



## In a year of re-foundation, encouraging results driven by positive sales trends

- Increase in **consolidated revenue excluding taxes**: +0.8%\* to €26,106 million
- Stability of **EBITDA**: +0.1\* to €1,043 million
- Fall in **operating profit from continuing operations**: -13.2%\* to €296 million
- Fall in **Net profit from continuing operations**: -16.0%\* to €117 million

### Western Europe: confirmation of the recovery in Spain and Portugal

- France: a reversal of trend for Auchan; continued rollout of the Aushopping label of quality customer relationships to 16 shopping centres; partnership between Oney Bank and Fivory to speed up the rollout of mobile payment at stores.
- First signs of a pick-up in Italy
- Confirmation of revenue growth in the Iberian Peninsula

### Eastern Europe: a difficult economic climate in Russia, good performances elsewhere

- In Russia, the business model continued to be in favour but it was highly impacted by the economic environment; exchange rate effects weighed on the income statement
- Good activity growth in the other countries
- Rebranding of the former Real hypermarkets successfully completed in Poland

### Asia: growth underpinned by expansion

- China: like-for-like growth showed an improvement, expansion continued.
- Commencement of the retail activity in Vietnam

### Investment in equipment maintenance and expansion

- Continued development of the banner entities: +16 hypermarkets and +46 convenience stores
- Upgrading and refurbishment of the shopping centres: an increase in footfall at our 30 largest sites: +2.7%
- A stable debt level: Gearing of 29.4%

### Increase in consolidated revenue excluding taxes (+0.8%\*) driven by expansion and positive sales trends

At 30 June 2016, Auchan Holding registered a further +0.8%\* increase in **consolidated revenue excluding taxes** to €26,106 million.

Thanks to solid sales activity in almost all countries in which it operates (11 of which show revenue growth at constant exchange rates) and the continued development of its stores under the Auchan banner (62 points of sale were opened, mainly in China, Russia, France and Italy), **organic sales growth reached +1.1%\***.

However, during the first half of the year, the impact of petrol prices (-0.4%) and in particular the exchange rate effect (-3.8%, representing nearly one billion euros, mainly in Russia, Poland and China) had a negative impact on the percentage growth of revenue excluding taxes.

Thanks to efficient sales management (gross profit remained stable or showed growth at constant exchange rates in all countries barring France and Italy), **EBITDA** came out stable at €1,043 million (+0.1%\*).

### **Fall in operating profit from continuing operations (-13.2%\*)**

**Operating profit from continuing operations fell by 13.2%\* to €296 million.** Operating profit, which takes into account “Other operating profit and expenses”, fell by -22.4%\* to €228 million, attributable to the negative impact from other operating profit and expenses in the first half of the year compared with the first half of 2015.

In fact, there was a change in the law which gave rise to a change in the accounting method for TASCOM, the tax on business premises, under which Auchan Holding had to record a charge covering 1.5 years in the first half of 2016. As such, the TASCOM for 2015 of -€69 million, which is payable on 1 January 2016, was exceptionally recorded under “Other operating profit and expenses”.

In comparison to “Other operating profit and expenses” of -€50 million in the first half of 2015, there was a difference of -€19 million, which directly impacted operating profit for the first half of 2016.

Lastly, **net profit from continuing operations came to €117 million, down -16.0% at constant exchange rates.**

### **Continued strong investment, financial debt stable**

During the first half of 2016, **the Auchan Holding companies invested €601 million**, representing a decrease of -13.3% in relation to 30 June 2015, when current investment amounted to €693 million.

Investment will continue at a much stronger pace during the second half of 2016, reaching a much higher level than in 2015, as set out in our business plan.

**Asia continues to be the priority area of investment by the Auchan Holding companies**, accounting for 31.4% of the total, to ensure rapid expansion in China for Auchan Retail (+11 hypermarkets) and Immochan. In Vietnam, 2 convenience stores have also been opened since January, 1<sup>st</sup>. **France, representing 30.5% of the total, also continues to be a key area of investment**, mainly to upgrade and refurbish the store network.

Although it has maintained strong investment, **Auchan Holding stabilized its debt level**, with gearing (net financial debt/equity ratio) of 29.4%. Net financial debt stands at €3,607 million compared with €3,556 million one year ago.

