



PRESS RELEASE

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First half of 2008: Increase in sales and stability of Group results

The economic environment in which the Group operated during the first half of 2008 was similar with 2007 : it was an unfavourable climate in the mature markets where the slow-down was perceptible and more buoyant in the emerging markets. The Group continued to develop a business activity adjusted to meet the expectations of consumers, and pursue its international growth policy. Business started up in the Ukraine for the Hypermarkets, Real Estate and Financial Services activities. The agreement concluded with the Enka Group in Russia at the end of 2007 has now been finalised for the purchase of 12 Ramstore stores. A joint venture has been set up with the Nakheel Group in Dubai, in order to develop the Auchan banner in the Persian Gulf.

- **9.4% increase in sales to € 18.7 billion**

For the first half of 2008, consolidated sales without VAT rose 9.4% to € 18.7 billion. The total sales out of France represents nearly 50% (49.8%) compared with 48% at year end 2007. Revenues in France nevertheless continued to progress (+ 6.2%) up to € 9.4 billion.

Hypermarket sales were € 14.8 billion (+ 10.2%) and still accounted for 79% of Group revenue. In France, the hypermarkets achieved sales worth € 7.2 billion (+ 5.5%). 12 hypermarkets were opened during the period, of which 1 Alcampo in Spain, 1 Auchan in the Ukraine, 4 RT Mart in China and 6 Auchan City (formerly Ramstore) in Russia. The exchange from Ramstore into the Auchan banner of the 6 remaining Ramstore stores will be finalised before the end of the year. A HyperCorp LLC joint venture has been set up with the Nakheel Group in Dubai. Auchan Group holds a 10% stake in the joint venture which will develop the Auchan brand in Dubai, and subsequently in the Persian Gulf.

Supermarkets sales have started to grow again: revenues increased by 4.9% up to € 3.4 billion, representing 18.3% of Group sales. At the end of June, In France, Italy and Spain, 34% of directly owned stores have been converted to Simply Market banner (reaching a total of 235 stores). In addition the total number of directly owned stores increased by 8 new outlets (7 in Western Europe and 1 in Poland). At the end of July an agreement has been signed in Spain for the acquisition of Galerias Primero. This acquisition is still subjected to local authorities agreement and other usual clauses.

Immochan confirmed its good performance: revenues rose by 17% up to € 213 million. At the end of June, the Real Estate division was managing a total of 268 shopping centres, corresponding to 1.45 million sq.m. The first Ukrainian shopping centre, including 25 shops, has been opened in Kiev. Four others shopping centres have been restructured or enlarged in France and Spain. In collaboration with the supermarkets division, Immochan also set up a new convenience strip mall in the Paris region.

Banque Accord Net Banking Income increased by 20.6% during the first half of 2008. Operating income has reached € 25.9 million compared with € 27.5 million at the end of June 2007 (- 5.8%). Banque Accord had 420,000 new customers during the period, and launched its business in Ukraine, with its new subsidiary Oney. In March 2008 Banque Accord has obtained from the Banque de France a new *Bâle II – IRBA credit risk* accreditation, and has been one of the first French banks to be accredited.

The Group also continued to develop its new retail formats. As an exemple Auchandirect has prepared the starting of its business in Toulouse and Lille in August.

- **Stability of net income: net income attributable to equity holders of the parent has grown by 1.2%**

Reflecting the strong resistance of the Group in the difficult climate of the mature markets, EBITDA rose by 3.8% up to € 822 million. However, EBITDA declines by 6.6% in France for Hypermarket and Supermarket businesses, still under pressure due to the economic situation and recent adverse modifications in the French regulations.

Operating income increased by 3.6% up to € 379 million and Net Income (attributable to equity holders of the parent) achieved a small increase of 1.2% up to € 174 million.

Net Financial Indebtedness is still under control. At the end of June 2008 Consolidated Net Financial Indebtedness was € 3,991 million, representing 58% of Total Equity compared with 54% at the end of June 2007. During the first half of 2008, despite financial crisis, the Group succeeded to manage two new bond issues, one denominated in euros with a 5 year maturity and an other in Swiss Francs with a 7 years maturity reaching a total amount of nearly € 880 million. These two operations have demonstrated the continuing strong support from bond investors in Auchan credit. In the mean time Standard & Poor's has confirmed the ratings (A long term and A1 short term) for both Auchan Group and Banque Accord confirming their sound financial situations.

According to Christophe Dubrulle, Chairman of the Board, "Despite a negative trend in the purchasing power of our mature market customers, Auchan Group consolidated achievements are close to our objectives, due in particular to the contribution of the emerging countries. This confirms us in our choice for applying our discount policies. By boosting our investment level by nearly 42%, we have been able to take advantage of growth opportunities and to continue building the Group's future".

- **Key figures at 30 June 2008** (under IAS/IFRS)

€ million	1 st half 2008	1 st half 2007	Change
Revenue	18,692	17,081	+ 9.4%
EBITDA ¹	822	792	+ 3.8%
Recurring operating income	379	366	+ 3.6%
Net income from continuing operations	185	179	+ 3.4%
Net income attributable to equity holders of the parent	174	172	+ 1.2%

€ million	1 st half 2008	1 st half 2007	Change
Investments ²	827	584	243 + 41.6%
Net financial indebtedness	3,991	3,320	671 + 20.2%
Total equity	6,877	6,112	765 + 12.5%
Net financial indebtedness/equity	58%	54%	

	30/06/08
Hypermarkets	425 hypermarkets ³ in 12 countries
Supermarkets	716 consolidated supermarkets in 5 countries
Immochan	268 shopping centres managed in 12 countries
Banque Accord	5.7 million customers in 10 countries

The Groupe Auchan half-yearly financial report can be accessed at www.groupe-auchan.com

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¹ Recurring operating income excluding other operating income and expense, and amortization and provisions (apart from accruals and reversals for inventory impairment losses).

² Excluding business combinations (acquisition of intangible assets, property, plant and equipment and investment property).

³ Of which 420 consolidated (416 fully consolidated and 4 accounted for by the equity method).