

# Financial report for the first half of 2009



|    |  |
|----|--|
| 2  | Declaration of person responsible for the interim financial report |
| 3  | Interim management report  |
| 8  | Consolidated statement of financial position                       |
| 9  | Consolidated income statement                                      |
| 10 | Consolidated statement of comprehensive income                     |
| 10 | Consolidated statement of net cash flows                           |
| 12 | Consolidated statement of changes in equity                        |
| 13 | Notes to the condensed consolidated financial statements           |
| 37 | Auditors' report   |

## Declaration of the person responsible for the interim financial report

I certify that, to the best of my knowledge, the summary financial statements for the six months ended 30 June 2009 have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets and liabilities, financial position and results of the Company and of all the companies within its scope of consolidation, and that the half-year management report presents a faithful view of the significant events of the first six months of the financial year and their impact on the financial statements, as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Croix, 26 August 2009

Xavier de Mézerac  
Finance Director  
Member of the Management Board

## INTERIM MANAGEMENT REPORT

for the period from 1 January 2009 to 30 June 2009 (in € million)

### 1. SIGNIFICANT EVENTS AND MAIN CHANGES IN CONSOLIDATION SCOPE DURING THE FIRST HALF OF 2009

In the first six months of 2009, the Hypermarket network increased by 11 units and the Supermarket network by nine:

- Growth at the hypermarkets activity continued, with the acquisition of two *Halles d'Auchan* stores in France (including one acquired from Atac) and nine store openings: three in Portugal, one in Italy, one in Hungary and four in mainland China (one Auchan and three RT Mart).
- The supermarkets network increased by four stores in Western Europe and five in Central and Eastern Europe.

At the beginning of 2009, the Romanian competition authority authorised the 100% take-over of MGV Distri-Hyper. This company, which operates six Auchan hypermarkets and was previously consolidated using the equity method, has therefore been fully consolidated since 1 January 2009.

### 2. ACTIVITIES AND RESULTS FOR THE FIRST HALF OF 2009

The application as from 1 January 2009 of IFRS 8 – *Operating segments* was reflected in the creation of a new segment called 'Other activities' and comprising Alinéa, Chronodrive and Little Extra, which were previously included within the Hypermarket activity. The 2008 figures were restated accordingly.

The application of the economic modernisation act (*Loi de Modernisation de l'Economie - LME*) in France has resulted in the bulk of back margins being transferred to the direct margin (recognition of rebates received from suppliers), which skews the comparability of first-half performances. This change in accounting method smoothes the recognition of merchandising fees and supplier rebates over the full year, resulting in the recognition of a more substantial part of these rebates for the period ended 30 June 2009 than in the same period the previous year. This change has no impact on the annual figures, it merely changes the way they are spread over the year.

The information provided below was prepared after neutralising this effect on the 2008 data.

The key figures are as follows:

| In € million                                    | H1 2009 | H1 2008 | Change  | Change after restatement for impact of LME |
|---|---------|---------|---------|--|
| Revenue   | 18,771  | 18,692  | +0.4 %  | +0.4 %                                     |
| Gross profit                                    | 4,322   | 4,109   | +5.2 %  | +2 %                                       |
| EBITDA <sup>1</sup>                             | 929     | 822     | +13.0 % | +0 %                                       |
| Recurring operating income                      | 374     | 379     | -1.3 %  | -22 %                                      |
| Net income from continuing operations           | 155     | 185     | -16.2 % | -39 %                                      |
| Net income attributable to owners of the parent | 143     | 174     | -17.8 % | -41 %                                      |

1. Recurring operating income before other operating income and expenses and depreciation, amortisation and provisions.  
(excluding provisions and impairment charges and reversals, apart from charges and reversals of impairment on inventories)

## 2.1 Hypermarkets and Supermarkets

At 30 June 2009, the Group operated 479 hypermarkets and 735 supermarkets in 12 countries. Consolidated stores at 30 June 2009:

| Country        | Hypermarkets | Supermarkets                   | Notes |
|----------------|--------------|--------------------------------|-------|
| France         | 123          | 297                            |       |
| Spain          | 50           | 124                            |       |
| Italy          | 48           | 277                            |       |
| Portugal       | 29           |                                |       |
| Luxembourg     | 1            |                                |       |
| Poland         | 24           | 14                             |       |
| Hungary        | 12           |                                |       |
| Romania        | 6            |                                |       |
| Ukraine        | 2            |                                | (1)   |
| Russia         | 33           | 23                             |       |
| Mainland China | 136          | 32 Auchan and 104 RT Mart      |       |
| Taiwan         | 15           | + 5 under management contracts |       |

In the first half of 2009, the Hypermarket activities generated revenue amounting to €14.9 billion, up by 1.4% relative to the same period in 2008, while revenue generated by the Supermarkets activities declined by 5.1% to €3.3 billion.

International activities accounted for 54% of Hypermarket revenue and 53% of Supermarket revenue.

Recurring operating income for the Hypermarket and Supermarket divisions declined by 18%<sup>2</sup> to €254 million.

## 2.2 Property management (Immochan)

At 30 June 2009, Immochan and its subsidiaries managed 293 shopping centres (malls and retail parks), of which 268 are wholly owned or leased and 25 are operated under management contracts, in 12 countries.

In the first six months of 2009, property management revenue grew by 4.7%<sup>3</sup> to €223 million, of which 80% was generated in Western Europe.

Operating income for the Immochan division dropped by 10% to €99 million.

## 2.3 Customer credit activity (Banque Accord)

At 30 June 2009, Banque Accord operated in 10 countries (France, Spain, Italy, Portugal, Poland, Hungary, Romania, Russia, Ukraine and China). Net banking income for the period increased by 8.5%.

Operating income (bank presentation) was severely affected by the increased cost of risk (particularly in Spain) and came to only €5 million compared with €26 million in the first six months of 2008. Net income - attributable to owners of the parent - from Banque Accord and its subsidiaries came to €1 million compared with €16 million for the same period the previous year.

<sup>1</sup> Excluding the Furshet supermarkets in Ukraine which are accounted for using the equity method (21% owned)

<sup>2</sup> See comment at beginning of section 2 relating to the impact of application of the LME act in France.

<sup>3</sup> +8.7 % excluding building-selling activity.

## 2.4 Other activities

Other activities generated revenue amounting to €208 million, up by 21.6%.

## 2.5 Comments on the financial statements for the first half of 2009

### Income statement

Revenue came to €18.8 billion in the first half of 2009, up by 0.4% compared with the first half of 2008. At constant scope and exchange rates<sup>1</sup>, the increase came to 0.3%.

The breakdown by activity was virtually unchanged relative to 2008. The Hypermarkets activity accounted for 79% of revenue, the Supermarkets activity for 17% and other activities accounted for 4%.

In geographic terms, France accounted for 47% of revenue, Western Europe excluding France (Spain, Italy, Portugal and Luxembourg) contributed 29% and the rest of the world (Poland, Hungary, Russia, Ukraine, Romania, China and Taiwan) accounted for 24%. In the first half of 2008, the geographic breakdown had been 50%, 29% and 21% respectively.

In absolute value, gross profit increased by 2%<sup>3</sup> while the margin rose from 22.7%<sup>3</sup> in the first half of 2008 to 23.0% in the first half of 2009.

Recurring operating expenses (payroll expenses, external expenses depreciation/amortisation and provisions, other operating income and expenses) increased by 5%<sup>3</sup>, which was higher than the increase in gross profit.

However, EBITDA, i.e. recurring operating income before other operating income and expenses and depreciation, amortisation and provisions<sup>2</sup> remained stable at €929 million.

Recurring operating income was down by 22%<sup>3</sup> to €374 million.

The net cost of financial debt increased from €94 million to €98 million, mainly as the result of an increase in average debt which was only partly offset by the fall in interest rates.

The effective tax rate came to 28.9% for the period compared with 33.7% in the first half of 2008. The 4.8 points decrease was due essentially to the tax reassessment of the Italian subsidiaries' company financial statements which generated a deferred tax asset amounting to €41 million.

Net income from continuing operations was down by 39%<sup>3</sup> to €155 million.

Net income attributable to owners of the parent came to €143 million, down by 41%<sup>3</sup>.

Cash flow from operations remained stable<sup>3</sup> at €646 million.

---

<sup>1</sup> Acquisitions of new businesses were not significant in H1 2008 and H1 2009

<sup>2</sup> Excluding provisions and impairment charges and reversals, apart from charges and reversals of impairment on inventories

<sup>3</sup> See comment at beginning of section 2 relating to the impact of application of the LME act in France

## Statement of financial position

### **Assets:**

Investments excluding business combinations (acquisitions of intangible non-current assets, property, plant and equipment and investment property) decreased by 24% to €632 million.

Inventory turnover had improved by 1.5 days at end-June 2009 compared with end June 2008.

### **Equity and liabilities:**

Total equity came to €7,263 million at 30 June 2009 compared with €7,283 million at 31 December 2008.

Equity attributable to the owners of the parent came to €7,143 million compared with €7,163 million at end-2008. The main changes were as follows (in € million):

|  |       |
|--|-------|
| o Result for the first half of 2009        | 143   |
| o Dividends distributed in respect of 2008 | (100) |
| o Foreign currency translation adjustments | (66)  |

Minority interests remained stable at €120 million.

Supplier credit decreased by 5 days compared with 30 June 2008. This decline is attributable mainly to the application of the LME act in France.

Net debt, which corresponds to financial debt net of cash and cash equivalents plus or minus derivative assets and liabilities and excluding financing of the credit activity, amounted to €4,645 million at 30 June 2009 compared with €3,991 million at 30 June 2008.

The net debt to equity ratio was 64% at 30 June 2009 compared with 58% at 30 June 2008.

### **3. POST BALANCE-SHEET DATE EVENTS**

No significant event has occurred since the balance sheet date.

### **4. RISKS AND UNCERTAINTIES**

During the usual course of its business, the Group is exposed to interest rate, foreign exchange, credit and liquidity risk as described in section 5 of the 2008 Management Report.

#### **4.1 Risk management in the first half of 2009**

The comments below relate in particular to trends in liquidity risk and risk arising on the credit activity.

#### 4.1.1 Group liquidity (including Banque Accord)

The Group continued to strengthen its long and medium-term financial resources during the first half of 2009, in particular through the following bond issues:

- €500 million maturing on 15 April 2015
- €500 million maturing on 15 April 2019

Moreover, on 7 August 2009, Groupe Auchan S.A. signed a new five-year credit facility amounting to €800 million. This facility was signed with a syndicate of 20 international banks and supplements the Group's existing undrawn credit facilities, bringing its available credit facilities to more than €3,700 million.

#### 4.1.2 Exposure to risk arising on credit activities (Banque Accord and its subsidiaries)

The severe deterioration in economic conditions has continued to drag on Banque Accord's activities in France and abroad, resulting to variable degrees in a significant rise in payment default as well as loan production difficulties. Banque Accord has taken drastic measures to limit credit risk exposure at some of its subsidiaries: tightening loan approval conditions and commitments management.

