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2016 HALF-YEAR FINANCIAL REPORT



Auchan Holding

Declaration by the person responsible for the financial report

“I certify that, to my knowledge, the condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with applicable accounting standards, and give a true picture of the assets, financial position and results of operations of the company and of all companies included in the scope of consolidation, and that the attached half-year activity report provides an accurate description of the significant events that occurred over the first six months of the year and of their impact on the half-year financial statements, of the main transactions with related parties, and a description of the main risks and uncertainties for the second half of the year.”

Croix, 24 August 2016

Wilhelm Hubner

Chairman of the Management Board of Auchan Holding SA

HALF-YEAR ACTIVITY REPORT

for the period from 1 January to 30 June 2016 (€m = million euros)

1. SIGNIFICANT EVENTS AND MAIN CHANGES IN THE SCOPE OF CONSOLIDATION IN THE FIRST HALF OF 2016

The number of points of sale operated by Auchan Retail changed as follows during the first half of 2016:

- In Western Europe, the number of points of sale grew, on a net basis, by 12 units, 4 of which in France and 8 of which in Italy.
- In Central and Eastern Europe, the number of points of sale increased, on a net basis, by 4 units, mainly in Russia.
- In Asia, the store network increased by 13 units, with 11 store openings in China and 2 in Vietnam.

On 5 February 2016, Immochan entered into a partnership with the Chinese group Dalian Wanda to develop, alongside other partners, Europa City, the future leisure, cultural, business and entertainment development in the Ile-de-France region. This agreement is subject to the approval of the Chinese competition authorities, which is expected to be received during the second half of 2016. This agreement has no effect on the consolidated accounts for the first six months of 2016.

Banque Accord France changed its company name with effect from 30 June 2016. Banque Accord became Oney Bank.

There were no significant changes in the consolidation scope in the first half of 2016.

2. ACTIVITY AND RESULTS FOR THE FIRST HALF OF 2016

2.1 Auchan Retail's activity

At 30 June 2016, Auchan Retail operated in 14 countries through 937 hypermarkets and 918 supermarkets.

The consolidated store network at 30 June 2016 breaks down as follows:

Country	Hypermarkets	Supermarkets	Notes
France	126	260	
Spain	56	123	
Italy	48	317	
Portugal	33		
Luxembourg	1		
Poland	76	32	
Hungary	19		
Romania	33		
Ukraine	11	(1)	
Russia	95	177	
Mainland China	420		74 Auchan and 346 RT Mart
Taiwan	19		
Vietnam		5	
Senegal		4	
TOTAL	937	918	

(1) Excluding the Furshet supermarkets which are consolidated using the equity method (10% owned).

Auchan Retail generated revenue of €25.4 billion in the first six months of 2016 (down by 3.0% in relation to the first half of 2015), including sales of goods to franchisees.

Auchan Retail's activities outside of France accounted for 66% of total revenue.

Auchan Retail's operating profit from continuing operations fell by 29.9% to €188 million.

2.2 Retail property management activity

At 30 June 2016, Immochan and its subsidiaries managed 379 shopping centres (shopping malls and retail parks), 324 of which were fully owned or leased and 55 of which were run under management contracts, in 12 countries.

The revenue from this activity was €311 million in the first six months of 2016 (down by 1.1% in relation to revenue at 30 June 2015), 59% of which was generated outside France.

Immochan's operating profit from continuing operations fell by 5.9% to €92 million.

2.3 Customer credit activity (Oney Bank)

At 30 June 2016, Oney Bank operated in 11 countries (France, Spain, Italy, Portugal, Poland, Hungary, Romania, Ukraine, Russia, mainland China and Malta). Oney Bank had a total of 8.5 million customers at 30 June 2016.

Oney Bank's consolidated financial statements (drawn up according to banking IFRS) showed net banking income of €206 million, up by 8.4%. The cost of risk on loan outstandings continued to fall in the first six months of 2016, from 2.8% at 30 June 2015 to 2.3% at 30 June 2016, its lowest level since 2009. Profit for the period increased from €24 million at 30 June 2015 to €46 million at 30 June 2016.

2.4 Other activities

Revenue generated by the 26 Alinéa and 18 Little Extra outlets increased by 0.8% to €202 million.

2.5 Comments on the 2016 first-half financial statements

Consolidated income statement

The revenue of consolidated entities amounted to €26.1 billion in the first six months of 2016, down 3.0% in relation to the first half of 2015. On a like-for-like basis and at constant exchange rates, revenue grew by 0.8%.

Auchan Retail accounted for 97.2% of revenue while the other core businesses accounted for 2.8%.

In geographic terms, France accounted for 35% of revenue, Western Europe excluding France (Spain, Italy, Portugal and Luxembourg) contributed 18% and the rest of the world (Poland, Hungary, Romania, Ukraine, Russia, mainland China, Taiwan, Vietnam and Senegal) contributed 47%. In the first six months of 2015, the geographic breakdown was 34%, 18% and 48%, respectively.

Gross profit fell, in absolute terms, by 2.4% to €6,060 million, while the margin increased to 23.2% from 23.1% in the first six months of 2015.

Current operating expenses (payroll expenses, external expenses, depreciation, amortisation and impairment, other recurring operating profit and expenses) fell by 1.2%.

Since gross profit showed a smaller increase than current operating expenses, operating profit from continuing operations fell by 21.2% to €296 million.

In the first six months of 2016, a change in tax legislation led to changes in the conditions on which Tascom was chargeable. This change led to the Tascom for 2015 (charge of €69 million relating to a period of 12 months) and the Tascom for the first six months of 2016 (external charge of €34 million relating to six months) being recognised at 30 June 2016. The 2015 Tascom charge was recognised in "other operating profit and expenses from continuing operations" to avoid a double charge in operating profit from continuing operations.

EBITDA⁽¹⁾ fell by 5.5% to €1,043 million, compared to €1,104 million in the first six months of 2015.

⁽¹⁾ *Current operating result excluding other operating profit and expense and excluding provision and impairment expenses net of reversals, other than on inventories.*

The net cost of financial debt increased from €14 million at 30 June 2015 to €18 million at 30 June 2016.

Profit before tax fell by 37.2% to €174 million (compared to €277 million in the first six months of 2015).

The tax charge for the first six months of 2016 amounted to €54 million. The effective tax rate for the first six months of 2016 was 31.1%, compared to 42.6% for the first six months of 2015. This 11.1 percentage point decrease is principally due to the recognition (in tax credit) of reimbursed taxes that had been paid on the share of fees and charges on dividends received from European subsidiaries between 2010 and 2014. This repayment follows the “Stéria” decision handed down by the European Court of Justice. Auchan Holding had instituted proceedings to challenge the amounts paid in this regard between 2010 and 2014. In June 2016, Auchan Holding obtained a ruling in its favour. The full amount owed by the authorities in connection with this dispute, €41 million, was paid in July 2016.

The share of loss of associates fell to €3 million in June 2016.

Profit for the year attributable to owners of the parent fell by 87.2% to €4 million.

Cash flows from operations fell by 5.6% in comparison with the first six months of 2015, to €839 million.

Consolidated statement of financial position

Assets:

Current investments excluding business combinations (acquisitions of intangible assets, property, plant and equipment and investment property) fell by 13.3% to €601 million.

The breakdown of current investments was 31% in France (19% at 30 June 2015), 16% in Western Europe excluding France (7% at 30 June 2015), 22% in Central and Eastern Europe (44% at 30 June 2015) and 31% in Asia (30% at 30 June 2015).

Liabilities:

Total equity amounted to €12,260 million at 30 June 2016 compared with €12,547 million at 31 December 2015.

