for the year	803	718	+16.6 %	+11.8 %
o.w. attributable to owners of the parent	590	518	+18.1 %	+14.0 %

€ million	2016	2015 ¹	Change (€m and %)	
Current investments	1,792	1,877	(85)	-4.5 %
Net financial debt	2,192	1,743	449	+25.8 %
Total equity	12,902	12,547	355	+2.8 %

¹ At constant exchange rates; 2015 figures and changes from the previous year adjusted for the impact of reclassifying Alinéa as a “discontinued operation”.

² EBITDA: Operating profit from continuing operations excluding other operating profit and expenses and excluding depreciation, amortisation and impairment expenses

Breakdown by company

AUCHAN RETAIL

3,799 points of sale under the Auchan banner in 17 countries
€51,718 million in consolidated revenue excluding taxes (up 0.7%¹)

Auchan | RETAIL

At 31 December 2016, **Auchan Retail's consolidated revenue excluding taxes had grown by 0.7%¹** to €51.72 billion.

Thanks to a **successful business model and a well-known discounter positioning** (Auchan Retail is the price leader in the majority of its countries of operation), revenue in local currency grew in 11 countries out of 14².

In parallel, with a view to rolling out a strong banner in each of its countries and offering its customers a seamless shopping experience, whatever the store format or website, **Auchan Retail began to converge its points of sale towards a single banner**, generally Auchan, in France (where My Auchan has replaced A2pas and Auchan Supermarché is gradually being substituted for Simply Market), in Russia, in Vietnam and even in Senegal where the Auchan banner is taking root in its third continent. The first results from these transformations are promising.

Lastly, **Auchan Retail accelerated growth of the digital experience in order to simplify the customer experience**, as shown by the gradual integration of the online store with all store formats, from large hypermarkets to convenience stores and the roll-out of e-commerce in all countries of operation (excl. Senegal and Vietnam).

In China, despite slowing economic growth, **Sun Art Retail Group's revenue grew by 4.2%¹**, driven by expansion (40 hypermarkets were opened in 2016) and the clear improvement in the trends of like-for-like revenue (at -0.3% this year, compared to -3.6% in 2015). Recently launched commercial strategies, including the development of new own-brand food products, the direct sourcing of fruit and vegetables, and the opening of smaller store formats, such as "HiAuchan!", have appealed to consumers. Lastly, Feiniu, whose sales volumes doubled over the course of the year, adapted its strategy to better combine the benefits of e-commerce and physical stores.

In Taiwan, Auchan Retail, which operates under the **RT Mart banner, consolidated its good 2015 results** by posting another increase in revenue in 2016 thanks to a virtuous sales formula: more products sold to more customers thanks to lower average sale prices, evidence that its discounting structure is clear to customers.

Hungary, Poland, Ukraine and especially Romania all posted strong sales performances last year, which definitively shows that the former Real hypermarkets in this region have been successfully integrated. Revenue fell in Russia, where the population experienced a significant fall in their purchasing power, but the ongoing improvement in the macro-economic situation should reverse this trend.

Revenue increased in Spain and Portugal, confirming the recovery that began in 2015. For their part, France and Italy began to reap the first rewards from the transformation programmes launched in those countries.

In France, against a background of promotional wars, Auchan chose to favour profitability over non-profitable revenue, which explains the fact that revenue fell by 1.1% whereas gross profit grew by 0.2 percentage points, while, in Italy, the business fell in line once again with market trends.

Lastly, the **successful launch of Auchan in Senegal** was consolidated by the accelerated roll-out of various store formats in Dakar to meet consumers' expectations as effectively as possible.