In particular, the deteriorated economic conditions resulted in another significant rise in payment default in the Spanish subsidiary. This tendency has stabilised over the past three months. The efforts made in terms of debt collection have for the moment contained at least partly this increase in risk. Loan production has been limited to in-store business, but it nonetheless continues to be severely affected by the economic situation.

### 4.2 Main risks and uncertainties for the second half of 2009

The assessment and management of risk is as described in notes 34.2 to 34.7 of the notes to the 2008 financial statements.

The Group continues to be exposed to the usual risks inherent to its business.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009**

| <b>ASSETS</b> (in €m)                          | Note | 30/06/2009    | 31/12/2008    | 30/06/2008    |
|--|------|---------------|---------------|---------------|
| Goodwill                                       | 16   | 3,597         | 3,559         | 3,577         |
| Other intangible assets                        | 17   | 72            | 77            | 60            |
| Property, plant and equipment                  | 18   | 8,321         | 8,413         | 8,216         |
| Investment property                            | 19   | 2,675         | 2,591         | 2,328         |
| Investments in associates                      | 20   | 84            | 132           | 147           |
| Customer loans - Credit activities             | 21   | 1,135         | 1,195         | 1,209         |
| Other non-current financial assets             |      | 459           | 499           | 413           |
| Derivative financial instruments (non-current) |      | 162           | 126           | 49            |
| Deferred tax assets                            |      | 173           | 148           | 90            |
| <b>Non-current assets</b>                      |      | <b>16,678</b> | <b>16,740</b> | <b>16,089</b> |
| Inventories                                    | 22   | 2,802         | 3,112         | 2,975         |
| Customer loans - Credit activities             | 21   | 1,431         | 1,623         | 1,488         |
| Trade receivables                              | 23   | 347           | 383           | 301           |
| Current tax assets                             | 24   | 213           | 38            | 194           |
| Other current receivables                      | 25   | 2,151         | 2,484         | 1,976         |
| Derivative financial instruments (current)     |      | 63            | 109           | 53            |
| Cash and cash equivalents                      | 26   | 1,064         | 2,345         | 1,473         |
| Assets classified as held for sale             |      | 0             | 0             | 0             |
| <b>Current assets</b>                          |      | <b>8,071</b>  | <b>10,094</b> | <b>8,460</b>  |
| <b>Total ASSETS</b>                            |      | <b>24,749</b> | <b>26,834</b> | <b>24,549</b> |

| <b>EQUITY and LIABILITIES</b> (in €m)                  | Note | 30/06/2009    | 31/12/2008    | 30/06/2008    |
|--|------|---------------|---------------|---------------|
| Share capital  | 27   | 632           | 632           | 629           |
| Share premiums   |      | 1,893         | 1,893         | 1,844         |
| Reserves and net income                                |      | 4,618         | 4,638         | 4,290         |
| <b>Equity attributable to owners of the parent</b>     |      | <b>7,143</b>  | <b>7,163</b>  | <b>6,763</b>  |
| Minority interests                                     | 27   | 120           | 120           | 114           |
| <b>Total equity</b>                                    |      | <b>7,263</b>  | <b>7,283</b>  | <b>6,877</b>  |
| Provisions   | 28   | 245           | 249           | 243           |
| Non-current borrowings and other financial liabilities | 29   | 3,868         | 3,655         | 3,618         |
| Debts financing the credit activities                  | 30   | 987           | 751           | 919           |
| Derivative financial instruments (non-current)         |      | 51            | 31            | 88            |
| Other non-current liabilities                          | 32   | 42            | 42            | 19            |
| Deferred tax liabilities                               |      | 515           | 567           | 579           |
| <b>Non-current liabilities</b>                         |      | <b>5,708</b>  | <b>5,295</b>  | <b>5,466</b>  |
| Provisions   | 28   | 156           | 163           | 165           |
| Current borrowings and other financial liabilities     | 29   | 1,983         | 1,701         | 1,825         |
| Debts financing the credit activities                  | 30   | 1,304         | 1,785         | 1,412         |
| Derivative financial instruments (current)             |      | 32            | 13            | 35            |
| Trade payables   | 33   | 5,574         | 7,625         | 6,239         |
| Current tax liabilities                                | 33   | 163           | 75            | 174           |
| Other current liabilities                              | 33   | 2,566         | 2,894         | 2,356         |
| Liabilities classified as held for sale                |      | 0             | 0             | 0             |
| <b>Current liabilities</b>                             |      | <b>11,778</b> | <b>14,256</b> | <b>12,206</b> |
| <b>Total EQUITY and LIABILITIES</b>                    |      | <b>24,749</b> | <b>26,834</b> | <b>24,549</b> |

The Auditors have performed a limited review of the interim financial statements.

**CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF OF 2009**

| (in €m)  | Note       | 30/06/2009    | 30/06/2008    |
|--|------------|---------------|---------------|
| <b>Revenue</b>   | <b>5-8</b> | <b>18,771</b> | <b>18,692</b> |
| Cost of sales  | 9          | (14,449)      | (14,583)      |
| <b>Gross profit</b>  |            | <b>4,322</b>  | <b>4,109</b>  |
| Payroll expenses   | 10         | (2,116)       | (2,062)       |
| External expenses  |            | (1,251)       | (1,193)       |
| Depreciation, amortisation and provisions  | 11         | (588)         | (501)         |
| Other recurring operating income and expenses  |            | 7             | 26            |
| <b>Recurring operating income</b>  |            | <b>374</b>    | <b>379</b>    |
| Other operating income and expenses  |            | 0             | 0             |
| <b>Operating income</b>  |            | <b>374</b>    | <b>379</b>    |
| <i>Income from cash and cash equivalents</i>   |            | 20            | 28            |
| <i>Gross cost of financial debt</i>  |            | (118)         | (122)         |
| Net cost of financial debt   | 13         | (98)          | (94)          |
| Other financial income and expenses  | 14         | 8             | (1)           |
| <b>Income before taxes</b>   |            | <b>284</b>    | <b>284</b>    |
| Income taxes   | 15         | (82)          | (96)          |
| Share in earnings of associates  | 12         | (47)          | (3)           |
| <b>Net income from continuing operations</b>   |            | <b>155</b>    | <b>185</b>    |
| Net income from discontinued operations and operations in the process of being sold              |            | 0             | 0             |
| <b>Net income</b>  |            | <b>155</b>    | <b>185</b>    |
| of which attributable to minority interests  |            | 12            | 11            |
| of which attributable to owners of the parent  |            | 143           | 174           |
| <b>Earnings per share from continuing operations attributable to owners of the parent (in €)</b> |            |               |               |
| - basic  | 6          | 4.54          | 5.54          |
| - diluted  | 6          | 4.53          | 5.54          |

The Auditors have performed a limited review of the interim financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (en €m)  | 30/06/2009   |            |             | 30/06/2008   |            |            |
|--|--------------|------------|-------------|--------------|------------|------------|
|  | Gross amount | Income tax | Net amount  | Gross amount | Income tax | Net amount |
| <b>Net income for the period</b>   |              |            | <b>155</b>  |              |            | <b>185</b> |
| Foreign currency translation differences   | (67)         | 0          | (67)        | 29           | 0          | 29         |
| Change in fair value   |              |            |             |              |            |            |
| - Available-for-sale financial assets  | 0            | 0          | 0           | 3            | 0          | 3          |
| - Net asset hedge  | 3            | (1)        | 2           | 0            | 0          | 0          |
| - Cash flow hedge  | (23)         | 5          | (18)        | 7            | (1)        | 6          |
| Actuarial gains and losses for defined benefit plans                               | 0            | 0          | 0           | 0            | 0          | 0          |
| Impact on deferred taxes linked to the revaluation of the Italian subsidiaries (1) | 0            | 20         | 20          | 0            | 0          | 0          |
| <b>Components of other comprehensive income</b>                                    | <b>(87)</b>  | <b>24</b>  | <b>(63)</b> | <b>39</b>    | <b>(1)</b> | <b>38</b>  |
| <b>Total comprehensive income for the period</b>                                   |              |            | <b>92</b>   |              |            | <b>223</b> |
| Attributable to :  |              |            |             |              |            |            |
| Owners of the parent   |              |            | 81          |              |            | 212        |
| Minority interests   |              |            | 11          |              |            | 11         |

<sup>(1)</sup> See note 15.2

The Auditors have performed a limited review of the interim financial statements.

## CONSOLIDATED STATEMENT OF NET CASH FLOWS

| (in €m)  | Notes | 30/06/2009     | 30/06/2008     |
|--|-------|----------------|----------------|
| <b>Consolidated net income (including minority interests)</b>  |       | <b>155</b>     | <b>185</b>     |
| Share in earnings of associates  |       | 47             | 3              |
| Dividends received (non-consolidated investments)  |       | 0              | 0              |
| Net cost of financial debt   |       | 98             | 94             |
| Current and deferred taxes   |       | 82             | 96             |
| Net increase/decrease in depreciation, amortisation and provisions (other than on current assets)                  |       | 502            | 445            |
| Income and expenses on share-based payment plans   |       | 3              | 0              |
| Other non-cash or non-operating items  |       | 0              | 0              |
| Capital gains/losses net of tax and negative goodwill  |       | (5)            | (24)           |
| <b>Cash flows from operations before net cost of financial debt and tax</b>  |       | <b>882</b>     | <b>799</b>     |
| Income taxes paid  |       | (138)          | (117)          |
| Interest paid  |       | (133)          | (114)          |
| Other financial items  |       | 35             | 20             |
| <b>Cash flows from operations after net cost of financial debt and tax</b>   |       | <b>646</b>     | <b>588</b>     |
| Changes in working capital   | 35    | (1,409)        | (1,110)        |
| Changes in items relating to credit activities   | 35    | 6              | (3)            |
| <b>Net cash flows from operating activities</b>  |       | <b>(757)</b>   | <b>(525)</b>   |
| Acquisition of property, plant and equipment, intangible assets and investment property                            |       | (840)          | (999)          |
| Proceeds from sale of property, plant and equipment, intangible assets and investment property                     |       | 20             | 54             |
| Acquisition of shares in non-consolidated companies including associates accounted for by the equity method        |       | (8)            | (37)           |
| Proceeds from sale of shares in non-consolidated companies including associates accounted for by the equity method |       | 17             | 30             |
| Acquisition of subsidiaries net of cash acquired <sup>(1)</sup>  |       | (18)           | (208)          |
| Sales of subsidiaries net of cash disposed of <sup>(1)</sup>   |       | 0              | 12             |
| Dividends received (non-consolidated companies)  |       | 0              | 0              |
| Changes in loans and advances granted  | 35    | (141)          | 7              |
| <b>Net cash flows used in investment activities</b>  |       | <b>(970)</b>   | <b>(1,141)</b> |
| Sums received from shareholders on capital increases   |       | 0              | 0              |
| Purchases and sales of treasury shares   |       | (1)            | (24)           |
| Dividends paid during the financial year   | 35    | (105)          | (185)          |
| Debt proceeds  | 35    | 582            | 1,014          |
| <b>Net cash flows used in financing activities</b>   |       | <b>476</b>     | <b>805</b>     |
| Effect of changes in foreign exchange rates <sup>(2)</sup>   |       | 19             | (36)           |
| <b>Change in net cash</b>  |       | <b>(1,232)</b> | <b>(897)</b>   |
| Net cash at beginning of period  | 26    | 1,960          | 1,854          |
| Net cash at end of period  | 26    | 728            | 957            |
| <b>Change in net cash</b>  |       | <b>(1,232)</b> | <b>897</b>     |

<sup>(1)</sup> Including change in put options granted to minority shareholders.