Lastly, at 30 June 2016, **cash flows from operations of the Auchan Holding companies stood at €839 million** versus €888 million in the first half of 2015.

**Wilhelm Hubner**, chairman of the Management Board of Auchan Holding, commented on the results as follows: « 2016 is a year of re-foundation for Auchan Holding and in this context the first-half results are encouraging. After completely overhauling the group in 2015, we are concentrating in 2016 on the appropriation by all our employees of our new governance approach, and the new spirit of conquest that is now our driving force. We have thus adopted a multi-channel strategy in all countries in which we operate, as part of which convenience stores have become a key attribute, with an acceleration of the digitisation of our retail activities (significant investment is anticipated in Feiniu.com, our Chinese e-shopping site) and the promotion of a genuinely connected customer experience. When reflecting on our strategy within Auchan Retail, as well as in Immochan and Oney Bank, we take a comprehensive and global approach, covering all areas, including the development strategy, brand identity, customer-based innovation... During this first half of the year, we have seen encouraging signs which confirm our strategic choices. Immochan continued to modernise its sites and increase their attractiveness for customers. Oney Bank entered into several partnerships with a view to offering customers an easy and highly innovative shopping experience, for instance with Fivory to speed up the rollout of mobile payment in France. Auchan Retail, for its part, has seen very positive sales trends in almost all countries, including France where Auchan has seen a reversal of trend, Romania where we have seen remarkable growth, and China where we have stabilised our like-for-like revenue. Lastly, in Russia, where we will celebrate the opening of our 100<sup>th</sup> hypermarket at the end of the year, our business model and aggressive price positioning is proving very successful among consumers, and we believe more than ever that this country will be a significant contributor of revenue for Auchan Retail. In a few months, Auchan Retail, Immochan and Oney Bank will have reviewed their corporate project, and will be on track to pursue the development of a successful and sustainable economic model and achieve their ambitious targets. »

### Key figures – H1 2016 (IAS/IFRS)

€ million	H1 2016	H1 2015	Change at constant exch. rates	Change at current exch. rates
<b>Revenue</b>	<b>26,106</b>	<b>26,901</b>	<b>+0.8%</b>	<b>-3.0%</b>
EBITDA	1,043	1,104	+0.1%	-5.5%
<b>Operating profit from continuing operations before tax</b>	<b>296</b>	<b>376</b>	<b>-13.2%</b>	<b>-21.2 %</b>
Other operating profit and expenses	(69)	(50)	-	-
<b>Operating profit before tax</b>	<b>228</b>	<b>326</b>	<b>-22.4%</b>	<b>-30.3%</b>
<b>Net profit from continuing operations</b>	<b>117</b>	<b>157</b>	<b>-16.0%</b>	<b>-25.3%</b>

€ million	H1 2016	H1 2015	Change (€m and %)	
Current investment	601	693	(92)	-13.3%
Net financial debt	3,607	3,556	51	+1.4%
Total equity	12,260	12,336	(76)	-0.6%

## AUCHAN RETAIL

969 hypermarkets, 2,612 convenience stores and e-commerce activities in 16 countries

Consolidated revenue excluding taxes of €25,369 million (+0.7% at constant exchange rates)

In the first half of 2016, **Auchan Retail recorded consolidated revenue excluding taxes of €25,369 million, up 0.7% at constant exchange rates.** Organic growth showed a notable gain of +1.1%\*, underpinned by expansion (+1.8%\*) which offset the decline in like-for-like sales (-0.7%\*).

In a year of reorganisation that will see all employees appropriating Auchan Retail's new organisation, and with progress in several strategic projects, the first six months have shown positive signs.

Thus, in **France**, a reversal of trend was confirmed for the Auchan hypermarkets during the 1<sup>st</sup> semester. In the other western European countries, a recovery was confirmed in **Spain** and **Portugal**, both of which also show strong like-for-like growth, underpinned by a virtuous sales formula. **Italy** shows encouraging signs. The transformation of the business model, in place since 2014, seems to be starting to show results.