According to **Wilhelm Hubner**, general manager of Auchan Retail,

« Auchan Retail's 2016 results are strong, growing and in line with our expectations. It is all the more remarkable that during this year 2016, we co-built our 2025 Vision with the implication of several thousands of employees, around 2 main axes for all the 14 countries in which our banner is present:

- *to be an active player of the phygital revolution with a multi-format augmented by the strenght and the agility of digital,*
- *to bring innovative and sustainable answers to the new expectations of employees and consumers.*

This conquering Vision is accompanied by the will to accelerate our international expansion with an objective of opening a new country every year. The re-foundation of Auchan is under way. »

¹ At constant exchange rates

² Consolidated countries excluding Mauritania, Tajikistan and Tunisia where Auchan Retail is only present through franchises or partnerships

IMMOCHAN

382 shopping centres in 12 countries

€634 million in consolidated revenue excluding taxes (up 1.8%¹)



At 31 December 2016, **Immochan posted organic growth in revenue of 3.4%**, driven both by expansion (2.7%) and by its comparable network (0.7%). On a like-for-like basis, traders' revenues are tending to increase and vacancies are declining: thanks to the daily efforts of teams, Immochan shopping centres have an occupancy rate of 96%. Lastly, disposals had a negative impact of 1.6% on revenues.

Proforma EBITDA, excluding the impact of disposals, **grew by 2.8%**, above expectations in all countries. This increase was a result of strong rental performances and control over day-to-day costs and improved client risk management.

The fair value of assets reached €7.5 billion, 50% of which were in France. They grew by €543 million (7.8%), due in particular to increased rents and capitalisation rates, and to investments net of disposals made by the business during the year.

A central feature of 2016 was the transformation of existing sites. **10% of the worldwide network was modernised**, while the re-branding programme to the "Aushopping" quality label continued in France, Romania and Poland: Immochan opened its first branded centre in Gdansk. In parallel, four shopping centres were opened in China.

The expertise of the Immochan teams was rewarded with a number of trophies and certifications. Among others, Alegro Setubal won the Mapic Award for the best extension-renovation, the ICSC Foundation 2016 Award and the Silver Medal at the ICSC Solal Marketing Awards. In terms of corporate social responsibility, two Spanish shopping centres obtained the "**Outstanding**" **BREEAM IN USE certification** and, in Romania, Coresi achieved the "Excellent" BREEAM New Building certification.

Lastly, Immochan began to diversify its offering, by **launching residential projects** in Brasov, in Romania, and at La Cloche d'Or, in Luxembourg.

ONEY

8.9 million customers (up 775,000) in 11 countries

Net banking income of €406 million (up 5.0%)



In 2016, **Oney's sales and financial results grew strongly.** The bank posted good performances in all its areas of activity (payment and financing solutions, insurance, electronic payments, Digital Profiling, Data Sharing, etc.). The number of its trading and e-commerce partners continued to grow, to more than 250 worldwide, with 775,000 new customers placing their trust in the bank.

In 2016, Oney's net banking income grew by 5.0% to €406 million. The cost of risk on loan outstandings continued to fall in 2016, reaching its lowest level since 2007, at 2.1% at the end of 2016 versus 2.5% at the end of 2015. Taking into account the capital gain on the 2016 disposal of shares in Visa Inc. and the 2015 disposal of 51% of Oney China, **net profit increased by 17.7% to €82 million**, compared to €70 million in 2015 (a 17.5% increase excluding these two exceptional items). Lastly, the solvency ratio (before dividend payments) improved to 16.8%, compared to 15.8% in 2015.

Appendices

2016 consolidated balance sheet

ASSETS (IN €M)	2016	2015
Goodwill	3,700	3,647
Other intangible assets	1,078	1,092
Property, plant and equipment	12,105	12,239
Investment property	4,427	4,209
Investments in associates	195	189
Customer loans - credit activity	1,192	1,100
Other non-current financial assets	542	513
Non-current derivative financial instruments	203	266
Deferred tax assets	318	254
NON-CURRENT ASSETS	23,761	23,510
Inventories	5,265	4,851
Customer loans - credit activity	1,630	1,573
Trade receivables	489	485
Current tax assets	175	56
Other current receivables	2,459	2,294
Current derivative financial instruments	118	185
Cash and cash equivalents	2,381	2,671
Assets classified as held for sale	263	0
CURRENT ASSETS	12,780	12,115
TOTAL ASSETS	36,541	35,625