<sup>(2)</sup> Including, in 2008, the effect of the appreciation of the Polish zloty and Hungarian forint.

<sup>(3)</sup> Including, in 2009, the effect of the depreciation of Polish zloty, Hungarian forint and Russian rouble.

The Auditors have performed a limited review of the interim financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (before appropriation of net income)**

| (in €m)   | Share capital | Share premiums <sup>(1)</sup> | Treasury shares | Foreign currency translation differences, change in fair value of financial instruments, actuarial gains and losses <sup>(2)</sup> | Consolidated reserves and net income | Total equity                    |                               |              |
|---|---------------|-------------------------------|-----------------|--|--------------------------------------|---------------------------------|-------------------------------|--------------|
|   |               |                               |                 |  |                                      | Attrib. to owners of the parent | Attrib. to minority interests | Total        |
| <b>Balance at 01.01.2008</b>                    | <b>629</b>    | <b>1,844</b>                  | <b>(10)</b>     | <b>61</b>  | <b>4,237</b>                         | <b>6,761</b>                    | <b>137</b>                    | <b>6,898</b> |
| <i>Net income for the period</i>                |               |                               |                 |  | 174                                  | 174                             | 11                            | 185          |
| <i>Components of other comprehensive income</i> |               |                               |                 | 38   |                                      | 38                              | -                             | 38           |
| Total comprehensive income                      |               |                               |                 | 38   | 174                                  | 212                             | 11                            | 223          |
| Capital increases                               |               |                               |                 |  |                                      | 0                               | -                             | 0            |
| Treasury shares <sup>(2)</sup>                  |               |                               | (24)            |  |                                      | (24)                            | -                             | (24)         |
| Dividends                                       |               |                               |                 |  | (180)                                | (180)                           | (5)                           | (185)        |
| Changes in consolidation scope                  |               |                               |                 |  | (6)                                  | (6)                             | (29)                          | (35)         |
| <b>Balance at 30.06.2008</b>                    | <b>629</b>    | <b>1,844</b>                  | <b>(34)</b>     | <b>99</b>  | <b>4,225</b>                         | <b>6,763</b>                    | <b>114</b>                    | <b>6,877</b> |
| <b>Balance at 31.12.2008</b>                    | <b>632</b>    | <b>1,893</b>                  | <b>(30)</b>     | <b>(113)</b>   | <b>4,781</b>                         | <b>7,163</b>                    | <b>120</b>                    | <b>7,283</b> |
| <i>Net income for the period</i>                |               |                               |                 |  | 143                                  | 143                             | 12                            | 155          |
| <i>Components of other comprehensive income</i> |               |                               |                 | (82)   | 20 <sup>(3)</sup>                    | (62)                            | (1)                           | (63)         |
| Total comprehensive income                      |               |                               |                 | (82)   | 163                                  | 81                              | 11                            | 92           |
| Capital increases                               |               |                               |                 |  |                                      | 0                               |                               | 0            |
| Treasury shares <sup>(2)</sup>                  |               |                               | (1)             |  |                                      | (1)                             |                               | (1)          |
| Dividends                                       |               |                               |                 |  | (100)                                | (100)                           | (5)                           | (105)        |
| Changes in consolidation scope                  |               |                               |                 |  |                                      | 0                               | (6)                           | (6)          |
| <b>Balance at 30.06.2009</b>                    | <b>632</b>    | <b>1,893</b>                  | <b>(31)</b>     | <b>(195)</b>   | <b>4,844</b>                         | <b>7,143</b>                    | <b>120</b>                    | <b>7,263</b> |

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

<sup>(2)</sup> See note 27.4.

<sup>(3)</sup> See note 15.2.

The Auditors have performed a limited review of the interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2009**

**(In € million)**

The Auditors have performed a limited review of the interim financial statements.

## CONTENTS

|         |   |    |
|---------|---|----|
| NOTE 1  | GENERAL DESCRIPTION OF THE GROUP                                      | 15 |
| NOTE 2  | SIGNIFICANT EVENTS AND MAIN CHANGES IN THE CONSOLIDATION SCOPE        | 15 |
| NOTE 3  | ACCOUNTING RULES AND METHODS  | 15 |
| NOTE 4  | DETAILS SPECIFIC TO THE PREPARATION OF INTERIM FINANCIAL STATEMENTS   | 18 |
| NOTE 5  | OPERATIONAL SEGMENTS  | 19 |
| NOTE 6  | EARNINGS PER SHARE  | 22 |
| NOTE 7  | MAIN EQUITY INTERESTS ACQUIRED IN THE FIRST HALF OF 2009              | 23 |
| NOTE 8  | REVENUE   | 24 |
| NOTE 9  | COST OF SALES   | 24 |
| NOTE 10 | PAYROLL EXPENSES  | 24 |
| NOTE 11 | DEPRECIATION, AMORTISATION AND PROVISIONS                             | 25 |
| NOTE 12 | IMPAIRMENT  | 25 |
| NOTE 13 | NET COST OF FINANCIAL DEBT  | 26 |
| NOTE 14 | OTHER FINANCIAL INCOME AND EXPENSES                                   | 26 |
| NOTE 15 | INCOME TAXES  | 26 |
| NOTE 16 | GOODWILL  | 27 |
| NOTE 17 | OTHER INTANGIBLE ASSETS   | 27 |
| NOTE 18 | PROPERTY, PLANT AND EQUIPMENT   | 27 |
| NOTE 19 | INVESTMENT PROPERTY   | 27 |
| NOTE 20 | INVESTMENTS IN ASSOCIATES   | 27 |
| NOTE 21 | CUSTOMER LOANS - CREDIT ACTIVITIES                                    | 28 |
| NOTE 22 | INVENTORIES   | 29 |
| NOTE 23 | TRADE RECEIVABLES   | 29 |
| NOTE 24 | CURRENT TAX ASSETS  | 29 |
| NOTE 25 | OTHER CURRENT RECEIVABLES   | 30 |
| NOTE 26 | CASH AND CASH EQUIVALENTS   | 30 |
| NOTE 27 | TOTAL EQUITY  | 30 |
| NOTE 28 | PROVISIONS  | 31 |
| NOTE 29 | BORROWINGS AND OTHER FINANCIAL LIABILITIES                            | 32 |
| NOTE 30 | DEBTS FINANCING THE CREDIT ACTIVITIES                                 | 33 |
| NOTE 31 | NET FINANCIAL DEBT  | 34 |
| NOTE 32 | OTHER NON-CURRENT LIABILITIES   | 34 |
| NOTE 33 | TRADE PAYABLES, CURRENT TAX LIABILITIES AND OTHER CURRENT LIABILITIES | 34 |
| NOTE 34 | TRANSACTIONS WITH RELATED PARTIES                                     | 35 |
| NOTE 35 | DETAILS OF CERTAIN ITEMS OF THE STATEMENT OF CASH FLOWS               | 35 |
| NOTE 36 | POST BALANCE SHEET EVENTS   | 36 |
| NOTE 37 | CONTINGENT LIABILITIES  | 36 |
| NOTE 38 | COMMITMENTS   | 36 |

The Auditors have performed a limited review of the interim financial statements.

**NOTE 1 GENERAL DESCRIPTION OF THE GROUP**

Groupe Auchan S.A. is a French limited company (société anonyme) and the holding company for the Auchan group.

The Auchan group (hereinafter the “Group” or “Auchan”) is a food and other consumer goods retailer.

At 30 June 2009, the Group operated

- 479 directly-owned hypermarkets (fully consolidated or consolidated using the proportionate method) and five hypermarkets under management contracts, and
- 735 supermarkets<sup>1</sup>,

in 12 countries (France, Spain, Italy, Portugal, Luxembourg, Poland, Hungary, Ukraine, Roumania, Russia, Mainland China, and Taiwan).

The Group also manages 293 shopping centres with shopping malls and retail parks. Auchan has for many years also had its own banking subsidiary Banque Accord, which focuses on retail customers.

**NOTE 2 SIGNIFICANT EVENTS AND MAIN CHANGES IN THE CONSOLIDATION SCOPE**

In the first six months of 2009, the Hypermarket network increased by 11 units and the Supermarket network by nine.

- Growth at the hypermarkets division continued with the acquisition of two *les Halles d’Auchan* stores in France (including one acquired from Atac) and nine store openings: three in Portugal, one in Italy, one in Hungary and four in Mainland China (one Auchan and three RT Mart).
- The supermarkets network increased by four stores in Western Europe and five in Central and Eastern Europe.

At the beginning of 2009, the Romanian competition authority authorised the 100% take-over of MGV Distri-Hyper. This company, which operates six Auchan hypermarkets and was previously consolidated using the equity method, has therefore been fully consolidated as from 1 January 2009.

The application of the economic modernisation act (*Loi de Modernisation de l’Economie - LME*) in France has resulted in the bulk of back margins being transferred to the direct margin (recognition of rebates received from suppliers), which skews the comparability of first-half performances. This change in accounting method smoothes the recognition of merchandising fees and supplier rebates over the full year, resulting in the recognition of a more substantial part of these rebates for the period ended 30 June 2009 than in the same period the previous year. This change has no impact on the annual figures, it merely changes the way they are spread over the year.

**NOTE 3 ACCOUNTING RULES AND METHODS**

The Board of Directors approved the condensed consolidated financial statements on 26 August 2009.

**3.1 Statement of compliance**

In application of European regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of Groupe Auchan S.A. for the year ended 31 December 2008 have been prepared in accordance with IAS (International Accounting Standards)/IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board), and the IFRIC (International Financial Reporting Interpretations Committee) interpretations as adopted by the European Union at 31 December 2008 and mandatorily applicable at that date.

<sup>1</sup> Excluding the Ukrainian Furshet supermarkets, which are 21% owned and consolidated using the equity method

The half-year condensed consolidated financial statements have been prepared in accordance with IAS 34 - *Interim financial reporting*, which allows the presentation of a selection of explanatory notes. The notes to the financial statements do not therefore include all the disclosures required for the complete annual financial statements, and should be read jointly with the Group financial statements for the year ended 31 December 2008.