Equity attributable to owners of the parent fell by €134 million in comparison to 31 December 2015 to €9,565 million. The main changes were as follows (in € million):

o profit for the first six months of 2016	4
o dividends paid for 2015	(196)
o change in exchange differences	(7)
o change in treasury shares	(64)
o change in debt linked to put options granted	152
o other	21

Non-controlling interests fell by €153 million in the first six months of 2016 (mainly in China) to €2,695 million.

Net financial debt, which comprises financial debts essentially reduced by cash assets (cash and cash equivalents) plus or minus derivative assets and liabilities and excluding financing of the credit activity, amounted to €3,607 million at 30 June 2016, compared to €3,557 million at 30 June 2015.

As such, net financial debt corresponded to 29% of equity at 30 June 2016, and was stable in comparison to the level at 30 June 2015.

3. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the date on which the accounts for the period were closed.

4. RISKS AND UNCERTAINTIES

Auchan Holding and its subsidiaries are exposed, in the normal course of their business, to interest rate, foreign exchange, credit and liquidity risks, as described in paragraph 5 of the 2015 management report.

4.1 Risk management in the first half of 2016

The comments below provide further detail on changes to liquidity risks and risks related to the credit activity.

4.1.1 Liquidity of Auchan Holding and its subsidiaries (including Oney Bank)

The amount of credit lines unused by Auchan Holding and its subsidiaries did not materially change by comparison with 31 December 2015.

Two new bonds were issued by Auchan Holding during the first six months of 2016, each for €100 million.

A bond with a nominal value of €200 million was repaid in the first six months of 2016.

After taking into account undrawn confirmed credit lines and available cash, Auchan Holding considers that projected cash flows from operations are sufficient to cover debt repayments and dividends.

4.1.2 Exposure to risks related to the credit activity (activity carried out by Oney Bank and its subsidiaries)

The cost of risk at the end of June 2016 fell in relation to the end of June 2015. Despite a persistently morose economic environment, loan production continued to be of consistent quality and skilfully managed in all countries.

These results underpin Oney Bank's objective to reduce its exposure to credit risk by regularly adjusting its decision-making systems.

4.2 Main risks and uncertainties for the second half of 2016

There have been no changes to the assessment and management of the risks described in Note 10.4 to the 31 December 2015 financial statements.

Auchan Holding and the companies within the scope of consolidation remain subject to the usual risks inherent to their business activity.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in €m)	Notes	30/06/2016	31/12/2015
Goodwill	6.1	3 651	3 647
Other intangible assets	6.2	1 039	1 092
Property, plant and equipment	6.3	11 967	12 239
Investment property	6.4	4 149	4 209
Investments in associates	7	188	189
Customer loans - credit activity	11.1	1 145	1 100
Other non-current financial assets	10.5	576	513
Non-current derivative financial instruments	10.4	287	266
Deferred tax assets		257	254
Non-current assets		23 258	23 510
Inventories	3.5	4 184	4 851
Customer loans - credit activity	11.1	1 443	1 573
Trade receivables	10.5	402	485
Current tax assets	12.1	253	56
Other current receivables	10.5	2 391	2 294
Current derivative financial instruments	10.4	136	185
Cash and cash equivalents	10.1	1 422	2 671
Current assets		10 231	12 115
Total ASSETS		33 489	35 625

EQUITY AND LIABILITIES (in €m)	Notes	30/06/2016	31/12/2015
Share capital	8.1.3	633	633
Share premiums		1 914	1 914
Reserves and net income attributable to owners of the parent	8.1.6	7 018	7 152
Equity attributable to owners of the parent		9 565	9 699
Non-controlling interests	8.1.7	2 695	2 848
Total equity		12 260	12 547
Provisions	9.1	323	343
Non-current borrowings and other financial liabilities	10.6	3 930	4 101
Debt financing the credit activity	11.2	1 222	1 027
Non-current derivative financial instruments	10.4	16	8
Other non-current liabilities	10.6	1 270	1 438
Deferred tax liabilities		728	797
Non-current liabilities		7 490	7 714
Provisions	9.1	221	229
Current borrowings and other financial liabilities	10.6	1 497	734
Debt financing the credit activity	11.2	913	1 222
Current derivative financial instruments	10.4	23	28
Trade payables	10.6	7 245	8 890
Current tax liabilities	12.1	148	108
Other current liabilities	10.6	3 692	4 153
Current liabilities		13 739	15 364
Total EQUITY AND LIABILITIES		33 489	35 625

CONSOLIDATED INCOME STATEMENT

(in €m)	Notes	30/06/2016	30/06/2015
Revenue	3.1	26 106	26 901
Cost of sales	3.1	(20 046)	(20 690)
Gross profit		6 060	6 211
Payroll expenses	5.1	(3 017)	(3 057)
External expenses		(1 932)	(1 990)
Amortisation	3.3	(753)	(776)
Impairment and Depreciation	3.3	(59)	(27)
Other recurring operating profit	3.3	(3)	15
Other recurring operating expenses			
Operating profit from continuing operations		296	376
Other operating profit and expenses	3.4	(69)	(50)
Operating profit		228	326
Net cost of financial debt	10.2	(18)	(14)
<i>Income from cash and cash equivalents</i>		25	33
<i>Gross cost of financial debt</i>		(43)	(47)
Other financial revenue	10.3	27	15
Other financial expenses	10.3	(63)	
Profit before tax		174	277
Share of net profit (loss) of associates	7	(3)	(2)
Income tax expense	12.2	(54)	(118)
Net profit from continuing operations		117	157
Profit from discontinued operations after tax			
Profit for the period		117	157
- of which attributable to owners of the parent		4	31
- of which attributable to non-controlling interests		114	127
Earnings per share from continuing operations, attributable to owners of the parent			
(in €)			
- basic	8.2	0,13	0,99
- diluted	8.2	0,13	0,99
EBITDA⁽¹⁾	3.2	1 043	1 104

⁽¹⁾ Operating profit from continuing operations less other operating profit and expenses and excluding depreciation, amortisation and impairment expenses (including those recognised under cost of sales, payroll expenses and other external expenses).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in €m)	30/06/2016			30/06/2015		
	Gross amount	Income tax	Net	Gross amount	Income tax	Net
Net profit for the period			117			157
Revaluation of net liability in respect of defined benefits						
Total items that will not be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	(135)		(135)	488	0	488
Change in fair value						
- of financial assets available for sale	(13)	1	(12)			0
- of instruments hedging net investments in foreign operations			0			0
- of cash-flow and forex hedges	(39)	9	(30)	(43)	10	(33)
Share of other components of comprehensive income of associates	(1)		(1)	1		1
Total items that may be reclassified subsequently to profit or loss	(188)	10	(178)	446	10	456
Other components of comprehensive income	(188)	10	(178)	446	10	456
Total comprehensive income for the period			(60)			613
<i>Attributable to:</i>						
- Owners of the parent			(46)			279
- Non-controlling interests			(14)			334