In **Poland**, Auchan Retail finalised with success the transformation under the Auchan banner transformation of the former Real hypermarkets, and it has recorded in this country strong growth in customer numbers and product items. In **Russia**, revenue declined due to a negative economic climate and significant exchange rate effects. Auchan Retail nevertheless continues to invest significantly in the country.

Finally, In **China**, despite slower economic growth, revenue increased by 4.4% at constant exchange rates, driven by expansion (11 hypermarkets opened since 1 January) and the RT Mart banner confirmed in Taiwan the rise in revenue recorded in 2015.

## IMMOCHAN

379 shopping centres in 12 countries

Consolidated revenue excluding taxes of €311 million (+1.2% at constant exchange rates)

At 30 June 2016, **consolidated revenue excluding taxes for Immochan was almost stable at €311 million**, up by 1.2% at constant exchange rates. After restatement for the impact of disposals in 2015, pro forma revenue grew by 3.7% at constant exchange rates in relation to the first half of 2015. Thanks to investments in the shopping centres to enhance their attractiveness, the number of vacant premises fell by 0.4 of a point to 5.5% in the year to 30 June 2016, and our 30 largest shopping centres in the world recorded a +2.7% increase in customer footfall.

Immochan manages a network of 379 shopping centres worldwide, 246 of which are directly owned by it, representing a total of 3.9 million m<sup>2</sup> (of which 2.4 million m<sup>2</sup> of shopping mall GLA). **The company aims to pursue its development plan and to modernise sites in all countries in which it operates.**



## ONEY BANK

Net banking income of €206 million (+8.4%)

Profit for the period of €47 million (+91.5%)

**Oney Bank saw strong growth in its trading and financial results in the first half of 2016.** Loan production increased by 12%, driven by excellent sales trends in France, Spain and Portugal and by innovative customer offers through both the online and physical banners. Non-lending activities also saw growth thanks to the launch of new insurance products and partnerships in the areas of data and fraud prevention tools.

**Net banking income for Oney Bank increased by 8.4% to €206 million**, and includes income from the sale of Visa Europe shares for €16.3 million. Excluding the sale of Visa and on a like-for-like basis, net banking income increased by 2%.

The cost of risk on loan outstandings continued to fall in the first half of 2016, reaching 2.3% at 30 June 2016 compared with 2.8% at 30 June 2015, its lowest level since 2009.

Lastly, **profit for the period increased by 91.5% to €47 million**, compared with €24 million in 2015. Excluding the sale of Visa, profit for the period increased by 27%. The solvency ratio (before dividend payments) stands at 16.8% compared with 15.4% in 2015.



## APPENDICES

### Consolidated balance sheet – H1 2016

<b>Assets (in €m)</b>	<b>S1 2016</b>	<b>S1 2015</b>
Goodwill	3 651	3 770
Other intangible assets	1 039	1 098
Property, plant and equipment	11 967	12 386
Investment property	4 149	4 298
Investments in associates	188	213
Customer loans - credit activity	1 145	1 107
Other non-current financial assets	576	537
Non-current derivative financial instruments	287	297
Deferred tax assets	257	243
<b>Non-current assets</b>	<b>23 258</b>	<b>23 949</b>
Inventories	4 184	4 166
Customer loans - credit activity	1 443	1 375
Trade receivables	402	389
Current tax assets	253	174
Other current receivables	2 391	2 448
Current derivative financial instruments	136	122
Cash and cash equivalents	1 422	1 856
Assets classified as held for sale	0	0
<b>Current assets</b>	<b>10 231</b>	<b>10 530</b>
<b>Total ASSETS</b>	<b>33 489</b>	<b>34 479</b>
<b>EQUITY AND LIABILITIES (in €m)</b>	<b>S1 2016</b>	<b>S1 2015</b>
Share capital	633	633
Share premiums	1 914	1 914
Reserves and net income attributable to owners of the parent	7 018	6 946
<b>Equity attributable to owners of the parent</b>	<b>9 565</b>	<b>9 493</b>
Non-controlling interests	2 695	2 843
<b>Total equity</b>	<b>12 260</b>	<b>12 336</b>
Provisions	323	319
Non-current borrowings and other financial liabilities	3 930	4 630
Debts financing the credit activity	1 222	1 321
Non-current derivative financial instruments	16	12
Other non-current liabilities	1 270	1 645
Deferred tax liabilities	728	830
<b>Non-current liabilities</b>	<b>7 490</b>	<b>8 757</b>
Provisions	221	281
Current borrowings and other financial liabilities	1 497	1 182
Debts financing the credit activity	913	767
Current derivative financial instruments	23	24
Trade payables	7 245	7 165
Current tax liabilities	148	144
Other current liabilities	3 692	3 823
Liabilities classified as held for sale	0	0
<b>Current liabilities</b>	<b>13 739</b>	<b>13 386</b>
<b>Total EQUITY AND LIABILITIES</b>	<b>33 489</b>	<b>34 479</b>