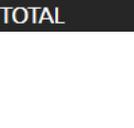
EQUITY AND LIABILITIES (IN €M)	2016	2015
Share capital	613	633
Share premiums	1,914	1,914
Reserves and net income attributable to owners of the parent	7,517	7,152
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	10,044	9,699
Non-controlling interests	2,858	2,848
TOTAL EQUITY	12,902	12,547
Provisions	345	343
Non-current borrowings and other financial liabilities	3,713	4,101
Debt financing the credit activity	984	1,027
Non-current derivative financial instruments	34	8
Other non-current liabilities	1,274	1,438
Deferred tax liabilities	654	797
NON-CURRENT LIABILITIES	7,005	7,714
Provisions	223	229
Current borrowings and other financial liabilities	1,102	734
Debt financing the credit activity	1,299	1,222
Current derivative financial instruments	48	28
Trade payables	9,312	8,890
Current tax liabilities	132	108
Other current liabilities	4,396	4,153
Liabilities classified as held for sale	121	0
CURRENT LIABILITIES	16,634	15,364
TOTAL EQUITY AND LIABILITIES	36,541	35,625

2016 Consolidated Income Statement (changes at current exchange rates)

(in € millions)	2016	2015 proforma	Y/Y-1
REVENUE	52,820	53,814	-1.8%
Cost of sales	(40,259)	(41,213)	-2.3%
GROSS PROFIT	12,561	12,601	-0.4%
Payroll expenses	(6,043)	(6,031)	+0.2%
External expenses	(3,735)	(3,788)	-1.4%
Depreciation, amortisation and impairment	(1,633)	(1,612)	+1.3%
Other operating profit and expenses	10	26	n/a
OPERATING PROFIT FROM CONTINUING OPERATIONS	1,159	1,195	-3.1%
Other operating profit and expenses	(78)	(73)	+7.5%
OPERATING PROFIT	1,081	1,122	-3.6%
Income from cash and cash equivalents	50	59	-
Gross cost of financial debt	(85)	(98)	-
Net cost of financial debt	(35)	(39)	-11.5%
Other financial revenue and expenses	(58)	(62)	-6.3%
PROFIT BEFORE TAX	989	1,021	-3.1%
Income tax expense	(160)	(286)	-44.0%
Share of net profit (loss) of associates	(5)	(9)	-47.3%
NET PROFIT FROM CONTINUING OPERATIONS	824	726	+13.4%
Net profit from assets held for sale and discontinued operations	(21)	(8)	n/a
PROFIT FOR THE YEAR	803	718	+11.8%
Of which attributable to owners of the parent	590	518	+14.1%

Point of sale network under the Auchan banner – net balance as at 31 December 2016

(including franchisees and partners)

	AUCHAN RETAIL			IMMOCHAN (managed shopping malls)	ONEY
	HYPERMARKETS	CONVENIENCE STORES	E-COMMERCE		
 France	144	449 (+4)	Auchan.fr, Auchandirect, 157 drives (-5)	96 (-1)	Oney
Spain	56	289 (-2)	E-commerce	30	Oney
Portugal	30	19 (+10)	E-commerce	10	Oney
Italy	59	1,538 (-4)	E-commerce, 1 drive	45	Oney
Luxembourg	1	-	E-commerce, 4 drives	1	-
WESTERN EUROPE	290	2,295 (+8)	162 drives	182 (-1)	-
 Poland	76	33	Auchandirect	22	Oney
Hungary	19	-	E-commerce	18	Oney
Romania	33	-	E-commerce	23 (-1)	Oney
Russia	101 (+10)	199 (+23)	E-commerce	37 (+2)	Oney
Tajikistan	1	0	-	-	-
Ukraine	11	-	E-commerce	3	Oney
CENTRAL AND EASTERN EUROPE	241 (+10)	232 (+23)	-	103 (+1)	-
 Mainland China	447 (+38)	-	E-commerce, 1 drive	75 (+3)	Oney
Taiwan	25	-	E-commerce, 9 drives	22	-
Vietnam	-	8 (+5)	-	-	-
ASIA	472 (+38)	8 (+5)	10 drives	97 (+3)	-
 Senegal	-	6 (+2)	-	-	-
Tunisia	-	81 (+2)	-	-	-
Mauritania	-	2 (+1)	-	-	-
AFRICA	-	89 (+5)	-	-	-
TOTAL	1,003 (+48)	2,624 (+41)	172 drives	382 (+3)	-



Auchan Holding

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