CONSOLIDATED STATEMENT OF NET CASH FLOWS

(in €m)	Notes	30/06/2016	30/06/2015
Consolidated profit for the period (including non-controlling interests)		117	157
Share of net profit (loss) of associates		3	2
Dividends received (non-consolidated investments)			
Net cost of financial debt		18	14
Income tax expense (including deferred taxes)		54	118
Net depreciation, amortisation and impairment expenses (other than on current assets)		777	797
Income and expenses on share-based payment plans			
Other non-cash items			
Capital gains/losses net of tax and negative goodwill		2	5
Cash flows from operations before net cost of financial debt and tax		971	1 093
Income tax paid		(114)	(191)
Interest paid		(78)	(91)
Other financial items		60	77
Cash flows from operations after net cost of financial debt and tax		839	888
Change in working capital requirement	14	(1 314)	(1 269)
Changes in items relating to the credit activity	14	(27)	(76)
Net cash generated by operating activities		(502)	(457)
Acquisition of property, plant and equipment, intangible assets and investment property		(831)	(1 100)
Proceeds from sale of property, plant and equipment, intangible assets and investment property		(2)	45
Acquisition of shares in non-consolidated companies including associates accounted for by the equity method		(3)	(1)
Proceeds from sale of shares in non-consolidated companies including associates accounted for by the equity method		16	
Acquisition of subsidiaries net of cash acquired			(9)
Sales of subsidiaries net of cash disposed of			
Dividends received (non-consolidated investments)		(1)	
Changes in loans and advances granted	14	(100)	3
Net cash from (used in) investing activities		(921)	(1 062)
Amounts received from shareholders on capital increases	14		
Purchases and sales of treasury shares ⁽¹⁾		(65)	
Dividends paid during the period	14	(333)	(182)
Acquisitions and disposals of interests without change of control ⁽²⁾	14	52	
Change in net financial debt	14	478	777
Net cash from (used in) financing activities		132	595
Effect of changes in foreign exchange rates ⁽³⁾		(42)	36
Net increase (decrease) in cash and cash equivalents		(1 333)	(888)
Cash and cash equivalents at beginning of period	14	2 420	2 399
Cash and cash equivalents at end of period	14	1 087	1 511
Net increase (decrease) in cash and cash equivalents		(1 333)	(888)

⁽¹⁾ Repurchase of its own shares by Auchan Holding for €118 million in April 2016, partly paid for by the transfer of shares in Auchan Holding to the employee shareholding funds for €53 million

⁽²⁾ Principally, capital increases of €55 million in companies within the Immochan scope of consolidation subscribed for by non-controlling shareholders

⁽³⁾ Including, in 2016, the impact of changes in the Chinese yuan for €41 million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (before appropriation of profit)

(in €m)	Equity							
	Share capital	Share premiums ⁽¹⁾	Treasury shares ⁽²⁾	Currency translation, financial instrument revaluation, and actuarial gains and losses reserves ⁽³⁾	Consolidated reserves and profit for the year	Attrib. to owners of the parent	Non-controlling interests	Total
At 01/01/2015	633	1 914	(298)	(523)	7 286	9 012	2 612	11 624
<i>Net profit for the period</i>					31	31	127	157
<i>Other components of comprehensive income</i>				249		249	207	456
Total comprehensive income for the period				249	31	280	334	613
Capital increases								
Treasury shares			2			2		2
Dividends					(66)	(66)	(116)	(182)
Changes in consolidation scope and other movements							13	13
Other ⁽⁴⁾					265	265		265
At 30/06/2015	633	1 914	(296)	(274)	7 516	9 493	2 843	12 336
At 01/01/2016	633	1 914	(425)	(556)	8 133	9 699	2 848	12 547
<i>Net profit for the period</i>					4	4	114	117
<i>Other components of comprehensive income</i>				(50)		(50)	(128)	(178)
Total comprehensive income for the period				(50)	4	(46)	(14)	(60)
Capital increases								
Treasury shares			(64)			(64)		(64)
Dividends					(196)	(196)	(138)	(334)
Changes in consolidation scope								
Other ⁽⁴⁾					172	172	(1)	171
At 30/06/2016	633	1 914	(489)	(606)	8 113	9 565	2 695	12 260

⁽¹⁾ Share premiums include premiums paid for stock issued, mergers and other capital contributions.

⁽²⁾ See Note 8.1.4

⁽³⁾ See Note 8.1.6

⁽⁴⁾ Essentially impact of the change in liabilities linked to put options granted to non-controlling interests in controlled entities, excluding foreign exchange impact.

NOTES TO THE CONDENSED CONSOLIDATED 2016 HALF-YEAR FINANCIAL STATEMENTS
(in € million - €m)

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The half-year financial statements were subject to a limited review by the statutory auditors.

NOTE 1

General description of the scope of consolidation and significant events

1.1 General description of the scope of consolidation

Auchan Holding SA is a French company with its registered office at 40, Avenue de Flandre, Croix, France.

Auchan Holding SA is the holding company of the 11th largest food retailing group in the world. As at 31 December 2015, Auchan Holding and the companies included within the scope of consolidation operated in 16 countries and had 337,800 employees.

Since 2 December 2015, the consolidation scope has been organised around 3 core businesses:

- Auchan Retail groups together the food retail activities. This includes the operation of the hypermarkets (937 stores which are consolidated fully) and supermarkets (918 stores which are consolidated fully; the Ukrainian network of Furshet supermarkets, which are 10% owned and consolidated using the equity method). It also includes the E-Commerce (Auchandirect and Auchan.fr mainly) and drive outlets (Chronodrive and AuchanDrive);
- Immochan and its subsidiaries manage commercial property (379 shopping centres with shopping malls and retail parks);
- Banking activity is carried out by Oney Bank, which is specialised in consumer credit, insurance brokerage, electronic payments and payment card management. Oney Bank has 8.5 million clients.

The other activities, which are managed independently of these three activities are Alinéa and Little Extra.

There were no significant changes in the consolidation scope in the first half of 2016.

1.2 Significant events

Immochan Partnership with the Chinese Group Dalian Wanda

On 5 February 2016, Immochan entered into a partnership with the Chinese group Dalian Wanda to develop, alongside other partners, Europa City, the future leisure, cultural, business and entertainment development in the Ile-de-France region. This agreement is subject to the approval of the Chinese competition authorities, which is expected to be received during the second half of 2016. This agreement has no effect on the consolidated accounts for the first six months of 2016.

Change to Banque Accord's company name

Banque Accord France changed its company name with effect from 30 June 2016. Banque Accord became Oney Bank.

Changes in the store network

The number of points of sale operated by Auchan Retail changed as follows in the first half of 2016:

- In Western Europe, the number of points of sale grew, on a net basis, by 12 units, 4 of which in France and 8 of which in Italy.
- In Central and Eastern Europe, the number of points of sale increased, on a net basis, by 4 units, mainly in Russia.
- In Asia, the store network increased by 13 units, with 11 new stores in China and 2 in Vietnam.

1.3 Post-closing events

There were no significant events after the date on which the accounts for the period were closed.

NOTE 2

Accounting rules and methods

2.1 General principles and statement of compliance

Auchan Holding SA's condensed consolidated half-year financial statements were approved by the Management Board on 24 August 2016.

The condensed consolidated financial statements are presented in euro and are rounded up or down to the closest million.

2.2 Application of standards

Auchan Holding SA's condensed consolidated financial statements for the six months ended on 30 June 2016 were prepared in accordance with IAS 34 on interim financial reporting and the IFRS and interpretations published by the International Accounting Standards Board (IASB) as adopted by the European Union and applicable from 1 January 2016. These notes, therefore, do not include all of the information required in the full annual financial statements and should be read in conjunction with Auchan Holding SA's financial statements for the year ended 31 December 2015.

Pursuant to IAS 34, the explanatory notes in these condensed financial statements aim to:

- Update the accounting and financial information contained in Auchan Holding SA's consolidated annual financial statements for the year ended 31 December 2015;
- Provide new accounting and financial information on significant events that took place during the period.

The standards, amendments to existing standards and interpretations adopted by the European Union and effective from 1 January 2016, and which have a significant impact on the consolidated financial statements of Auchan Holding SA, have been applied by Auchan Holding SA to the consolidated half-year financial statements.