### **3.2 Use of estimates**

The preparation of consolidated interim financial statements requires the use of estimates and assumptions by Group management that can affect the carrying amount of certain assets and liabilities and of income and expenses as well as the information disclosed in the notes to the financial statements. The actual values may differ from the estimated amounts.

For the preparation of the condensed interim consolidated financial statements, the main estimates used by management for the application of the Group accounting methods and the main sources of uncertainty relating to these estimates are identical to those described in the consolidated financial statements for the financial year ended 31 December 2008.

The condensed consolidated interim financial statements were prepared taking into account the prevailing economic and financial crisis and based on financial market data available on the balance sheet date. The immediate effects of the crisis were taken into account, notably with regard to the valuation of assets such as customer loans. With regard to longer-term assets, such as intangible assets (goodwill), it was assumed that the crisis would be of limited duration. The value of these assets is determined each year based on the long-term economic outlook and based on management's best estimate of future cash flows in conditions of reduced visibility.

### **3.3 Adopted IFRS**

The accounting methods applied for the preparation of the condensed consolidated interim financial statements are identical to those used to prepare the consolidated financial statements for the year ended 31 December 2008, except for the provisions specific to interim financial statements and the standards, amendments thereto and interpretations applicable as from 1 January 2009 and which constitute changes in accounting methods.

The standards applicable as from 1 January 2009 and which have an impact on the Group's consolidated financial statements are as follows:

- Amendment to IAS 1 – *Presentation of financial statements*,
- IFRS 8 – *Operating Segments*.

Application of IAS 1 as revised has an impact on the presentation of the financial statements for all the periods presented. In the context of this revision, the Group chose the following options:

- change the title of the balance sheet to "*Consolidated statement of financial position*",
- supplement the income statement with a "*Consolidated Statement of Comprehensive Income*" which aggregates the profit or loss for the year with the other gains and losses recognised directly in equity. These elements were previously presented in a "*Consolidated Statement of Recognised Income and Expense*".

IFRS 8 has replaced IAS 14 – *Segment Reporting*.

As from 1 January 2009, the Group identifies and presents operating segments based on the information reported to the Management Board, which is the Group's main decision-making body at operating level.

Comparative segment data has been restated in compliance with IFRS 8 application conditions. This change of accounting method affects solely the presentation and content of the information to be provided in the notes and has no impact on the results.

The segments presented are operating segments or groups of similar operating segments. An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).

Application of IFRS 8 has resulted in the creation of a new segment "Other activities" comprising Alinéa, Chronodrive and Little Extra which were previously included in the Hypermarkets division. There have been no changes to the other segments (Supermarkets, Property Management and Banking).

The operating results are reviewed regularly by the Management Board in order to decide on the allocation of resources to each segment and assess its performance. Separate financial data is available for the segment.

The segment results reported to the Management Board comprise those elements directly attributable to the segment and those that can be reasonably attributed to it. The presentation criteria are described in Note 5.

The other new standards, amendments to existing standards and interpretations adopted by the European Union and applicable as from 1 January 2009 either do not apply to the Group or have no material impact on the Group's consolidated financial statements. These include:

- IFRIC 13 – *Customer Loyalty Programmes* which clarifies the valuation method and accounting treatment applicable to benefits granted to customers under customer loyalty programmes.
- Amendment to IAS 23 - *Borrowing costs*,
- Amendment to IAS 1/IAS 32 – *Puttable instruments and obligations arising on liquidation*,
- Amendment to IFRS 2 – *Share-Based Payments – Vesting Conditions and Cancellations*,
- IFRIC 11 – *IFRS 2 – Group and Treasury Share Transactions*, applicable in 2009 as adopted by the European Union,
- IFRIC 14 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, applicable in 2009 as adopted by the European Union,
- IFRIC 15 – *Agreements for the Construction of Real Estate* (not adopted by the European Union),
- IFRIC 16 – *Hedges of a Net Investment in a Foreign Operation*,
- the IFRS amendments published in May 2008 as part of the IASB annual improvements process (in particular the amendments to IAS 38 and IAS 40)
- the amendment to IFRS 7 – *Improving Disclosures about Financial Instruments* (not adopted by the European Union). The impact on the information to be disclosed in the annual financial statements is being examined.

The condensed consolidated interim financial statements do not take into account the standards, amendments to existing standards and interpretations adopted by the European Union whose application could have been anticipated on 1 January 2009. At the date of preparation of the condensed consolidated interim financial statements, the Group had not taken any decision regarding their application to the 2009 annual financial statements.

The possible impact of these standards is being analysed.

## **NOTE 4 DETAILS SPECIFIC TO THE PREPARATION OF INTERIM FINANCIAL STATEMENTS**

### **4.1 Employee benefits**

Barring a specific even during the period, no actuarial assessment is performed for the preparation of the condensed consolidated interim financial statements.

### **4.2 Seasonal business**

On an overall basis, seasonal variations are low in terms of revenue (the first half of 2008 represented 47% of the total for the full year) but more pronounced in terms of earnings with the first half representing 29% of the full-year total for recurring operating income, 25% for net income from continuing operations and 38% for cash flow for operations.

However, the seasonal factor is likely to be very different in 2009 due to the impact of application of the LME act in France (see last paragraph of Note 2 and comments on the income statement in the management report). Adjusting the 2008 figures to take into account the effect of the LME act, the first half would have represented 37% in terms of recurring operating income, 34% in terms of net income from continuing operations and 41% in terms of cash flow for operations.

The statement of the financial position is also strongly affected by seasonal factors. In 2008, net debt amounted to €3,991 million at 30 June but had been reduced to €2,820 million by 31 December. Working capital increased from €2,490 million at 30 June to €3,577 million at 31 December 2008.

**NOTE 5 OPERATING SEGMENTS**

In application of IFRS 8 "Operating segments", the operating segments are determined based on the information provided to management for assessing the Group's activities and performances and those of the various sectors it comprises. The principles applied to determine operating segments are described in Note 3.3.

The information provided on operating segments is prepared in accordance with the same accounting rules and methods as those used in the consolidated financial statements described in the notes to the annual financial statements.

Measurement of the performance of each operating segment, used by the main operating decision-making body, is based on recurring operating income .

Segment assets comprise goodwill, other intangible assets, property, plant and equipment, investment property, investments in associates, customer loans, inventories, trade receivables and other current receivables.

Segment liabilities comprise provisions, debts financing the credit activity, trade payables and other current liabilities.

Segment investments correspond to the acquisition of property, plant and equipment and intangible assets, including goodwill and operating leases but excluding cash timing differences.

**5.1 Segment information by business activity**

| Segment revenue and income as at 30 June (in €m)                                    | Hypermarkets  |               | Supermarkets |              | Property management |            | Banking    |            | Other activities |            | Holding and eliminations |              | Total Group   |               |
|---|---------------|---------------|--------------|--------------|---------------------|------------|------------|------------|------------------|------------|--------------------------|--------------|---------------|---------------|
|   | 2009          | 2008          | 2009         | 2008         | 2009                | 2008       | 2009       | 2008       | 2009             | 2008       | 2009                     | 2008         | 2009          | 2008          |
| External revenue  | 14,868        | 14,662        | 3,252        | 3,426        | 223                 | 213        | 220        | 220        | 208              | 171        |                          |              | 18,771        | 18,692        |
| Inter-segment revenue   | 276           | 355           | 50           | 48           | 7                   | 6          | 11         | 11         |                  |            | (344)                    | (420)        | 0             | 0             |
| <b>Revenue</b>  | <b>15,144</b> | <b>15,017</b> | <b>3,302</b> | <b>3,474</b> | <b>230</b>          | <b>219</b> | <b>231</b> | <b>231</b> | <b>208</b>       | <b>171</b> | <b>(344)</b>             | <b>(420)</b> | <b>18,771</b> | <b>18,692</b> |
| Recurring operating income  | (1)           | (1)           | (1)          | (1)          | 99                  | 110        | 5          | 26         | (1)              | 4          | 17                       | 33           | 374           | 379           |
| Other operating income and expenses   |               |               |              |              |                     |            |            |            |                  |            |                          |              | 0             | 0             |
| Operating income  |               |               |              |              |                     |            |            |            |                  |            |                          |              | 374           | 379           |
| Net financial expenses  |               |               |              |              |                     |            |            |            |                  |            |                          |              | (90)          | (95)          |
| Income taxes  |               |               |              |              |                     |            |            |            |                  |            |                          |              | (82)          | (96)          |
| Share in earnings of associates   |               |               |              |              |                     |            |            |            |                  |            |                          |              | (47)          | (3)           |
| Net income from continuing operations   |               |               |              |              |                     |            |            |            |                  |            |                          |              | 155           | 185           |
| Net income from discontinued operations and operations in the process of being sold |               |               |              |              |                     |            |            |            |                  |            |                          |              | 0             | 0             |
| <b>Net income</b>   |               |               |              |              |                     |            |            |            |                  |            |                          |              | <b>155</b>    | <b>185</b>    |
| Segment assets  | 13,031        | 12,947        | 3,756        | 3,689        | 2,974               | 2,820      | 2,461      | 2,554      | 306              | 258        | 87                       | 9            | 22,615        | 22,277        |
| Segment liabilities   | 6,491         | 6,938         | 1,583        | 1,682        | 326                 | 315        | 1,784      | 2,072      | 55               | 59         | 593                      | 268          | 10,832        | 11,334        |

<sup>(1)</sup> Recurring operating income from the Hypermarket and Supermarket segments:

30 June 2009: €254 million

30 June 2008: €206 million

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR OF 2009**

| Segment revenue and income as at 31 December 2008 (in €m)                           | Hypermarkets  | Supermarkets | Property management | Banking    | Other activities | Holding and eliminations | Total Group   |       |
|---|---------------|--------------|---------------------|------------|------------------|--------------------------|---------------|-------|
| External revenue  | 31,376        | 6,865        | 432                 | 427        | 384              | 0                        | 39,484        |       |
| Inter-segment revenue   | 687           | 101          | 12                  | 22         | 0                | (822)                    | 0             |       |
| <b>Revenue</b>  | <b>32,063</b> | <b>6,966</b> | <b>444</b>          | <b>449</b> | <b>384</b>       | <b>(822)</b>             | <b>39,484</b> |       |
| Recurring operating income  | (1)           | (1)          | (1)                 | 212        | 29               | 18                       | 43            | 1,317 |
| Other operating income and expenses   |               |              |                     |            |                  |                          | 0             |       |
| Operating income  |               |              |                     |            |                  |                          | 1,317         |       |
| Net financial expenses  |               |              |                     |            |                  |                          | (214)         |       |
| Income taxes  |               |              |                     |            |                  |                          | (349)         |       |
| Share in earnings of associates   |               |              |                     |            |                  |                          | (10)          |       |
| Net income from continuing operations   |               |              |                     |            |                  |                          | 744           |       |
| Net income from discontinued operations and operations in the process of being sold |               |              |                     |            |                  |                          | 0             |       |
| <b>Net income</b>   |               |              |                     |            |                  |                          | <b>744</b>    |       |
| Segment assets  | 13,841        | 3,831        | 2,922               | 2,668      | 291              | 16                       | 23,569        |       |
| Segment liabilities   | 8,709         | 1,818        | 352                 | 2,141      | 81               | 366                      | 13,467        |       |

<sup>(1)</sup> Recurring operating income from the Hypermarket and Supermarket segments: €1,015 million.

| Other information as at 31 December 2008 (in €m)               | Hypermarkets | Supermarkets | Property management | Banking | Other activities | Holding | Total Group |
|--|--------------|--------------|---------------------|---------|------------------|---------|-------------|
| Investments  | 1,332        | 352          | 385                 | 4       | 53               | 0       | 2,126       |
| Depreciation and amortisation allowance                        | 603          | 173          | 133                 | 4       | 16               | 0       | 929         |
| Impairment, net of reversals <sup>(1)</sup>                    | 4            | 0            | (1)                 | 0       | 0                | 0       | 3           |
| Other non-cash operating income and expenses <sup>(1)(2)</sup> | (28)         | (10)         | (7)                 | (64)    | 0                | (4)     | (113)       |

<sup>(1)</sup> ( ) = charges

<sup>(2)</sup> Significant expenses: allowance to/reversals of provisions and other than impairment on intangible assets, PP&E and investment property (mainly relating to impairment of current assets, customer loans and provisions for risk and contingent liabilities).

