



PRESS RELEASE

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**2008 results: good growth
in sales (7.5%) and EBITDA (9.2%),
a slight decrease in net income from continuing operations (-2.4%)**

Given the economic background in 2008, the Group's performance was globally satisfactory although it was contrasted depending on activity and country. Expansion continued at a brisk pace, particularly in China and in Eastern Europe, where the Group strengthened its position in Russia and started operations in Ukraine. Investment increased by 20.9% to €2.1 billion.

▪ A 7.5% increase in sales

Consolidated sales (excluding taxes) reached €39.5 billion in 2008, recording the strongest growth of the past three years with an increase of 7.5% over 2007. Like-for-like sales grew by 4.3% at constant exchange rates. Thanks to numerous store openings and good performances in new markets, international activities accounted for 50% of total sales compared with 48% in 2007. Growth was satisfactory in France, with an increase in sales of 3.1% to €19.6 billion excluding taxes.

Hypermarket sales rose by 8.4% to €31.8 billion excluding taxes. The French hypermarkets perimeter posted a 2.7% increase in sales to €15.3 billion, corresponding to 48% of total hypermarket sales. The dynamic international development of the past few years made a strong contribution to growth, which was underpinned by robust like-for-like performances in all countries except Spain, Italy and Taiwan. Like-for-like sales nonetheless remained stable in these three countries despite the difficult economic conditions. Sixty hypermarkets were opened or acquired during the year, including 27 in China (11 Auchan and 16 RT Mart), the first two Auchan hypermarkets in Ukraine and the conversion of 12 former Ramstore stores to the Auchan City banner in Russia. A joint venture was set up in Dubai ; the Group will take a 10% stake in this company, which will develop the Auchan chain as from 2009.

Supermarket sales came to €6.9 billion in 2008, up by 2.9% thanks to growth in Eastern European markets and the good performances of supermarkets converted to the Simply Market banner. This chain now comprises 363 fully-consolidated supermarkets, corresponding to half of the total in Western Europe and Poland, where it started to operate in 2008. Its roll-out will be completed in 2009. After opening 37 new supermarkets and closing 19 during the year, the total number of fully-consolidated supermarkets came to 726, 18 more than in 2007.

Immochan's good performance was confirmed in 2008 with a 12.8% increase in revenue to €432 million. At the end of 2008, the Group's real estate subsidiary managed 289 shopping centres in 12 countries, corresponding to a total of 1.6 million square metres of shopping mall floor space. New floor space created during the year came to 145,000 square metres and new shopping centre formats were introduced. A first themed retail park "Maisonément" was opened at Melun-Sénart in France and a new agreement was reached with the supermarkets to develop neighbourhood shopping malls.

Banque Accord continued to record growth despite the difficult economic and financial background. Net banking income increased by 15.7% to €325 million. It was nonetheless a difficult year for the bank in Spain where the severe economic recession has resulted in a significant rise in risk. These difficulties had a significant impact on operating income, which came to €30 million, down by 49.4% compared with 2007. Net income was down by 67.8% to €12.2 million. The payment cards activity continued to grow in 2008, particularly in China, and Banque Accord had 6 million customers at the end of the year, 550,000 more than at the end of 2007. New partnerships were concluded with the store chains.

Lastly, the Group's complementary distribution channels enabled it to gain market share. In France, Auchandirect developed in Lille and Toulouse while Auchan.fr broadened its offering. Distance shopping formats continued their development. For example, Auchandrive facilities were put in place beside 8 Auchan hypermarkets, bringing the total to 12 at the end of 2008. This concept is also being tested in Italy and Taiwan. The first Alcampo Drive opened in Madrid in 2008 and on-line shopping started up in China. Lastly, two additional Alinea furniture and home decoration stores were opened in France, bringing the total to 17 at the end of 2008.

- **Growth in EBITDA (9.2%) and a slight decrease in net income from continuing operations (-2.4%)**

EBITDA grew by 9.2% to €2,260 million, corresponding to 5.7% of sales excluding taxes. EBITDA from the Group's activities in France grew by 4.3% thanks to the good performance of the hypermarkets.

Recurring operating income held firm at €1,317 million, up 1%. Financial expense increased due to the higher average debt level linked to the investments made in 2007 and 2008. Net income from continuing operations therefore decreased slightly, down by 2.4% to €744 million. Net income attributable to equity holders of the parent is not comparable with that of 2007 (€962 million), which included €214 million of capital gains on the sale of the Moroccan activities. Excluding net income from discontinued operations, it was slightly down by 2.7% relative to 2007 at €727 million.

Net financial indebtedness stands at €2,820 million at year end. It remains contained at 1.2 years of EBITDA and 39% of total equity compared with 1 year of EBITDA and 30% of total equity in 2007.

In 2008, Auchan issued bonds with maturities of 5 to 7 years in an amount of €1,127 million and negotiated new medium-term bank credit facilities amounting to €1,270 million.

- **Outlook**

In 2009, the Group intends to continue its policy of developing its four core businesses and its new formats by investing reasonably, while taking into account the more difficult economic background. With around sixty hypermarket openings scheduled for the year, the Group expects to exceed the 500 mark by the end of the year. In March, the Group acquired 100% of the capital of MGV-Distri Hiper, the holding company for the six Auchan hypermarkets in Romania. The conversion of supermarkets to the Simply Market banner will be accelerated in the four countries in which it operates; it will be finalised in France in the spring.

"The Group's satisfactory performance in 2008 demonstrates its capacity to resist in an unfavourable environment. The investments made in recent years have enabled us to build solid positions in our various markets and business lines and we continue to prepare the future.

Our corporate culture of closely involving the Group's employees in its operations and earnings enabled us to distribute 32% of income before taxes to Auchan France's employees under profit sharing and incentive schemes.

Our position as a family-owned business, our organisation into independent business lines, our capacity to innovate and our customer-oriented approach are solid fundamentals on which we can build our long-term policies. We are still convinced that the complementary nature of our discount networks – large hypermarkets offering a wide range of products and neighbourhood supermarkets – meets to our customers' expectations. We are aware that 2009 will not be an easy year. We shall continue to conduct our discount retail business with professionalism while remaining very vigilant with regard to investment and debt levels. We therefore look forward to the rest of 2009 with confidence and serenity" said Christophe Dubrulle, Chairman of the Executive Board.

▪ **Key figures at 31 December 2008** (under IAS/IFRS)

€ million	2008	2007	Change
Revenue	39,484	36,715	+7.5%
EBITDA ¹	2,260	2,070	+9.2%
Recurring operating income	1,317	1,304	+1.0%
Net income from continuing operations	744	762	-2.4%
Net income attributable to equity holders of the parent	727	962	-24.4%
<i>Net income excluding net income from discontinued operations</i>	727	747	-2.7%

€ million	2008	2007	Change	
Investments ²	2,126	1,758	368	+20.9%
Net financial indebtedness	2,820	2,066	754	+36.5%
Total equity	7,283	6,898	385	+5.6%
Net financial indebtedness/equity	39%	30%		

	At 31 December 2008
Hypermarkets	468 hypermarkets ³ in 12 countries
Supermarkets	726 fully-consolidated supermarkets in 5 countries
Immochan	289 shopping centres managed in 12 countries
Banque Accord	6 million customers in 10 countries

*The Groupe Auchan annual report is available at www.groupe-auchan.com
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¹ Recurring operating income excluding other recurring operating income and expenses, depreciation, amortisation and provisions

² Acquisitions of intangible assets, property, plant and equipment and investment property (excluding business combinations)

³ Of which 462 fully-consolidated and 6 accounted for the equity method