The presented half-year financial statements do not take into account the new standards, revisions to existing standards and interpretations published by the IASB but not yet adopted by the European Union. Their effects on the accounts of Auchan Holding and its subsidiaries are in the process of being analysed. These primarily comprise the following standards:

- IFRS 9 - *Financial instruments* is intended to replace IAS 39 - *Financial instruments – Recognition and measurement* concerning the classification and measurement of financial assets and liabilities, and general hedge accounting. This standard is applicable to financial years beginning on or after 1 January 2018.
- IFRS 15 - *Revenue from contracts with customers* replaces IAS 11 - *Construction Contracts*, IAS 18 - *Revenue* and IFRIC 13 - *Customer Loyalty Programmes*. Revenue must be recognised such that it reflects the transfer of goods and services to the buyer and the payments that the company expects to receive in exchange for these goods and services. The IASB has decided to postpone the implementation date of this standard to 1 January 2018.

- IFRS 16 - *Leases*. The new standard will be applicable in the financial years beginning on or after 1 January 2019, with retroactive effect. IFRS 16 mainly concerns lessees, and removes the distinction set out in IAS 17 between operating leases and finance leases. It provides an accounting model for lessees, under which they must recognise an asset for the right of use of the leased asset over the duration of the contract, which must be offset by the recognition of a liability representing the lease payment obligation.

2.3 Use of estimates

The preparation of consolidated financial statements requires Auchan Holding SA's management to make judgements and estimates and use assumptions that could affect the carrying amounts of certain assets and liabilities and revenue and expenses as well as the information provided in the notes to the financial statements. The actual values may be different from current estimates.

During the preparation of the condensed consolidated half-year financial statements, the significant judgements made by Management in applying the accounting methods and main estimates are identical to those described in the consolidated financial statements for the year ended 31 December 2015.

2.4 Details specific to the preparation of interim financial statements

2.4.1 Employee benefits

An actuarial valuation is performed as part of the preparation of the condensed half-year financial statements where there are significant changes to plans and/or actuarial assumptions.

2.4.2 Seasonal activity trends

Taking all activities together, the seasonal effect on the income statement is low in terms of revenue (the first half of 2015 accounted for 50% of the 2015 full-year total with revenue of €26.9 million in June 2015) but is more pronounced where profit is concerned (first half of 2015 in relation to full-year 2015: 32% for operating profit from continuing operations and 40% for cash flows from operations).

The statement of financial position is also strongly impacted by seasonal activity trends. In 2015, net financial debt stood at €3,557 million at 30 June 2015 but was brought down to €1,743 million by 31 December; working capital requirements increased from €5,064 million at 30 June 2015 to €6,389 million at 31 December 2015.

NOTE 3 OPERATING DATA**3.1 Revenue/ Gross Profit**

(in €m)	30/06/2016	30/06/2015
Sales	25 998	26 797
Other revenue	108	104
Revenue	26 106	26 901
Purchases net of discounts, commercial cooperation services and ancillary and logistics costs	19 405	20 154
Change in inventories (net of impairment)	641	536
Cost of sales	20 046	20 690
Gross profit	6 060	6 211

3.2 EBITDA

(in €m)	30/06/2016	30/06/2015
Operating profit from continuing operations	296	376
- Other recurring operating profit and expenses	3	(15)
- Depreciation, amortisation and impairment ⁽¹⁾	744	742
EBITDA	1 043	1 104

⁽¹⁾ Including that recognised under cost of sales, payroll expenses and other external expenses for €(68) million in 2016 and €(61) million in 2015.

3.3 Operating profit from continuing operations**3.3.1 Other recurring operating profit**

(in €m)	30/06/2016	30/06/2015
Net gains on disposals (including reversals of provisions on sold assets)	(1)	5
Other	(2)	10
Total other recurring operating profit	(3)	15

3.3.2 Depreciation, amortisation and impairment

(in €m)	30/06/2016	30/06/2015
Depreciation and amortisation expenses, net of reversals	753	776
Provisions and impairment expenses, net of reversals of unused provisions ⁽¹⁾	59	27
Net amount in income statement	812	803

⁽¹⁾ Including €6m in 2015 of impairment net of reversals on customer loans (as at 30 June 2015).

3.4 Other operating profit and expenses

(in €m)	30/06/2016	30/06/2015
Impairment of non-current assets:		(12)
Restructuring expenses in Italy		(38)
IFRIC 21 - Tascom 2015 ⁽¹⁾	(69)	
Total other operating profit and expenses	(69)	(50)

⁽¹⁾ In the first six months of 2016, a change in tax legislation led to changes in the conditions in which Tascom was chargeable. This change led to the Tascom for 2015 (charge of €69 million relating to a period of 12 months) and the Tascom for the first six months of 2016 (external charge of €34 million relating to six months) being recognised at 30 June 2016. The 2015 Tascom charge was recognised in "other operating profit and expenses from continuing operations" to avoid a double charge in operating profit from continuing operations.

3.5 Inventories

(in €m)	30/06/2016	31/12/2015
Gross amount	4 319	4 997
Impairment	(135)	(146)
Net amount	4 184	4 851

Change in impairment

(in €m)	30/06/2016	31/12/2015
At 1 January	(146)	(137)
Provisions for impairment, net of reversals	11	(6)
Changes in the consolidation scope and exchange differences	0	(3)
	(135)	(146)

Total

NOTE 4 OPERATING SEGMENTS

4.1 Segment information by business activity

As mentioned in the financial report at 31 December 2015, the segment information presented below has been prepared based on Auchan Holding's new organisation, announced on 2 December 2015 and described in Note 1.1 of the 2015 annual financial report.

Segment data at 30 June 2015 (in €m)	AUCHAN RETAIL		IMMOCHAN		ONEY Bank		OTHER ACTIVITIES		Holding companies and eliminations		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
External revenue	25 369	26 166	311	314	224	220	202	201	0	0	26 106	26 901
Inter-segment revenue	4	3	5	6	8	7	0	0	-18	-16	0	0
Revenue	25 373	26 169	316	320	232	227	202	201	-18	-16	26 106	26 901
Operating profit from continuing operations	188	268	92	98	40	31	-18	-19	-6	-2	296	376
Other operating profit and expenses											-69	-50
Operating profit											228	326
Net cost of financial debt											-18	-14
Other financial revenue											27	15
Other financial expenses											-63	-50
Income tax expense											-54	-118
Share of net profit (loss) of associates											-3	-2
Net profit from continuing operations											117	157
Net profit from assets held for sale and discontinued operations											0	0
Profit for the period											117	157
Segment assets	23 693	24 377	3 992	4 068	2 582	2 492	265	280	27	35	30 558	31 250
Segment liabilities	10 886	10 904	356	357	2 335	2 286	78	81	-39	50	13 616	13 676

4.2 Reconciliation of segment assets and liabilities

Total segment assets are reconciled in the total assets of Auchan Holding and its subsidiaries as follows:

(in €m)	30/06/2016	31/12/2015	30/06/2015
Goodwill	3 651	3 647	3 770
Other intangible assets	1 039	1 092	1 098
Property, plant and equipment	11 967	12 239	12 386
Investment property	4 149	4 209	4 298
Non-current segment assets excluding tax and financial assets	20 805	21 187	21 552
Investments in associates	188	189	213
Customer loans – credit activity (non-current)	1 145	1 100	1 107
Inventories	4 184	4 851	4 166
Customer loans – credit activity (current)	1 443	1 573	1 375
Trade receivables	402	485	389
Other current receivables	2 391	2 294	2 448
Segment assets	30 558	31 679	31 250
Other non-current financial assets	576	513	537
Non-current derivative financial instruments	287	266	297
Deferred tax assets	257	254	243
Current tax assets	253	56	174
Current derivative financial instruments	136	185	122
Cash and cash equivalents	1 422	2 671	1 856
Total assets	33 489	35 625	34 479

Total segment liabilities are reconciled in the total liabilities of Auchan Holding and its subsidiaries as follows:

(in €m)	30/06/2016	31/12/2015	30/06/2015
Non-current provisions	323	343	319
Debts financing the credit activity (non-current)	1 222	1 027	1 321
Current provisions	221	229	281
Debts financing the credit activity (current)	913	1 222	767
Trade payables	7 245	8 890	7 165
Other current liabilities	3 692	4 153	3 823
Segment liabilities	13 616	15 864	13 676
Equity	12 260	12 547	12 336
Non-current borrowings and other financial liabilities	3 930	4 101	4 630
Non-current derivative financial instruments	16	8	12
Other non-current liabilities	1 270	1 438	1 645
Deferred tax liabilities	728	797	830
Current borrowings and other financial liabilities	1 497	734	1 182
Current derivative financial instruments	23	28	24
Current tax liabilities	148	108	144
Total equity and liabilities	33 489	35 625	34 479

NOTE 5 PAYROLL EXPENSES

(in €m)	30/06/2016	30/06/2015
Wages and salaries including social security costs and external labour	2 947	2 977
Employee incentives and profit-sharing	105	114
French competitiveness and employment tax credit (CICE)	(43)	(42)
Employee benefits and share-based payments	8	8
Net amount in income statement	3 017	3 057

NOTE 6 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT**6.1 Goodwill**

(in €m)	30/06/2016	31/12/2015
Gross amount	4 654	4 648
Impairment	(1 003)	(1 001)
Net carrying amount	3 651	3 647

Changes over the period correspond mainly to the impact of exchange rate variations in China and Russia.

6.2 Other intangible assets

(in €m)	30/06/2016	31/12/2015
Gross amount	1 425	1 454
Depreciation, amortisation and impairment	(386)	(362)
Net carrying amount	1 039	1 092

6.3 Other property, plant and equipment

(in €m)	30/06/2016	31/12/2015
Gross amount	22 624	22 356
Depreciation, amortisation and impairment	(10 658)	(10 117)
Net carrying amount	11 967	12 239

The acquisitions for the period amount to €478 million, compared to €574 million in the first six months of 2015.

6.4 Investment property

(in €m)	30/06/2016	31/12/2015
Gross amount	6 204	6 149
Depreciation, amortisation and impairment	(2 055)	(1 940)
Net carrying amount	4 149	4 209

The acquisitions for the period amount to €118 million, compared to €101 million in the first six months of 2015.

6.5 Impairment

No impairment loss on non-current assets was recognised in the first half of 2016, compared to €12 million in the first half of 2015.

In 2015, this is recognised under "Other operating profit and expenses" in the income statement (see Note 3.4)

6.6 Off-balance sheet commitments relating to intangible assets and property, plant and equipment**Collateral**

No property, plant and equipment had been assigned as guarantee for debt.

Changes to commitments

Land and property purchase options decreased by €57 million in relation to 31 December 2015.

Future conditional acquisitions of property, plant and equipment decreased by €264m in relation to 31 December 2015. They amounted to €607m at the end of June 2016.

NOTE 7 INVESTMENTS IN ASSOCIATES

(in €m)	30/06/2016	31/12/2015
Investments in associates	188	189

NOTE 8 EQUITY AND EARNINGS PER SHARE**8.1 Equity****8.1.1 Equity management**

Auchan Holding's policy is to have a sound capital base that inspires confidence in its investors and creditors and allows it to contribute to the development of its activities.

8.1.2 Shareholders

At 30 June 2016, the majority of Auchan Holding's share capital was held by Aumarché.

Employees own approximately 9% of the company's share capital via the Valauchan, Valfrance, Valsuper, Valalinéa and Valaccord funds and through the companies Valauchan Sopaneer International, Valauchan Caisse Auchan Italie, Valauchanrus Sopaneer SCA and Valsuper Unigret International (fully consolidated).

8.1.3 Number of shares representing the share capital

	30/06/2016	31/12/2015
At 1 January	31 654 416	31 654 416
Movements over the period		-
At the period end	31 654 416	31 654 416

At 30 June 2016, the share capital stood at €633,088,320. It was divided into 31,654,416 fully paid-up shares with a nominal value of €20.

8.1.4 Treasury shares

All treasury shares held by Auchan Holding and the other companies within the scope of consolidation are deducted from equity at cost. The gain or loss, net of tax, from any sale of treasury shares is recognised directly in equity, so that gains or losses on disposal have no impact on profit for the period.

At 30 June 2016, the number of treasury shares held by Auchan Holding increased by 276,800 for an amount of €118 million. At 30 June 2016, the total number of treasury shares held by Auchan Holding stood at 1,301,724 (compared with 1,149,074 at the end of 2015). Auchan Holding SA holds 700,585 Auchan Holding SA shares for a transaction cost of €320 million (of which 27,316 shares are allocated to cover share option plans for Auchan Holding's management for an acquisition cost of €11 million) while 601,139 shares are owned by Valauchan Sopaneer International, Valauchanrus Sopaneer SCA, Valauchan Caisse Auchan Italie and Valsuper Unigret International and Sopaneer BV for an acquisition cost of €206 million, under the employee share ownership plan.

Auchan Holding SA is also committed to repurchasing 19,481 treasury shares, temporarily held by employees, for €8 million. At 30 June 2016, the treasury shares held by Auchan Holding SA represented 2.28% of its share capital.

8.1.5 Legal reserve

Auchan Holding SA's legal reserve amounted to €63 million at 30 June 2016.

8.1.6 Currency translation, financial instrument revaluation and actuarial gains and losses reserves (attrib. to owners of the parent)

(in €m)	Currency translation reserve	Available-for-sale financial assets revaluation reserve	Cash flow hedge reserve	Net foreign investment hedge reserve	Actuarial differences on defined benefit plans	Total
At 1 January 2015	(519)	0	54	2	(60)	(523)
Change	(35)	13	(25)		14	(33)
At 31 December 2015	(554)	13	29	2	(46)	(556)
At 1 January 2016	(554)	13	29	2	(46)	(556)
Change	(7)	(12)	(31)			(50)
At 30 June 2016	(561)	1	(2)	2	(46)	(606)

The currency translation reserve (attributable to owners of the parent) breaks down as follows by country:

(in €m)	30/06/2016	31/12/2015
Poland	(23)	3
Hungary	(43)	(44)
Mainland China	343	446
Taiwan	18	19
Russia	(574)	(689)
Ukraine	(141)	(140)
Hong Kong	(129)	(138)
Romania	(10)	(10)
Tunisia	(2)	(1)
Total	(561)	(554)

8.1.7 Non-controlling interests

Non-controlling interests amounted to €2,695 million and comprised mainly interests in subsidiaries in mainland China and Taiwan (Retail and Property Management activities) in the amount of €2,540 million (down by €129 million), and in Valauchan Sopaneer International, Valauchanus Sopaneer SCA and Valauchan Caisse Auchan Italie in the amount of €108 million.

8.1.8 Dividend

A total dividend of €200 million, corresponding to €6.32 per share, was paid on 7 June 2016 in respect of the 2015 financial year, €2 million of which related to treasury shares.

Pursuant to French tax law, the dividend paid in the first six months of 2016 in respect of 2015 gives rise to the payment of an additional contribution to corporate income tax of 3% of the gross dividend amount as approved by the AGM. At 30 June 2016, this expense for Auchan Holding amounted to €6 million.