## 5.2 Reconciliation of segment assets and liabilities

Total segment assets are reconciled to total Group assets as follows:

| (in €m)  | 30/06/2009    | 30/06/2008    | 31/12/2008    |
|--|---------------|---------------|---------------|
| Goodwill   | 3,597         | 3,577         | 3,559         |
| Other intangible assets                          | 72            | 60            | 77            |
| Property, plant and equipment                    | 8,321         | 8,216         | 8,413         |
| Investment property                              | 2,675         | 2,328         | 2,591         |
| Investments in associates                        | 84            | 147           | 132           |
| Customer loans - Credit activities - non-current | 1,135         | 1,209         | 1,195         |
| Inventories                                      | 2,802         | 2,975         | 3,112         |
| Customer loans - Credit activities - current     | 1,431         | 1,488         | 1,623         |
| Trade receivables                                | 347           | 301           | 383           |
| Other current receivables                        | 2,151         | 1,976         | 2,484         |
| <b>Segment assets</b>                            | <b>22,615</b> | <b>22,277</b> | <b>23,569</b> |
| Other non-current financial assets               | 459           | 413           | 499           |
| Derivative financial instruments (non-current)   | 162           | 49            | 126           |
| Deferred tax assets                              | 173           | 90            | 148           |
| Current tax assets                               | 213           | 194           | 38            |
| Derivative financial instruments (current)       | 63            | 53            | 109           |
| Cash and cash equivalents                        | 1,064         | 1,473         | 2,345         |
| <b>Total assets</b>                              | <b>24,749</b> | <b>24,549</b> | <b>26,834</b> |

Total segment liabilities are reconciled to total Group liabilities as follows:

| (in €m)  | 30/06/2009    | 30/06/2008    | 31/12/2008    |
|--|---------------|---------------|---------------|
| Non-current provisions                                 | 245           | 243           | 249           |
| Debts financing the non-current credit activity        | 987           | 919           | 751           |
| Current provisions                                     | 156           | 165           | 163           |
| Debts financing the current credit activity            | 1,304         | 1,412         | 1,785         |
| Trade payables   | 5,574         | 6,239         | 7,625         |
| Other current liabilities                              | 2,566         | 2,356         | 2,894         |
| <b>Segment liabilities</b>                             | <b>10,832</b> | <b>11,334</b> | <b>13,467</b> |
| Total equity   | 7,263         | 6,877         | 7,283         |
| Non-current borrowings and other financial liabilities | 3,868         | 3,618         | 3,655         |
| Derivative financial instruments (non-current)         | 51            | 88            | 31            |
| Other non-current liabilities                          | 42            | 19            | 42            |
| Deferred tax liabilities                               | 515           | 579           | 567           |
| Current borrowings and other financial liabilities     | 1,983         | 1,825         | 1,701         |
| Derivative financial instruments (current)             | 32            | 35            | 13            |
| Current tax liabilities                                | 163           | 174           | 75            |
| <b>Total shareholders' equity and liabilities</b>      | <b>24,749</b> | <b>24,549</b> | <b>26,834</b> |

**NOTE 6 EARNINGS PER SHARE**

**6.1 Calculation of the weighted average number of shares**

|   | <b>30/06/2009</b> | <b>30/06/2008</b> |
|---|-------------------|-------------------|
| Number of outstanding shares at 1 January   | 31,597,138        | 31,445,258        |
| Number of treasury shares at 1 January  | (86,278)          | (33,611)          |
| Weighted average number of share subscription options exercised   | 0                 | 0                 |
| Weighted average number of other capital increases  | 0                 | 0                 |
| Weighted average number of treasury shares acquired   | (1,985)           | (11,985)          |
| Weighted average number of treasury shares sold or cancelled  | 0                 | 0                 |
| Weighted average number of capital reductions (by cancellation of treasury shares)  | 0                 | 0                 |
| <b>Weighted average number of outstanding shares (excluding treasury shares) used for the calculation of basic earnings per share</b>   | <b>31,508,875</b> | <b>31,399,662</b> |
| Potentially dilutive shares to be created (share purchase or subscription options, allocation of bonus shares)                          | 32,272            | 19,367            |
| <b>Weighted average number of outstanding shares (excluding treasury shares) used for the calculation of diluted earnings per share</b> | <b>31,541,147</b> | <b>31,419,029</b> |

**6.2 Calculation of earnings per share**

| <b>Basic earnings per share</b>   | <b>30/06/2009</b> | <b>30/06/2008</b> |
|---|-------------------|-------------------|
| Weighted average number of outstanding shares:  | 31,508,875        | 31,399,662        |
| Net income attributable to owners of the parent (in €m)   | 143               | 174               |
| <i>Per share (in €)</i>   | <i>4,54</i>       | <i>5,54</i>       |
| Net income from discontinued operations attributable to owners of the parent (in €m)  | 0                 | 0                 |
| <i>Per share (in €)</i>   | <i>0,00</i>       | <i>0,00</i>       |
| Net income from continuing operations attributable to owners of the parent (in €m)  | 143               | 174               |
| <i>Per share (in €)</i>   | <i>4,54</i>       | <i>5,54</i>       |
| Net income from continuing operations attributable to owners of the parent, excluding other operating income and expenses (in €m) | 143               | 174               |
| <i>Per share (in €)</i>   | <i>4,54</i>       | <i>5,54</i>       |

| <b>Diluted earnings per share</b>   | <b>30/06/2009</b> | <b>30/06/2008</b> |
|---|-------------------|-------------------|
| Weighted average number of diluted shares:  | 31,541,147        | 31,419,029        |
| Net income attributable to owners of the parent (in €m)   | 143               | 174               |
| <i>Per share (in €)</i>   | <i>4,53</i>       | <i>5,54</i>       |
| Net income from discontinued operations attributable to owners of the parent (in €m)  | 0                 | 0                 |
| <i>Per share (in €)</i>   | <i>0,00</i>       | <i>0,00</i>       |
| Net income from continuing operations attributable to owners of the parent (in €m)  | 143               | 174               |
| <i>Per share (in €)</i>   | <i>4,53</i>       | <i>5,54</i>       |
| Net income from continuing operations attributable to owners of the parent, excluding other operating income and expenses (in €m) | 143               | 174               |
| <i>Per share (in €)</i>   | <i>4,53</i>       | <i>5,54</i>       |

**NOTE 7 MAIN EQUITY INTERESTS ACQUIRED IN THE FIRST HALF OF 2009**

The main equity interest acquired in the first half of 2009 was the acquisition on 16 March 2009 of 51% of the capital of MGV Distri-Hyper in Romania, bringing the Group's holding in this company from 49% to 100%. This company, which had been consolidated using the equity method up to 31 December 2008, has been fully consolidated since 1 January 2009. The provisional goodwill generated by this acquisition amounts to €29 million.

The other equity interests acquired by the Group in consolidated subsidiaries have no material impact on the consolidated financial statements.

**NOTE 8 REVENUE**

| (in €m)        | 30/06/2009    | 30/06/2008    |
|----------------|---------------|---------------|
| Sales          | 18,692        | 18,621        |
| Other revenue  | 79            | 71            |
| <b>Revenue</b> | <b>18,771</b> | <b>18,692</b> |

**NOTE 9 COST OF SALES**

| (in €m)  | 30/06/2009    | 30/06/2008    |
|--|---------------|---------------|
| Purchases net of discounts, merchandising services and ancillary and logistics costs | 14,140        | 14,589        |
| Change in inventories (net of depreciation)  | 309           | (6)           |
| <b>Cost of sales</b>   | <b>14,449</b> | <b>14,583</b> |

**Internal logistics costs**

The analysis of internal logistics costs included in the cost of sales, by type of expenses, is as follows:

| (in €m)                                   | 30/06/2009 | 30/06/2008 |
|---|------------|------------|
| Payroll expenses                          | 91         | 89         |
| External expenses                         | 146        | 137        |
| Depreciation, amortisation and provisions | 12         | 15         |
| <b>Internal logistics costs</b>           | <b>249</b> | <b>241</b> |

**NOTE 10 PAYROLL EXPENSES**

| (in €m)  | 30/06/2009   | 30/06/2008   |
|--|--------------|--------------|
| External labour                                    | 151          | 142          |
| Wages and salaries including social security costs | 1,957        | 1,912        |
| Employee incentives and profit-sharing             | 97           | 91           |
| Employee benefits and share-based payments         | 2            | 6            |
| <b>Total</b>                                       | <b>2,207</b> | <b>2,151</b> |
| Payroll expenses transferred to logistics costs    | (91)         | (89)         |
| <b>Net amount in income statement</b>              | <b>2,116</b> | <b>2,062</b> |

**NOTE 11 DEPRECIATION, AMORTISATION AND PROVISIONS**

| (in €m)   | 30/06/2009 | 30/06/2008 |
|---|------------|------------|
| Depreciation and amortisation allowance, net of reversals                                     | 510        | 465        |
| Allowance for provisions and impairment, net of reversals of unused provisions <sup>(1)</sup> | 90         | 51         |
| <b>Total</b>  | <b>600</b> | <b>516</b> |
| Depreciation, amortisation and provision expenses transferred to logistics costs              | (12)       | (15)       |
| <b>Net amount in income statement</b>   | <b>588</b> | <b>501</b> |

<sup>(1)</sup> Of which €57 million (€26 million in 2008) of impairment losses on credit transactions.

**NOTE 12 IMPAIRMENT**

Impairment losses on non-current assets, net of reversals, came to €6 million in the first half of 2009. This increase is due to the impairment charge of €7 million recognised on a shopping mall in Portugal.

