Auchan

PRESS RELEASE

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First half 2010: growth in revenue and earnings

- **A 6.8% increase in revenue: slight like-for-like growth (up by 1.0% excluding petrol and at constant exchange rates)**
- **A 9.8% increase in EBITDA**
- **Debt reduced by 10%**

Significant revenue growth: up by 6.8% to €20.0 billion
Consolidated revenue excluding taxes rose by 6.8% to €20.0 billion in the first half of 2010.
France accounted for 46% of revenue, with 27% generated in the rest of Western Europe and 27% generated in Central and Eastern Europe and Asia. International activities accounted for 54% of the total compared with 53% at end-2009, mainly due to ongoing growth in Russia and China and a favourable foreign exchange rate effect.
Group like-for-like revenue at constant exchange rates and excluding petrol sales increased by 1.0%.

EBITDA up by 9.8% to €1,020 million
EBITDA grew by 9.8% to €1,020 million in the first half of 2010. It represented 5.1% of revenue compared with 4.9% in the first half of 2009.
Up to 2009, activities in France had been subject to French business tax (*taxe professionnelle*). As from 2010, this tax was replaced by two new contributions: the Real Property Contribution (*Cotisation foncière des entreprises - CFE*) and Contribution on the Value Added (*Cotisation sur la valeur ajoutée des entreprises – CVAE*). Whereas the former business tax had been recognised in operating expenses, the Group has opted to recognise the CVAE (€27 million in the first half of 2010) under income tax, which has a positive impact on EBITDA (excluding the CVAE, it grew by 6.9%) and on operating profit from continuing operations but has no impact on net profit for the period.

Increased earnings: €248 million in net profit from continuing operations
Operating profit from continuing operations grew by 31.3% (24.1% excluding impact of CVAE) to €491 million. This increase was due essentially to a decline in customer loan impairment provisions of credit activity, which had increased strongly in 2009.
Net profit from continuing operations came to €248 million. This figure is not totally comparable with that of the first half of 2009, which had been affected by non-recurring elements (in particular losses and impairment on the Furshet supermarket in Ukraine, consolidated using the equity method).
Net profit attributable to the owners of the parent for the six months ended 30 June 2010 came to €230 million, corresponding to 1.1% of Group revenue.

Controlled investments: €469 million
Investment was down by 25.8% compared with the first half of 2009. The breakdown of investment was 36% for France, 17% for Western Europe (excluding France) and 47% for Central and Eastern Europe and Asia.

Debt reduced by 10% to €4,181 million

Net financial debt amounted to €4,181 million at 30 June 2010, corresponding to 52% of equity, compared with €4,645 million (64% of equity) at 30 June 2009. The reduction in debt reflects the more selective investment policy and improved cash flows from operations.

In the first half of 2010, the Group renegotiated the financial terms and conditions of the €800 million credit facility expiring in 2014. Moreover, on 17 August it strengthened its financial liquidity by signing a €1 billion syndicated credit facility maturing in 2015 with fifteen banks to replace the existing €1 billion syndicated credit facility, which was due to expire in 2011.

Commenting on these results, Vianney Mulliez, Chairman of the Board of Directors, said:

"The significant growth in revenue and earnings reflects our dynamic expansion in emerging countries and the resilience of our business in the euro zone, despite the still difficult economic conditions. The hypermarkets business achieved satisfactory performances in absolute terms and on a like-for-like basis. We have seen the first signs of recovery for the supermarkets business, particularly in France. Earnings have also improved at Banque Accord thanks to the lower cost of risk while Immochan has maintained a good level of activity. We are also continuing to strengthen our e-commerce activities with the creation of a specific division at the beginning of the year.

Overall, the performance in the first half gives us confidence to face with determination a second half that looks set to be uncertain and difficult."

Key figures at 30 June 2010 (under IAS/IFRS)

€ million	**H1 2010**	H1 2009	**Change**	
Revenue	**20,041**	18,771	+ 1,270	+ 6.8%
EBITDA [1]	**1,020**	929	+ 91	+ 9.8%
Operating profit from continuing operations	**491**	374	+ 117	+ 31.3%
Net profit from continuing operations	**248**	155	+ 93	
Profit for the period attributable to owners of the parent	**230**	143	+ 87	

€ million	**H1 2010**	H1 2009	**Change**	
Investments [2]	**469**	632	(163)	- 25.8%
Net financial debt	**4,181**	4,645	(464)	- 10.0%
Total equity	**8,036**	7,263	773	+ 10.6%
Net financial debt/equity	**52%**	64%		

HYPERMARKETS

533 hypermarkets: 532 fully consolidated and 1 consolidated using the equity method, in 13 countries and region

€16.0 billion in consolidated revenue excluding taxes

Consolidated hypermarket revenue excluding taxes rose by 7.3% to €16.0 billion, representing 79.6% of the Group total. At constant exchange rates, revenue excluding petrol sales grew by 4.6% thanks to expansion and a slight increase in like-for-like revenue (+1.0%).