8.2 Earnings per share

8.2.1 Calculation of the weighted average number of shares

	30/06/2016	30/06/2015
Number of outstanding shares at 1 January	31 654 416	31 654 416
Number of treasury shares at 1 January	(1 149 074)	(841 940)
Weighted average number of treasury shares acquired	(100 933)	0
Weighted average number of treasury shares sold or cancelled	49 008	0
Weighted average number of outstanding shares (excluding treasury shares) used for the calculation of basic earnings per share	30 453 417	30 812 476
Potentially dilutive shares to be created (share purchase or subscription options, allocation of bonus shares)	13 383	16 915
Weighted average number of outstanding shares (excluding treasury shares) used for the calculation of diluted earnings per share	30 466 800	30 829 391

8.2.2 Calculation of earnings per share

Basic earnings per share	30/06/2016	30/06/2015
Weighted average number of outstanding shares:	30 453 417	30 812 476
Net profit attributable to owners of the parent (in €m)	4	31
<i>Per share (in €)</i>	<i>0,13</i>	<i>0,99</i>
Net profit from discontinued operations attributable to owners of the parent (in €m)	0	0
<i>Per share (in €)</i>	<i>0</i>	<i>0</i>
Net profit from continuing operations attributable to owners of the parent (in €m)	4	31
<i>Per share (in €)</i>	<i>0,13</i>	<i>0,99</i>

Diluted earnings per share	30/06/2016	30/06/2015
Weighted average number of diluted outstanding shares:	30 466 800	30 829 391
Net profit attributable to owners of the parent (in €m)	4	31
<i>Per share (in €)</i>	<i>0,13</i>	<i>0,99</i>
Net profit from discontinued operations attributable to owners of the parent (in €m)	0	0
<i>Per share (in €)</i>	<i>0</i>	<i>0</i>
Net profit from continuing operations attributable to owners of the parent (in €m)	4	31
<i>Per share (in €)</i>	<i>0,13</i>	<i>0,99</i>

NOTE 9 PROVISIONS AND CONTINGENT LIABILITIES**9.1 Provisions**

(in €m)	30/06/2016	31/12/2015	Change
Non-current provisions	323	342	-20
Current provisions	221	229	-9
TOTAL	544	572	-28

Current and non-current provisions decreased by €28 million in comparison with 31 December 2015. These decreases are primarily due to reversals of provisions for disputes and third party claims (particularly against Auchan Retail in Italy, Poland and Romania).

9.2 Contingent liabilities

Consolidated companies are involved in a certain number of lawsuits or disputes that arise in the normal course of business, including disputes with the tax authorities. Provisions for contingent liabilities are made for the estimated cost when considered probable by Auchan Holding and/or its subsidiaries as well as their external advisers.

To the knowledge of Auchan Holding and its subsidiaries, there is no other exceptional event or litigation that could substantially affect the business, results, assets or financial situation of Auchan Holding and/or its subsidiaries, which is not adequately covered by provisions at the end of the period.

NOTE 10 FINANCING AND FINANCIAL INSTRUMENTS EXCLUDING CREDIT ACTIVITY

10.1 Net financial debt (excluding financing of the credit activity)

(in €m)	30/06/2016	31/12/2015
Borrowings and other financial liabilities ⁽¹⁾	5 427	4 835
- Non-current	3 930	4 101
- Current	1 497	734
Cash and cash equivalents	(1 422)	(2 671)
Derivative assets and liabilities qualifying as hedging instruments for an item of net financial debt	(253)	(242)
Margin call assets on derivatives qualifying as hedging instruments ⁽¹⁾	0	0
Net financial debt	3 753	1 922
Derivative assets and liabilities not qualifying as hedging instruments for an item of net financial debt ⁽²⁾	(131)	(174)
Margin call assets on derivatives not qualifying as hedging instruments ⁽¹⁾		
Other short-term investment assets ⁽³⁾	(14)	(5)
Net financial debt	3 607	1 743

⁽¹⁾ A margin call agreement was implemented to reduce counterparty risk. Amounts related to margin calls received (liabilities) or paid (assets) are included under net financial debt. At 30 June 2016, these represented a liability of €44 million booked under "Borrowings and other financial liabilities".

⁽²⁾ Including derivative instruments linked to the credit activity (including derivative instruments covering financing issued by Auchan Holding): €(46) million in June 2016, €(29) million in December 2015.

⁽³⁾ Principally comprising short-term cash investment instruments not meeting the definition of "Cash and cash equivalents" held by the Chinese entities in June 2016 for €5 million.

10.2 Net cost of financial debt

(in €m)	30/06/2016	30/06/2015
Income from cash and cash equivalents	25	33
Gross cost of financial debt:	(43)	(47)
- Interest expenses	(78)	(91)
- Hedging results	35	44
Net cost of financial debt	(18)	(14)

The fall in financial revenue has increased the net cost of financial debt, despite the fall in the gross cost of financial debt.

10.3 Other financial revenue and expenses

(in €m)	30/06/2016		30/06/2015	
	Revenue	Expense	Revenue	Expense
Disposal of other non-current financial assets ⁽¹⁾	16			
Gains and losses on financial transactions not eligible for hedge accounting ⁽²⁾		(30)		(39)
Provisions and impairment, net of reversals:	1	(30)		(7)
- Reversal of provisions for impairment of other financial assets	1			
- Provision for impairment of other financial assets		(30)		
- Other provisions, net of reversals				(7)
Cost of discounting retirement obligations net of the expected yield on plan assets		(1)		(1)
Income from equity interests				
Other ⁽³⁾	10	(2)	15	(3)
Other financial revenue and expenses	27	(63)	15	(50)

⁽¹⁾ Capital gain on the sale of Visa Europe shares by Oney Bank

⁽²⁾ Gains and losses on financial transactions not eligible for hedge accounting include in particular foreign exchange and other gains and losses on derivative instruments used to hedge foreign exchange and interest rate risks on intragroup loans, or to guarantee a given interest rate level for the overall debt of Auchan Holding and the consolidated companies (macro-hedging swaps).

⁽³⁾ This in particular includes the cost of credit lines (i.e. non-utilisation fees and amortisation of the cost of setting up facilities).

10.4 Market value of financial instruments

A definition of the 3 different levels is provided in Note 10.4.7 to the 2015 consolidated financial statements.

(in €M)	30/06/2016				31/12/2015			
	Market value			Carrying amount	Market value			Carrying amount
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Assets held for trading, of which:	0	1 561		1 561	300	2 440		2 740
- Other financial assets measured at fair value		139		139		69		69
- Cash and cash equivalents		1 422		1 422	300	2 371		2 671
Available-for-sale financial assets, of which:		148		148		158		158
- Equity investments		148		148		158		158
Loans and receivables, of which:		5 670		5 670		5 734		5 734
- Other non-current financial assets (excluding equity investments)		289		289		282		282
- Customer loans		2 588		2 588		2 673		2 673
- Trade receivables		402		402		485		485
- Other current financial assets		2 391		2 391		2 294		2 294
Liabilities measured at amortised cost, of which:	5 111	14 708		19 770	5 037	16 569		21 566
- Bonds & private placements	4 054			4 013	3 992			3 969
- Bank loans and borrowings, other financial liabilities including bank overdrafts		1 175		1 209		614		647
- Finance lease liabilities		240		205		257		219
- Other non-current liabilities		1 270		1 270		1 438		1 438
- Debts financing the credit activity	1 057	1 086		2 135	1 045	1 217		2 250
- Trade payables		7 245		7 245		8 890		8 890
- Other current liabilities		3 692		3 692		4 153		4 153
Derivative instruments, of which:		384		384		416		415
- Derivative financial instruments (assets)		423		423		451		451
- Derivative financial instruments (liabilities)		39		39		35		35

There were no transfers between levels during the first six months of 2016.