Also, following the difficulties encountered by Anthousa in Ukraine a goodwill impairment charge of €37 million was recognised on the Furshet supermarkets (consolidated using the equity method for 21.2%) in the first half of 2009.

This impairment charge is recognised in the share in earnings of associates (See Note 20).

**NOTE 13 NET COST OF FINANCIAL DEBT**

| (in €m)                               | 30/06/2009  | 30/06/2008  |
|---------------------------------------|-------------|-------------|
| Income from cash and cash equivalents | 20          | 28          |
| Gross cost of financial debt          | (118)       | (122)       |
| <b>Net cost of financial debt</b>     | <b>(98)</b> | <b>(94)</b> |

The €4 million increase in net cost of financial debt reflects an increase in the average amount of debt, resulting in an additional charge of €12 million, partly offset (in an amount of €8 million) by the lower interest rates.

**NOTE 14 OTHER FINANCIAL INCOME AND EXPENSES**

| (in €m)  | 30/06/2009 | 30/06/2008 |
|--|------------|------------|
| Gain on disposal of other non-current financial assets                                   | 0          | 1          |
| Foreign exchange gain (loss) on financial transactions not eligible for hedge accounting | 7          | 1          |
| Provisions and impairment, net of reversals:   |            |            |
| Reversal of provision for impairment of other financial assets                           | 3          | 0          |
| Provision for impairment of other financial assets                                       | 0          | 0          |
| Other provisions   | (1)        | 0          |
| Cost of discounting pension commitments net of the expected yield on plan assets         | (2)        | (3)        |
| Other  | 1          | 0          |
| <b>Other financial income and expense</b>  | <b>8</b>   | <b>(1)</b> |

**NOTE 15 INCOME TAXES**

**15.1 Analysis of net tax expense**

| (in €m)                                    | 30/06/2009  | 30/06/2008  |
|--|-------------|-------------|
| <b>Current tax income/expense</b>          |             |             |
| Current income tax payable                 | 137         | 118         |
| Tax adjustments relating to previous years | 1           | 0           |
| <b>Total current tax expense</b>           | <b>138</b>  | <b>118</b>  |
| <b>Deferred tax income/expense</b>         |             |             |
| Change in temporary differences            | (59)        | (22)        |
| Impact of changes in the tax rate          | 3           | 0           |
| On tax losses carried forward              | 0           | 0           |
| <b>Total deferred tax expense</b>          | <b>(56)</b> | <b>(22)</b> |
| <b>Total tax expense</b>                   | <b>82</b>   | <b>96</b>   |

**15.2 Effective tax rate (ETR)**

The difference between the tax calculated using the theoretical rate of 34.43% in France (standard rate of 33 1/3% plus the social contribution of 3.3%) and the tax expense effectively recognised for the period can be analysed as follows:

| (in €m)   | Tax expense<br>2009 | Effective<br>rate | Tax expense<br>2008 | Effective<br>rate |
|---|---------------------|-------------------|---------------------|-------------------|
| <b>Income before tax</b>                                | <b>284</b>          |                   | <b>284</b>          |                   |
| <i>Theoretical tax rate (French standard rate)</i>      |                     | 34,4%             |                     | 34,4%             |
| <b>Theoretical tax expense</b>                          | <b>98</b>           |                   | <b>98</b>           |                   |
| Difference in tax rates for foreign companies           | 5                   | 1,8%              | 5                   | 1,8%              |
| Tax reduction, tax credits and reduced rate taxation    | (51)                | (17,9%)           | (23)                | (8,1%)            |
| Tax losses for the year not recognised                  | 20                  | 7,0%              | 7                   | 2,4%              |
| Use of previously unrecorded tax losses carried forward | (2)                 | (0,7%)            | (6)                 | (2,1%)            |
| Non-taxable items/Deferred tax not recognised           | 11                  | 3,9%              | 15                  | 5,3%              |
| Current tax adjustment relating to prior years          | 1                   | 0,4%              | 0                   | 0,0%              |
| <b>Actual tax expense</b>                               | <b>82</b>           |                   | <b>96</b>           |                   |
| <b>Effective tax rate</b>                               |                     | <b>28,9%</b>      |                     | <b>33,7%</b>      |

The change in the effective tax rate is in particular linked to the revaluation of land and building in the accounts of some Italian subsidiaries. This tax option resulted in an adjustment in the consolidated financial statements of the deferred tax liabilities initially recognised on these fixed assets. As part of these deferred taxes had originally been charged to equity, their reversal resulted in a €20 million increase in equity as well as in a tax income amounting to €41 million for the period.

**NOTE 16 GOODWILL**

| (in €m)           | 30/06/2009   | 31/12/2008   | 30/06/2008   |
|-------------------|--------------|--------------|--------------|
| Gross amount      | 3,642        | 3,605        | 3,622        |
| Impairment        | (45)         | (46)         | (45)         |
| <b>Net amount</b> | <b>3,597</b> | <b>3,559</b> | <b>3,577</b> |

Newly acquired goodwill resulting from business combinations in the first half of 2009 came to €51 million, of which €34 million arising on the full consolidation of MGV Distri-Hyper in Romania, resulting from the reclassification of 2008 goodwill, which was previously presented under investments in associates (€5 million) and provisional goodwill amounting to €29 million on the 2009 acquisition (See Note 7).

The other changes during the period correspond to translation differences.

**NOTE 17 OTHER INTANGIBLE ASSETS**

| (in €m)                     | 30/06/2009 | 31/12/2008 | 30/06/2008 |
|-----------------------------|------------|------------|------------|
| Gross amount                | 222        | 210        | 183        |
| Depreciation and impairment | (150)      | (133)      | (123)      |
| <b>Net amount</b>           | <b>72</b>  | <b>77</b>  | <b>60</b>  |

**NOTE 18 PROPERTY, PLANT AND EQUIPMENT**

| (in €m)                     | 30/06/2009   | 31/12/2008   | 30/06/2008   |
|-----------------------------|--------------|--------------|--------------|
| Gross amount                | 14,240       | 14,069       | 13,702       |
| Depreciation and impairment | (5,919)      | (5,656)      | (5,486)      |
| <b>Net amount</b>           | <b>8,321</b> | <b>8,413</b> | <b>8,216</b> |

Acquisitions amounted to €444 million in the first half of 2009 compared with €697 million in the first half of 2008.

**NOTE 19 INVESTMENT PROPERTY**

| (in €m)                     | 30/06/2009   | 31/12/2008   | 30/06/2008   |
|-----------------------------|--------------|--------------|--------------|
| Gross amount                | 3,694        | 3,551        | 3,245        |
| Depreciation and impairment | (1,019)      | (960)        | (917)        |
| <b>Net amount</b>           | <b>2,675</b> | <b>2,591</b> | <b>2,328</b> |

Acquisitions amounted to €175 million in the first half of 2009 compared with €117 million in the first half of 2008.

**NOTE 20 INVESTMENT IN ASSOCIATES**

| (en M€)                   | 30/06/2009 | 31/12/2008 | 30/06/2008 |
|---------------------------|------------|------------|------------|
| Investments in associates | 84         | 132        | 147        |

The decrease in investments in associates relates mainly to the impairment charge of €37 million recognised on the goodwill generated on the acquisition of the 21% stake in the Ukrainian company Anthousa ( Furschet supermarkets) in 2007.

**NOTE 21 CUSTOMER LOANS – CREDIT ACTIVITIES**

This item represents the receivables held by Banque Accord, its subsidiaries and Comfactor on their customers. It includes personal loans, revolving credit and deferred payment facilities on Accord credit cards, as well as the receivables of the captive factoring activity carried out by Comfactor in Italy.

The deterioration in economic conditions linked to the financial crisis has resulted in a rise in payment defaults and debt collection difficulties at Banque Accord and its subsidiaries, and consequently an increase in impairment losses.

| (in €m)                     | 30/06/2009   | 31/12/2008   | 30/06/2008   |
|-----------------------------|--------------|--------------|--------------|
| Gross amount                | 2,897        | 3,098        | 2,946        |
| Impairment                  | (331)        | (280)        | (249)        |
| <b>Net amount</b>           | <b>2,566</b> | <b>2,818</b> | <b>2,697</b> |
| <i>of which non current</i> | <i>1,135</i> | <i>1,195</i> | <i>1,209</i> |
| <i>current</i>              | <i>1,431</i> | <i>1,623</i> | <i>1,488</i> |

|   |       |
|---|-------|
| Gross amount with a maturity of: (in € million) | 2,897 |
| <i>3 months or less</i>                         | 788   |
| <i>between 3 months and 1 year</i>              | 767   |
| <i>between 1 and 5 years</i>                    | 1,190 |
| <i>more than 5 years</i>                        | 152   |

Credit risk management at Banque Accord:

The severe deterioration in economic conditions has continued to drag on Banque Accord's activities in France and abroad, resulting to variable degrees in a significant rise in payment default as well as loan production difficulties. Banque Accord has taken drastic measures to limit credit risk exposure at some of its subsidiaries: tightening loan approval conditions and commitments management.

In particular, the deteriorated economic conditions resulted in another significant rise in payment default in the Spanish subsidiary. This tendency has stabilised over the past three months. The efforts made in terms of debt collection have for the moment contained at least partly this increase in risk. Loan production has been limited to in-store business, but it nonetheless continues to be severely affected by the economic situation.

Risk has significantly affected earnings at the consolidated Group level. Thanks to their performances and the control of the entire risk chain, operations in the more mature countries have on the whole limited the impact of the increase in risk.

In France, the increase in Neiertz outstandings observed in the market has also continued at Banque Accord.

The global economic conditions have strengthened the Banque Accord group's determination to rapidly and progressively put in place a Basel risk management system at its subsidiaries, based on the French model.

The Basel II project is being developed at the Portuguese subsidiary.

**NOTE 22 INVENTORIES**

| (in €m)           | 30/06/2009   | 31/12/2008   | 30/06/2008   |
|-------------------|--------------|--------------|--------------|
| Gross amount      | 2,898        | 3,213        | 3,066        |
| Impairment        | (96)         | (101)        | (91)         |
| <b>Net amount</b> | <b>2,802</b> | <b>3,112</b> | <b>2,975</b> |

Change in impairment

| (in €m)   | 30/06/2009   | 31/12/2008   | 30/06/2008  |
|---|--------------|--------------|-------------|
| <b>At 1 January</b>   | <b>(101)</b> | <b>(79)</b>  | <b>(79)</b> |
| Impairment  | (58)         | (82)         | (63)        |
| Reversal of provisions  | 63           | 58           | 51          |
| Changes in consolidation scope and foreign currency translation adjustments | 0            | 2            | 0           |
| <b>At the end of the period</b>   | <b>(96)</b>  | <b>(101)</b> | <b>(91)</b> |

**NOTE 23 TRADE RECEIVABLES**

This line comprises essentially receivables relating to franchise arrangements, and rent outstanding for the Property management business.

| (in €m)           | 30/06/2009 | 31/12/2008 | 30/06/2008 |
|-------------------|------------|------------|------------|
| Gross amount      | 408        | 440        | 355        |
| Impairment        | (61)       | (57)       | (54)       |
| <b>Net amount</b> | <b>347</b> | <b>383</b> | <b>301</b> |

**NOTE 24 CURRENT TAX ASSETS**

| (in €m)           | 30/06/2009 | 31/12/2008 | 30/06/2008 |
|-------------------|------------|------------|------------|
| Gross amount      | 218        | 43         | 199        |
| Impairment        | (5)        | (5)        | (5)        |
| <b>Net amount</b> | <b>213</b> | <b>38</b>  | <b>194</b> |

At 30 June, prepaid tax for the period is not offset against the tax charge for the half year period, which is the case for the period to 31 December.