## Consolidated income statement – H1 2016 (changes at current exchange rate)

In € millions	S1 2016	S1 2015	y/y-1
<b>Revenue</b>	<b>26 106</b>	<b>26 901</b>	<b>-3.0%</b>
Cost of sales	(20 046)	(20 690)	-3.1%
<b>Gross profit</b>	<b>6 060</b>	<b>6 211</b>	<b>-2.4%</b>
Payroll expenses	(3 017)	(3 057)	-1.3%
External expenses	(1 932)	(1 990)	-2.9%
Depreciation, amortisation and impairment	(812)	(803)	+1.1%
Other recurring operating profit and expenses	(3)	15	n/a
<b>Operating profit from continuing operations</b>	<b>296</b>	<b>376</b>	<b>-21.2%</b>
Other operating profit and expenses	(69)	(50)	n/a
<b>Operating profit</b>	<b>228</b>	<b>326</b>	<b>-30.3%</b>
<i>Income from cash and cash equivalents</i>	25	33	-
<i>Gross cost of financial debt</i>	(43)	(47)	-
Net cost of financial debt	(18)	(14)	+29.8%
Other financial revenue and expenses	(35)	(35)	-
<b>Profit before tax</b>	<b>174</b>	<b>277</b>	<b>-37.2%</b>
Income tax expenses	(54)	(118)	-54.4%
Share of net profit (loss) of associates	(3)	(2)	+58.9%
<b>Net profit from continuing operations</b>	<b>117</b>	<b>157</b>	<b>-25.3%</b>
Net profit from assets held for sale and discontinued operations	0	0	-
<b>Profit for the year</b>	<b>117</b>	<b>157</b>	<b>-25.3%</b>
of which attributable to owners of the parent	4	31	-87.2%

## Points of sale under the Auchan banner – net balance at 30 June 2016 (including franchises and partnerships)

At 30/06/2016	Auchan Retail			Immochan	Oney
	Hypermarkets	Convenience	E-Commerce		
France*	143 (-1)	455 (+10)	Auchan.fr, Auchandirect, 162 drives	97	Oney
Spain	56	295 (+4)	-	30	Oney
Portugal	30	13 (+4)	-	10	Oney
Italy	59 (+1)	1 608 (+7)	1 drive	45	Oney
Luxembourg	1	-	4 drives	1	-
<b>Western Europe</b>	<b>289</b>	<b>2 371 (+25)</b>	<b>167 drives</b>	<b>183</b>	<b>-</b>
Poland	76	32 (-1)	Auchandirect	22	Oney
Hungary	19	-	-	18	Oney
Romania	33	-	-	23 (-1)	Oney
Russia	96 (+5)	177 (+1)	-	36 (+1)	Oney
Ukraine	11	-	-	3	Oney
<b>Central &amp; Eastern Europe</b>	<b>235 (+5)</b>	<b>209</b>	<b>-</b>	<b>102</b>	<b>-</b>
Mainland China	420 (+11)	-	1 drive	72	Oney
Taiwan	25	-	2 drives	22	-
Vietnam	-	5 (+2)	-	-	-
<b>Asia</b>	<b>445 (+11)</b>	<b>5 (+2)</b>	<b>3 drives</b>	<b>94</b>	<b>-</b>
Senegal	-	4	-	-	-
Tunisia	-	81 (+2)	-	-	-
Mauritania	-	1	-	-	-
<b>Africa</b>	<b>-</b>	<b>86 (+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>969 (+16)</b>	<b>2,671 (+29)</b>	<b>170 drives</b>	<b>379</b>	



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