10.5 Financial assets**Classification of financial assets by category (net carrying amount)**

(in €m)	Non-current	Current	Non-current	Current
Financial assets held for trading ⁽¹⁾	139	228	69	740
Held-to-maturity investments				
Available-for-sale financial assets ⁽²⁾	148	0	158	0
Trade receivables ⁽³⁾		402		485
- of which cumulative impairment		(97)		(97)
Loans and receivables issued by the company	289	2 391	286	2 294
- of which financial receivables ⁽⁴⁾	85	89	80	98
- of which receivables from the sale of non-current assets ⁽⁵⁾	6	12	6	16
- of which prepaid expenses	156	444	156	428
- of which other receivables ⁽⁶⁾	42	1 845	44	1 751
Other financial assets (net carrying amount)	576	3 021	513	3 518
- of which cumulative impairment (excluding trade receivables)	(42)	(67)	(14)	(66)

⁽¹⁾ Financial assets held for trading correspond to:

- for the non-current part, investments that are subject to restrictions on use by Auchan Holding for prudential or contractual reasons,
- for the current part, investments that are defined as cash equivalents and are included under «Cash and cash equivalents»;

⁽²⁾ Available-for-sale financial assets comprise mainly shares in companies that are neither controlled nor under significant influence.

⁽³⁾ This heading essentially comprises receivables relating to franchise arrangements, and rent outstanding for the Property Management business.

⁽⁴⁾ Financial receivables comprise mainly guarantee deposits.

⁽⁵⁾ For the non-current part, interest-bearing or discounted receivables.

⁽⁶⁾ Other current receivables comprise mainly tax and social security receivables and accrued revenue from suppliers.

10.6 Financial liabilities**10.6.1 BORROWINGS AND OTHER FINANCIAL LIABILITIES****10.6.1.1 Breakdown of borrowings and other financial liabilities**

(in €m)	30/06/2016		31/12/2015	
	Non-current	Current	Non-current	Current
Bonds & private placements	3 637	376	3 796	173
Bank borrowings	60	202	65	181
Obligations under finance leases	185	20	195	24
Other financial liabilities	48	520	45	63
Margin call - Liability		44		41
Bank overdrafts		335		251
Total	3 930	1 497	4 101	734

Accrued interest is recognised under “Current borrowings and other financial liabilities”.

MAIN CHARACTERISTICS OF BORROWINGS AND OTHER FINANCIAL LIABILITIES**10.6.1.2 Bonds & private placements**

During the first half of 2016, there was no issuance of bonds.

Other financial liabilities

This heading mainly comprises the commitments to repurchase shares from Auchan Holding employees and the liabilities linked to employee profit sharing.

At 30 June 2016, the current portion of this item mainly concerned commercial paper. The maturity schedule for this financing is as follows:

(in €m)	Maturity	30/06/2016		31/12/2015	
		Nominal value	Carrying amount	Nominal value	Carrying amount
Issuing company					
Auchan Holding S.A.	less than 1 month	149 ⁽¹⁾	149	59 ⁽¹⁾	59
Auchan Holding S.A.	1 to 3 months	370 ⁽¹⁾	370	-	-
Auchan Holding S.A.	3 to 6 months			2 ⁽¹⁾	2
Auchan Holding S.A.	6 months and over	-	-	-	-

⁽¹⁾ Amounts after reclassification of part of the commercial paper under debts financing the credit activity (see Note 11.2)

10.6.2 OTHER FINANCIAL LIABILITIES

(in €m)	30/06/2016		31/12/2015	
	Non-current	Current	Non-current	Current
Trade payables		7 245		8 890
Trade payables, goods		6 408		8 041
Trade payables, general expenses		837		849
Other current liabilities, including	1 270	3 692	1 438	4 153
- Liabilities in respect of puts on non-controlling interests ⁽¹⁾	1 095		1 246	
- Amounts due on non-current assets	3	364	2	607
- Tax and social security liabilities		1 415		1 656
- Deferred income ⁽²⁾	83	1 365	93	1 432
- Other liabilities	90	548	97	458
Total	1 270	10 938	1 438	13 043

⁽¹⁾ Commitments to purchase shares made by Auchan Holding and the other companies within the scope of consolidation to non-controlling shareholders in certain fully consolidated subsidiaries, of which €955 million related to the put option granted to Ruentex on the shares in Sun Art Retail Group (€1,180 million in 2015).

⁽²⁾ Non-current "deferred income" corresponds to differences in rental income between rent due contractually and rents at an unfavourable market rate recognised in Poland and Romania as part of the acquisition of Real.

10.7 Off-balance sheet commitments (excluding credit activity)

Details of off-balance sheet commitments relating to intangible assets and property, plant and equipment are provided in note 6.6, details of financing-related off-balance sheet commitments are provided in note 10.7, and details of commitments relating to the credit activity are

10.7.1 Commitments given

Guarantees given decreased by €45 million in comparison with 31 December 2015.

Other commitments given increased by €6 million in comparison with 31 December 2015.

10.7.2 Secured liabilities

There were no liabilities backed by physical collateral at 30 June 2016.

Liabilities secured by guarantees decreased by €83 million, from €504 million at 31 December 2015 to €421 million in June 2016.

10.7.3 Put and call share options

Oney Bank and Immochan have commitments related to call options on shares held by non-controlling shareholders in certain of its subsidiaries. At 30 June 2016, they amounted to €23 million, compared to €14 million at 31 December 2015.

NOTE 11 CREDIT ACTIVITY

11.1 Customer loans

This item comprises the receivables held by Oney Bank, its subsidiaries and Comfactor in respect of their customers. It principally includes consumer credit and deferred payment facilities on Accord credit cards, as well as the receivables of the captive factoring business carried out by Comfactor in Italy.

(in €m)	30/06/2016	31/12/2015
Gross carrying amount	3 096	3 187
- of which gross carrying amount of impaired receivables	654	662
Impairment	(507)	(514)
Coverage rate of impaired receivables	77%	78%
Net amount	2 588	2 673
- of which non-current	1 145	1 100
- of which current	1 443	1 573

(in €m)	30/06/2016	31/12/2015
Gross maturities:	3 096	3 187
- 3 months or less	1 020	1 097
- between 3 months and 1 year	610	673
- between 1 and 5 years	1 248	1 268
- more than 5 years	219	148

The cost of risk has been falling significantly for several years. Despite a persistently morose economic environment, loan production continued to be of high quality and skilfully managed.

Thanks to its effective action plans on credit-granting and collection systems, Oney Bank has exceeded its targets for reducing credit risk.

11.2 Debts financing the credit activity

(in €m)	30/06/2016		31/12/2015	
	Non-current	Current	Non-current	Current
Bonds	774	275	560	473
Bank borrowings ⁽¹⁾	428	189	468	106
Other financial liabilities (including bank overdrafts) ⁽²⁾	20	449	0	643
Total	1 223	913	1 027	1 222

⁽¹⁾ Non-current borrowings and financial liabilities with banks comprise two deposits (with the Banque de France and the Bank of Portugal) in the amount of €210 million, established to comply with the Liquidity Coverage Ratio (i.e. the regulatory requirement to hold high-quality liquid assets).

⁽²⁾ Other current liabilities related to the credit activity comprise, in particular, certificates of deposit, in the amount of €290 million and a short-term banking facility of €95 million.

Accrued interest, apart from that relating to bonds, is included under "Other financial liabilities".

Characteristics of main bond issues**New issues amounting to more than €50 million:**

(in €m)					
Issuing company	Nominal interest rate	Issue date	Maturity	Nominal value	Carrying amount
Auchan Holding S.A.	2,375%	10.05.2016	12.12.2022	100 ⁽¹⁾	107
Auchan Holding S.A.	2,250%	10.05.2016	06.04.2023	100 ⁽¹⁾	110

⁽¹⁾ Amount after reclassification of part of Auchan Holding SA's bond debt under "Debts financing the credit activity" (see Note 10.6)

Bond redemptions amounting to more than €50 million:

(in €m)					
Issuing company	Nominal interest rate	Issue date	Maturity	Nominal value	Carrying amount
Auchan Holding S.A.	3,000%	29.11.2011	10.05.2016	200	203

Bank borrowings**New loan issues amounting to more than €50 million:**

(in €m)					
Issuing company	Nominal interest rate	Issue date	Maturity	Nominal value	Carrying amount
Oney Bank	⁽¹⁾	29.06.2016	06.07.2016	90	90
Oney Bank	Eonia + 0.37%	30.06.2016	28.02.2017	50	50
Oney Bank	⁽²⁾	29.06.2016	24.06.2020	355	355
HQLA investment, France ⁽³⁾			Renewable	(176)	(176)
HQLA investment, Portugal ⁽³⁾			Renewable	(34)	(34)

⁽¹⁾ Rate revisable by the ECB

⁽²⁾ The rate applicable to this loan may be revised. It also depends on the growth in customer loans.