**NOTE 25 OTHER CURRENT RECEIVABLES**

| (in €m)             | 30/06/2009   | 31/12/2008   | 30/06/2008   |
|---------------------|--------------|--------------|--------------|
| Other receivables   | 2,039        | 2,403        | 1,886        |
| Prepaid expenses    | 173          | 140          | 149          |
| <b>Gross amount</b> | <b>2,212</b> | <b>2,543</b> | <b>2,035</b> |
| Impairment          | (61)         | (59)         | (59)         |
| <b>Net amount</b>   | <b>2,151</b> | <b>2,484</b> | <b>1,976</b> |

Other receivables mainly comprise tax and social security receivables and deferred income from suppliers and cash investments with maturities of more than three months.

At 30 June 2009, other receivables had increased compared with the same period in 2008 as the result of tax disputes in Italy (see Note 37) and the increase in cash investments with maturities of more than three months. In contrast, deferred income from suppliers decreased as the direct result of application of the LME act in France.

**NOTE 26 CASH AND CASH EQUIVALENTS**

Net cash presented in the cash flow statement corresponds to the following:

| (in €m)   | 30/06/2009   | 31/12/2008   | 30/06/2008   |
|---|--------------|--------------|--------------|
| Marketable securities with a maturity of less than 3 months | 320          | 1,035        | 624          |
| Cash  | 744          | 1,310        | 849          |
| <b>Cash and cash equivalents</b>                            | <b>1,064</b> | <b>2,345</b> | <b>1,473</b> |
| Bank overdrafts (see Note 29.2)                             | (336)        | (385)        | (516)        |
| <b>Net cash</b>   | <b>728</b>   | <b>1,960</b> | <b>957</b>   |

**NOTE 27 TOTAL EQUITY**

**27.1 Shareholders**

At 30 June 2009, 87% of the capital of Groupe Auchan SA was held by companies belonging to the Association Familiale Mulliez while the remaining 13% was held by employees of the company via the Valauchan, Valsuper and Valaccord investment funds, and Valauchan Sopaneer International (consolidated using the equity method) and Valauchanrus Sopaneer International (fully consolidated) companies.

**27.2 Number of shares representing the share capital**

|                     | 30/06/2009        | 31/12/2008        | 30/06/2008        |
|---------------------|-------------------|-------------------|-------------------|
| At 1 January        | 31,597,138        | 31,445,258        | 31,445,258        |
| Issue of new shares | 0                 | 151,880           | 0                 |
| <b>At 30 June</b>   | <b>31,597,138</b> | <b>31,597,138</b> | <b>31,445,258</b> |

At 30 June 2009, the share capital amounted to €631,942,760, consisting of fully paid-up ordinary shares with a nominal value of €20 each.

**27.3 Treasury shares**

In the first half of 2009, 2,382 treasury shares were purchased for a total of €1 million .

At 30 June 2009, the Group held 88,660 treasury shares (compared with 86,278 at the end of 2008), of which 70,510 with a value of €24 million were held by Groupe Auchan S.A. to cover share option plans and bonus shares granted to Group executives.

**27.4 Currency translation reserve, revaluation reserve for financial instruments and reserve for actuarial differences in defined benefit plans (attributable to owners of the parent)**

| (in €m)                    | Currency translation reserve | Revaluation reserve for available-for-sale financial assets | Cash flow hedge reserve | Reserve for hedging net investment in foreign operations | Reserve for actuarial differences in defined benefit plans | Total        |
|----------------------------|------------------------------|---|-------------------------|--|--|--------------|
| <b>At 1 January 2008</b>   | <b>54</b>                    | <b>(3)</b>  | <b>(4)</b>              | <b>6</b>   | <b>8</b>   | <b>61</b>    |
| Change                     | 29                           | 3   | 6                       | 0  | 0  | 38           |
| <b>At 30 June 2008</b>     | <b>83</b>                    | <b>0</b>  | <b>2</b>                | <b>6</b>   | <b>8</b>   | <b>99</b>    |
| <b>At 31 December 2008</b> | <b>(105)</b>                 | <b>0</b>  | <b>(12)</b>             | <b>5</b>   | <b>(1)</b>   | <b>(113)</b> |
| Change                     | (66)                         | 0   | (18)                    | 2  | 0  | (82)         |
| <b>At 30 June 2009</b>     | <b>(171)</b>                 | <b>0</b>  | <b>(30)</b>             | <b>7</b>   | <b>(1)</b>   | <b>(195)</b> |

The currency translation reserve breaks down as follows by country:

| (in €m)        | 30/06/2009   | 31/12/2008   | 30/06/2008 |
|----------------|--------------|--------------|------------|
| Poland         | (7)          | 21           | 119        |
| Hungary        | (12)         | (8)          | 17         |
| Mainland China | 7            | 9            | (13)       |
| Taiwan         | (10)         | (9)          | (15)       |
| Russia         | (102)        | (70)         | (12)       |
| Ukraine        | (45)         | (48)         | (13)       |
| Romania        | (2)          | nc           | nc         |
| <b>Total</b>   | <b>(171)</b> | <b>(105)</b> | <b>83</b>  |

nc: not fully consolidated in 2008.

**27.5 Legal reserve**

Groupe Auchan S.A.'s legal reserve amounted to €63 million at 30 June 2009.

**27.6 Dividend**

The dividend in respect of 2008, paid on 1 July 2009, came to €100 million, corresponding to €3.17 per share.

**27.7 Minority interests**

Minority interests amounted to €120 million in the first half of 2009 unchanged relative to 31 December 2008. The share of earnings attributable to minority interests (€12 million) was offset by a €7 million decrease in minority interests in the property management division and by the payment of 2008 dividends to minority interests in subsidiaries (€5 million).

**NOTE 28 PROVISIONS**

There were no material changes in provisions in the first half of 2009.

**NOTE 29 BORROWINGS AND OTHER FINANCIAL LIABILITIES**

**29.1 Non-current borrowings and other financial liabilities**

| (in €m)                                    | 30/06/2009   | 31/12/2008   | 30/06/2008   |
|--|--------------|--------------|--------------|
| Bonds                                      | 2,989        | 2,835        | 2,408        |
| Bank loans and borrowings                  | 502          | 457          | 815          |
| Obligations under finance leases           | 194          | 204          | 212          |
| Other borrowings and financial liabilities | 183          | 159          | 183          |
| <b>Total</b>                               | <b>3,868</b> | <b>3,655</b> | <b>3,618</b> |

**29.2 Current borrowings and other financial liabilities**

| (in €m)                                    | 30/06/2009   | 31/12/2008   | 30/06/2008   |
|--|--------------|--------------|--------------|
| Bonds                                      | 662          | 68           | 816          |
| Bank loans and borrowings                  | 691          | 497          | 401          |
| Obligations under finance leases           | 17           | 18           | 17           |
| Other borrowings and financial liabilities | 277          | 733          | 75           |
| Bank overdrafts                            | 336          | 385          | 516          |
| <b>Total</b>                               | <b>1,983</b> | <b>1,701</b> | <b>1,825</b> |

Accrued interest is recognised under “Other borrowings and financial liabilities”, apart from interest relating to bonds.

**29.3 Borrowings with a unit amount of more than €50 million**

**Bonds:**

| Company                         | Nominal interest rate | Issue date | Maturity | In € million    |                |
|---------------------------------|-----------------------|------------|----------|-----------------|----------------|
|                                 |                       |            |          | Carrying amount | Nominal amount |
| Groupe Auchan SA <sup>(1)</sup> | 4.75%                 | 15.04.09   | 15.04.15 | 248             | 250            |
| Groupe Auchan SA                | 6.00%                 | 15.04.09   | 15.04.19 | 491             | 500            |

<sup>(1)</sup> €250 million of this €500 million tranche were lent to Banque Accord (see Note 30).

There are other bond issues, repayments and credit facilities for unit amounts of less than €50 million.

**29.4 Other financial liabilities**

This heading includes mainly commercial paper issued by Auchan Finances.

**29.5 Repayment schedule for second half of 2009**

As indicated in the notes to the 2008 financial statements (Note 32.3), there are no significant debts maturing in the second half of 2009.

**29.6 Commitment to purchase shares from minority shareholders**

The Group has given the minority shareholders of some of its fully-consolidated subsidiaries undertakings to purchase their shareholdings. These undertakings are recorded under other financial liabilities in view of the promise to purchase the shares at their market value.

The amount of the commitments is established on the basis of the value of the underlying shares; it amounted to €49 million at 30 June 2009 compared with €48 million at 31 December 2008.

**NOTE 30 DEBTS FINANCING THE CREDIT ACTIVITIES**

| (in €m)                                    | 30/06/2009   | 31/12/2008   | 30/06/2008   |
|--|--------------|--------------|--------------|
| Bonds                                      | 1,037        | 766          | 766          |
| Bank loan and borrowings                   | 335          | 672          | 405          |
| Other financial liabilities <sup>(1)</sup> | 747          | 917          | 860          |
| Other (including bank overdrafts)          | 172          | 181          | 300          |
| <b>Total</b>                               | <b>2,291</b> | <b>2,536</b> | <b>2,331</b> |
| of which non-current                       | 987          | 751          | 919          |
| current                                    | 1,304        | 1,785        | 1,412        |

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

<sup>(1)</sup> Other financial liabilities relate to Banque Accord's credit activity and include €70 million in commercial paper and €675 million in certificates of deposit..

**Bond issues amounting to more than €50 million:**

Bond issues

| Company   | Nominal interest rate | Issue date | Maturity   | In € million    |                |
|---|-----------------------|------------|------------|-----------------|----------------|
|   |                       |            |            | carrying amount | nominal amount |
| Groupe Auchan S.A.<br>for a loan to Banque Accord | 4.750%                | 15.04.2009 | 15.04.2015 | 248             | 250            |

**Repayment of bond issues with a unit value of more than €50 million:**

Bank loan and borrowings

| Company            | Nominal interest rate | Issue date | Maturity   | In € million    |                |
|--------------------|-----------------------|------------|------------|-----------------|----------------|
|                    |                       |            |            | carrying amount | nominal amount |
| Banque Accord S.A. | 6M Euribor +0.17%     | 31.10.2008 | 28.04.2009 | 50              | 50             |
| Banque Accord S.A. | 6M Euribor +0.15%     | 31.10.2008 | 30.04.2009 | 200             | 200            |
| Banque Accord S.A. | 6M Euribor +0.15%     | 06.11.2008 | 06.02.2009 | 50              | 50             |

There are other bond issues, repayments and credit facilities for unit amounts of less than €50 million.