In France, consolidated revenue excluding taxes rose by 2.2% to €7.1 billion. The like-for-like increase excluding petrol sales was of 0.2%.

In the first half of 2010, the hypermarket network increased by 18 stores (17 new stores were opened and 1 was acquired): 1 Auchan in France, where a store was also converted to the "Prixbas par Auchan" banner, 3 Auchan in Italy, 1 Auchan City and 1 Auchan in Russia, 1 Auchan in Ukraine, 1 Auchan and 9 RT Mart in mainland China, and 1 RT Mart in Taiwan.

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[1] Operating profit from continuing operations excluding other operating profit and expenses and excluding amortisation, depreciation and provisions (except provisions recognised or reversed for inventory impairment)

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

SUPERMARKETS

732 fully consolidated supermarkets in 5 countries, including 662 Simply Market.

€3.4 billion in consolidated revenue excluding taxes

The supermarkets activity showed the first signs of recovery. Revenue was supported by improved performances in France (up 4.4% overall and up by 3.8% like-for-like excluding petrol sales) and by ongoing growth in Eastern Europe, particularly Russia. Overall, consolidated revenue excluding taxes rose by 4.6% to €3.4 billion, corresponding to 17% of total Group revenue.

In the first half of 2010, 12 supermarkets were opened (8 Simply Market in Western Europe and 4 Atak in Russia) and 19 were closed or sold in France and Italy. Following France, Spain and Poland in 2009, the roll-out of the Simply Market banner is in the final stages in Italy. In France, 50 supermarkets in the Paris region now offer online sales.

IMMOCHAN

302 shopping centres under management (including 26 managed under contract) in 12 countries and region

€239 million in revenue excluding taxes

The Group's retail property management revenue continued to grow, up by 6.5% to €239 million, reflecting mainly expansion as the crisis continued to affect the performances of shopping mall traders. Occupancy improved, however, with the vacancy rate down to 4.3% from 4.8% at the end of 2009.

Immochan opened 5 new shopping centres in the first half (2 in Italy, 1 under management contract in Russia, 1 in China and 1 in Taiwan) bringing the total to more than 300. More than 107,000 square metres of retail space were created in shopping malls, bringing the total at 30 June 2010 to nearly 1.8 million square metres.

BANQUE ACCORD

6.5 million customers in 10 countries

€188 million in net banking income

Net banking income grew by 5.2% to €188 million, with improved financing conditions offsetting the decline in outstanding loans. The cost of risk fell sharply, particularly in Spain, but continues to drag on operating results. Operating profit nonetheless rose from €5 million to €28 million. Net profit for the period came to €15 million compared with €0.2 million in the first half of 2009. The solvency ratio improved, rising from 11.0% at end-2009 to 11.8% at end-June 2010.

Banque Accord further developed its partnerships in the first half by creating two new entities: Nectar in Italy, a multi-chain loyalty programme that includes the Group's chains, in partnership with Aeroplan, and Armoney, a joint electronic banking platform in partnership with Crédit Mutuel Arkéa. Banque Accord is lobbying for the creation of a credit register of individuals in France, as part of the reform of the consumer credit market. At 30 June 2010, Banque Accord had 6.5 million customers.

OTHER ACTIVITIES

19 Alinéa, 9 Little Extra and 21 Chronodrive in France

€226 million in revenue excluding taxes

The Alinéa, Little Extra and Chronodrive businesses recorded aggregate revenue of €226 million in France, up by 8.7%. Little Extra opened one new outlet and five new Chronodrive locations were opened. Alinéa prepared the opening of three new stores, which took place in July.

The Group has created a new e-commerce division, which will include in particular Auchandirect, Grosbill and Auchan.fr.

The half-year financial statements have undergone a limited review by the independent auditors.

The Auchan Group's half-year financial report is available at www.groupe-auchan.com

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