⁽³⁾ The HQLA investment for France was € (196) million and the HQLA investment for Portugal was €(46) million in December 2015.

Other loans and credit lines exist with unit amounts of less than €50 million.

Characteristics of main items of other financial liabilities

This heading includes mainly commercial paper, BMTN and certificates of deposit, as follows:

(in €m)	Issuing company	Maturity	30/06/2016		31/12/2015	
			Nominal value	Carrying amount	Nominal value	Carrying amount
	Comfactor	less than 1 month			76	76
	Auchan Holding S.A.	less than 1 month	21 ⁽¹⁾	21	141 ⁽¹⁾	141
	Oney Bank	less than 1 month	(65)	(65)	(51)	(51)
	Oney Bank	1 to 3 months			110	110
	Oney Bank	3 to 6 months	140	140	139	139
	Auchan Holding S.A.	3 to 6 months	200 ⁽¹⁾	200	200 ⁽¹⁾	200
	Oney Bank	6 months and over	120	120	30	30

⁽¹⁾ Amounts after reclassification of part of the commercial paper under "Debts financing the credit activity" (see Note 10.6)

NOTE 11.3 Off-balance sheet commitments relating to the credit activity

Commitments given

Financial commitments in favour of customers (commitments given by Oney Bank and its subsidiaries on cards with current activity during the past 2 years) increased from €3,298 million at 31 December 2015 to €3,391 million at 30 June 2016.

The commitment on cards inactive for more than 2 years decreased from €3,092 million at 31 December 2015 to €3,011 million at 30 June 2016.

NOTE 12 INCOME TAX

NOTE 12.1 Tax assets and liabilities

Breakdown of current tax assets and liabilities

(in €m)	30/06/2016	31/12/2015
Gross amount	257	60
Impairment	(4)	(4)
Current tax assets - net value	253	56
Current tax liabilities	148	108

Note 12.2 Income tax expenses

Analysis of net tax expenses

(in €m)	30/06/2016	30/06/2015
Expenses / Income		
Current income tax payable	130	188
Adjustments relating to current taxes and taxes from previous years	3	5
Current income tax payable	133	193
Current income tax payable on "Other operating profit and expenses" ⁽¹⁾	(23)	0
Change in temporary differences	(56)	(71)
Impact of changes in tax rates	0	(1)
On tax losses carried forward	0	(3)
Total deferred tax	(56)	(75)
Deferred tax on "Other operating profit and expenses"	0	0
Income tax expense	54	117

⁽¹⁾ Tax relating to items classified in "Other operating profit and expenses" (see Note 3.4).

Effective tax rate (E.T.R)

The difference between the tax calculated using the theoretical rate in France and the tax expenses effectively recognised for the year can be analysed as follows:

(in €m)	30/06/2016	Effective Tax Rate 2016	30/06/2015	Effective Tax Rate 2015
Profit before tax	174		277	
<i>Theoretical tax rate (French standard rate)</i>		34,43%		38,0%
Theoretical tax expense	60		105	
Difference in tax rates for foreign companies	(20)	-11,4%	(39)	-14,1%
Tax relief, tax credits and reduced rate taxation	(23)	-12,6%	(31)	-11,2%
Tax losses for the year not recognised	57	33,0%	58	21,2%
Use of previously unrecognised tax losses carried forward	(18)	-10,6%	(16)	-5,7%
Recognition of prior year tax losses	(2)	-1,3%	(5)	-1,7%
Tax adjustments related to previous years	10	5,6%	3	1,2%
CVAE tax	14	8,1%	17	6,1%
Tax impact of items recognised under "Other operating profit and expenses"			3	1,1%
Permanent differences/Deferred tax not recognised	(24)	-13,4%	23	7,7%
Actual tax expense	54		118	
Effective tax rate ⁽¹⁾	31,1%		42,6%	

⁽¹⁾ The tax charge for the first six months of 2016 amounted to €54 million. The effective tax rate for the first six months of 2016 was 31.1%, compared to 42.6% for the first six months of 2015. This 11.5 percentage point decrease is principally due to the recognition (in tax credit) of reimbursed taxes that had been paid on the share of fees and charges on dividends received from European subsidiaries between 2010 and 2014. This repayment follows the "Stéria" decision handed down by the European Court of Justice. Auchan Holding had instituted proceedings to challenge the amounts paid in this regard between 2010 and 2014. In June 2016, Auchan Holding obtained a ruling in its favour. The full amount owed by the authorities in connection with this dispute, €41 million, was paid in July 2016.

NOTE 13 TRANSACTIONS WITH RELATED PARTIES

Auchan Holding has relations with its subsidiaries (fully consolidated) and with joint ventures and associates (consolidated using the equity method).

Related parties having control over Auchan Holding

No material transactions were carried out with the reference shareholders of Auchan Holding SA, except for the dividend paid to all shareholders (see Note 8.1).

Joint ventures / Associates

Information on jointly-controlled ventures and associates consolidated using the equity method is provided in Note 7.

Transactions with these companies are carried out at arm's length conditions. No significant commitments have been entered into with these companies.

Joint arrangements

No agreements meeting the characteristics of joint arrangements within the meaning of IFRS 11 have been identified in respect of the period.

NOTE 14 DETAILS OF CERTAIN ITEMS OF THE STATEMENT OF NET CASH FLOWS

(in €m)	30/06/2016	30/06/2015
Change in working capital requirement	(1 314)	(1 269)
- Inventories	624	535
- Trade receivables	61	58
- Trade payables	(1 563)	(1 708)
- Other assets and liabilities	(436)	(154)
Changes in items relating to the credit activity:	(27)	(76)
- Customer loans - credit activity	87	181
- Debts financing the credit activity	(114)	(257)
Changes in loans and advances granted:	(100)	3
- Increase in loans and advances granted	(135)	(6)
- Decrease in loans and advances granted	35	9
Amounts received from shareholders on capital increases:		
- Paid by shareholders of the parent company		
- Paid on exercise of stock options		
- Paid by non-controlling interests of consolidated companies		
Dividends paid during the period:	(333)	(182)
- Dividends paid to shareholders of the parent company	(194)	(65)
- Dividends paid to non-controlling interests of consolidated companies	(139)	(117)
Acquisitions and disposals of interest without gain or loss of control:	52	
- Acquisitions	(52)	(21)
- Disposals	104	21
Net financial debt:	478	777
- Loans issued	1 937	3 269
- Repayments of loans (including finance leases)	(1 459)	(2 492)
Net cash and cash equivalents:	1 087	1 511
- Marketable securities with a maturity of less than 3 months	228	495
- Cash	1 194	1 362
- Bank overdrafts (see Note 10.6)	(335)	(345)

Statutory auditors' review report on the 2016 half-year financial information

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders
AUCHAN HOLDING S.A.
40, avenue de Flandre
59170 Croix

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Auchan Holding S.A., for the six months ended June 30th, 2016;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Management Board (Directoire). Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

II - Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, August 30, 2016

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

KPMG Audit
Department of KPMG S.A.

Christian Perrier

Bertrand Desbarrières