**Other financial liabilities:**

This heading includes mainly certificates of deposit, which can be analysed as follows:

| (in €m) | Company            | Maturity          | 30/06/2009     |                 |
|---------|--------------------|-------------------|----------------|-----------------|
|         |                    |                   | Nominal amount | Carrying amount |
|         | Banque Accord S.A. | under 1 month     | 168            | 168             |
|         | Banque Accord S.A. | 1 to 3 months     | 195            | 195             |
|         | Banque Accord S.A. | 3 to 6 months     | 247            | 247             |
|         | Banque Accord S.A. | 6 months and more | 65             | 65              |

**NOTE 31 NET DEBT (excluding financing of the credit activity)**

| (in €m)   | 30/06/2009     | 31/12/2008     | 30/06/2008     |
|---|----------------|----------------|----------------|
| <b>Borrowings and other financial liabilities</b> | <b>5,851</b>   | <b>5,356</b>   | <b>5,443</b>   |
| non current                                       | 3,868          | 3,655          | 3,618          |
| current   | 1,983          | 1,701          | 1,825          |
| <b>Derivatives</b>                                | <b>(142)</b>   | <b>(191)</b>   | <b>21</b>      |
| Liabilities                                       |                |                |                |
| non current                                       | 51             | 31             | 88             |
| current   | 32             | 13             | 35             |
| Assets  |                |                |                |
| non current                                       | (162)          | (126)          | (49)           |
| current   | (63)           | (109)          | (53)           |
| <b>Cash and cash equivalents</b>                  | <b>(1,064)</b> | <b>(2,345)</b> | <b>(1,473)</b> |
| <b>Net debt</b>                                   | <b>4,645</b>   | <b>2,820</b>   | <b>3,991</b>   |

**NOTE 32 OTHER NON-CURRENT LIABILITIES**

| (in €m)                          | 30/06/2009 | 31/12/2008 | 30/06/2008 |
|----------------------------------|------------|------------|------------|
| Amounts due on investments       | 8          | 7          | 13         |
| Tax liabilities                  | 2          | 2          | 2          |
| Other liabilities <sup>(1)</sup> | 32         | 33         | 4          |
| <b>Total</b>                     | <b>42</b>  | <b>42</b>  | <b>19</b>  |

<sup>(1)</sup> Including €27 million at 31 December 2008 and 30 June 2009 in respect of Russian employee incentive schemes, unavailable for three years. This item was presented in "other current liabilities" at 30 June 2008.

**NOTE 33 TRADE PAYABLES, CURRENT TAX LIABILITIES AND OTHER CURRENT LIABILITIES**

| (in €m)                                       | 30/06/2009   | 31/12/2008    | 30/06/2008   |
|---|--------------|---------------|--------------|
| <b>Trade payables</b>                         | <b>5,574</b> | <b>7,625</b>  | <b>6,239</b> |
| Trade payables, merchandise                   | 5,062        | 7,057         | 5,684        |
| Trade payables, general expenses              | 512          | 568           | 555          |
| <b>Current tax liabilities <sup>(1)</sup></b> | <b>163</b>   | <b>75</b>     | <b>174</b>   |
| <b>Other current liabilities</b>              | <b>2,566</b> | <b>2,894</b>  | <b>2,356</b> |
| Amounts due on investments                    | 351          | 556           | 283          |
| Tax and social security <sup>(2)</sup>        | 1,398        | 1,654         | 1,468        |
| Other operating liabilities <sup>(3)</sup>    | 558          | 419           | 369          |
| Deferred income                               | 259          | 265           | 236          |
| <b>Total</b>                                  | <b>8,303</b> | <b>10,594</b> | <b>8,769</b> |

<sup>(1)</sup> see Note 24.

<sup>(2)</sup> of which a liability of €67 million in respect of the tax dispute described in Note 37.

<sup>(3)</sup> including the Groupe Auchan S.A. dividend in respect of 2008 for €100 million, paid on 1 July 2009.

**NOTE 34 TRANSACTIONS WITH RELATED PARTIES**

The Group has relations with its subsidiaries (fully consolidated), with equity associates (consolidated using the equity method) and with jointly controlled ventures (consolidated using the proportionate method).

**. Related party having control over the Group**

The capital of Groupe Auchan S.A. is 87%-owned by companies belonging to Association Familiale Mulliez, with one company holding a 57% share. No material transactions (more than €1 million) were carried out with these company apart from the dividend paid in respect of 2008, which amounted to €87 million, and a services agreement in respect of which less than €1 million was invoiced in the first half of 2009.

**. Associates**

Transactions with associates were immaterial. No significant commitments have been entered into with these companies.

With regard to the 21% stake in Ukrainian supermarket operator, Furshet, there are options, exercisable from 2014 and up to 2021, enabling Auchan to sell or the partner to acquire this interest if a significant change in the capital of Furshet occurs, or if the commitment to buy back the shares in the Ukrainian hypermarket partner company is exercised. At 30 June 2009, the said shares were still 100% owned by Auchan.

**. Joint ventures**

The Group has concluded partnerships in the Hypermarket and Property Management businesses in China and Poland (Schiever Polska), in Property management in Italy and in Banking in Spain.

Transactions with these companies are carried out at arms length conditions.

**NOTE 35 DETAILS OF CERTAIN ITEMS OF THE STATEMENT OF NET CASH FLOWS**

| (in €m)  | 30/06/2009 | 30/06/2008 |
|--|------------|------------|
| Change in working capital  | (1,409)    | (1,110)    |
| <i>Inventories</i>   | 309        | (5)        |
| <i>Trade receivables</i>   | 42         | 82         |
| <i>Trade payables</i>  | (2,036)    | (1,284)    |
| <i>Other assets and liabilities</i> <sup>(1)</sup>                       | 276        | 97         |
| Changes in items relating to the credit activity                         | 6          | (3)        |
| <i>Customer loans - credit activity</i>                                  | 251        | 98         |
| <i>Debt financing the credit activity</i>                                | (245)      | (101)      |
| Change in loans and advances granted                                     | (141)      | 7          |
| <i>Increase in loans and advances granted</i> <sup>(2)</sup>             | (163)      | (23)       |
| <i>Decrease in loans and advances granted</i>                            | 22         | 30         |
| Dividends paid during the financial year                                 | (105)      | (185)      |
| <i>Dividends paid to shareholders of the parent company</i> (1)          | (100)      | (180)      |
| <i>Dividends paid to minority shareholders of consolidated companies</i> | (5)        | (5)        |
| Debt proceeds  | 582        | 1,014      |
| <i>Loans issued</i>  | 2,279      | 1,637      |
| <i>Repayments of loans (including finance leases)</i>                    | (1,697)    | (623)      |

(1) The Groupe Auchan S.A. dividend in respect of 2008 amounting to €100 million was paid on 1 July 2009.

(2) Including cash and cash equivalents with a maturity of more than three months.

**NOTE 36 POST-BALANCE SHEET EVENTS**

No significant event has occurred since the balance sheet date.

**NOTE 37 CONTINGENT LIABILITIES**

Group 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 the Group and its external counsels.

To the Group's knowledge, there is no exceptional event or litigation that could substantially affect the business, results, assets or financial situation of the Group and/or its subsidiaries, which is not adequately covered by provisions.

There have been no new legal developments in the tax dispute in Italy described in Note 43 to the 2008 financial statements. The appeal procedures are underway and the risk of an unfavourable outcome is considered to be small. However, in the absence of a suspensive order, the tax authorities have requested payment of the tax adjustment concerned in 12 instalments starting from June 2009. Consequently, the corresponding debt has been recorded as a liability (see Note 33), and charged against other receivables (see Note 25).

No other claim is individually significant at the Group level.

**NOTE 38 COMMITMENTS**

The main changes in commitments relative to 31 December 2008 were as follows.

**. Commitments given:**

Customer financing commitments (given by Banque Accord and its subsidiaries on active credit cards over the past two years) had increased from €3,983 million at 31 December 2008 to €4,048 million at 30 June 2009.

The commitment on credit cards that have been inactive for over two years increased from €5,165 million at 31 December 2008 to €5,372 million at 30 June 2009.

Land and buildings purchase options commitments decreased in Italy (hypermarkets activity) by €130 million.

The conditional purchase of futur non-current assets commitments decreased in Spain (property management) by €83 million.

Firm share purchase commitments relating to shares in non-consolidated companies decreased by €10 million (consolidation of new companies in France for the supermarkets activity).

The other commitments given have changed little since 31 December 2008.

**. Secured liabilities:**

Secured liabilities increased by €49 million, of which €43 million corresponds to guarantees given by the Romanian subsidiary, which was fully consolidated for the first time in 2009.

**. Put and call options**

As from 2010, some of the Group's partners have an option to sell to Auchan or its subsidiaries the shares they hold at the market price. These shares relate to companies not consolidated by the full consolidation method. The Group has not been able to quantify these commitments reliably given the uncertainty relating to the amounts concerned due to the situation in the financial markets.

The commitments given by G.C.I. (property activity in Italy) and Banque Accord with regard to call options concerning companies that are not fully consolidated amounted to €57 million (commitments given by a proportionately consolidated company) and €29 million, respectively, at 30 June 2009 compared with €57 million and €34 million respectively at 31 December 2008. These options are exercisable between 2009 and 2013.

The options relating to the shareholding in the Ukrainian Supermarkets operator are described in Note 34.

# STATUTORY AUDITOR'S REVIEW REPORT ON THE FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2009

For the six month period ended 30 June 2009

To the shareholders,

Following our appointment as statutory auditors by the 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 limited review of the accompanying condensed half-year consolidated financial statements of Groupe Auchan S.A. for the 6-month period ended 30 June 2009;
- the verification of information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. As was the case at 31 December 2008, they were prepared, as disclosed in note 3.2., against the backdrop of an economic and financial crisis making it difficult to ascertain the outlook for the Group going forward. Our role is to express a conclusion on these financial statements based on our limited review.

## I – Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the 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 limited 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 – standards of the IFRS as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to Note 3.3. which describes the change in accounting policies resulting from the first-time application of IFRS 8 – *Operating Segments*, applied retrospectively for the periods presented in the condensed half-year consolidated financial statements.

## II – Specific verification

We have also verified the information given in the half-year management report commenting on the condensed half-year consolidated financial statements subject of our limited review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

*Paris La Défense and Villeneuve d'Ascq, 27 August 2009*

The Statutory Auditors

KPMG Audit  
Division of KPMG S.A.

aCéa

Didier de Menonville  
Partner

Bernard Cattenoz  
Partner

Christophe Segard  
Partner