



2017

Progress in the transformation plans for the 3 companies and maintaining a strong financial position.

- **Increase in consolidated revenue** excluding taxes to €53.2 billion (+0.6%*)
- **EBITDA** at €2.43 billion, representing 4.6% of revenue
- **Cash flows from operations** at €2.07 billion, representing 3.9% of revenue

Auchan Retail: a key year in transformation, marked by the alliance with Alibaba in China, a slight increase in revenue (+0.5%*), a decrease in EBITDA (-12.1%*) and the ongoing transformation strategy.

- **Substantial progress in “phygital” retail** supported by digital acceleration
- Emphasis placed on **multi-format and convenience stores**: 84% of openings in convenience and ultra-convenience stores
- Renewed **campaigning** commitment for the good, the healthy and the local
- **Promising results in the first stages of the transformation**: brand convergence has been accompanied by a significant increase in revenue of between 5 and 13 points for the first transformed stores, destination brands (non-food products under brands developed by Auchan Retail) confirm their market share gains and their contribution to shelf profitability, the first tests involving Audastores (pilot transformation stores per format) in countries encourage Auchan Retail to continue to revolutionise the hypermarket concept...

Immochan: ongoing transformation to become the global player in urban development and open new fields of investment, growth in revenue (+5.3%*) and EBITDA (+3.1%*).

- Tangible results in **diversification**, an important step towards being a global urban player
- **Ongoing development** (6 openings and extensions in France, Russia and Italy)
- **Rolling out the Aushopping label**, the quality label in customer services (France, Romania, Russia, Poland)
- **Induction of the 1000th employee at Immochan**

Oney: human and digital transformation and accelerated international development.

Growth in net banking income (+6.7%)**

- A well-defined investment strategy to **accelerate the bank's digital and human transformation**
- A net increase in **sales performances**: +10%
- **Split payment services**: strengthening the leading position in France and international roll-out
- **70 new retail and e-commerce partners** and more than 800,000 new individual customers
- **International roll-out of Digital Identification, Data Sharing and Insurance Solutions**
- **Banking license** obtained in **Russia** and 100% ownership of Oney Poland

*At current exchange rates

**2016, after restatement for the impact of the sale of Visa Europe shares

Breakdown by company

AUCHAN RETAIL

3,778 stores under the Auchan banner in 17 countries
€52.002 billion in revenue

Auchan | RETAIL

On 31 December 2017, **Auchan Retail saw its consolidated revenue excluding taxes grow by 0.5%** to €52.002 billion, including a positive currency impact particularly for the Russian rouble. This trend reflects incredibly different situations depending on the country. Activity fell in Russia, France and Italy, where a series of corrective actions tailored to each country have already been initiated. Spain and Portugal continued their recovery with a further increase in their revenue. Eastern European countries, in particular Ukraine, Poland, Hungary and Romania, continue their momentum each year. In China, SunArt, a listed subsidiary of Auchan Retail, continued its growth in 2017 and experienced an increase of 1.9% in revenue, strengthening its position as the country's biggest player in physical food retail.

2017 is a key year in the company's transformation fully in line with Vision 2025 that was launched 18 months ago.

Substantial progress in **phygital sales** has been made, particularly through the **Alliance formed with Alibaba** in SunArt. The aim of this alliance is to create a leader in phygital opportunities in China's food retail sector, to accelerate digitisation and O2O (online to offline, services offered online, intended to generate sales in store) in China, a valuable source of learning for all other countries. Alibaba took a 36.16% stake in SunArt's capital, while Auchan Retail increased its stake and became the largest shareholder of SunArt with 36.18% of the capital.

New tests, concepts and services have been launched around the world involving phygital experiences. In China, Auchan Minute (a fully-automated 18 m² concept) confirms the relevance of its model and currently has more than 180 units rolled out in the country and RT Mart Fresh, a one-hour home delivery service for fresh and consumer packaged goods, has seen its daily number of customers increase (more than 1,000 customers per day at the end of December 2017 in the test store). Click&collect services have now been implemented in all target countries, and a third of the French population is covered by a home delivery service for food products.

Efforts in the **digital** world have been accelerated: digital investments now cover all areas (digitisation of working methods and tools to improve customer experience and develop collaborative work, artificial intelligence, augmented reality, gaming, e-learning and MOOC (Massive Open Online Course), applications facilitating the shopping experience, etc.) as well as all audiences (employees, customers).

Multi-format and convenience stores have been prioritised. In 2017, 84% of store openings related to convenience and ultra-convenience stores and the 14 countries in which Auchan Retail operates have all now become multi-format. This drive is also shown by the ambition to establish a foothold in the trading of each country. In 2017, Auchan Retail announced the acquisition of Ukrainian retailer Karavan and the twofold increase of stores in Ukraine as well as the acquisition of City Dia stores in Senegal. It is a question of success on a human level, in terms of welcoming, integrating and training new employees, and success on a commercial level, through the quality of the ranges and services provided by the Auchan brand.

Another pillar of Vision 2025, **the commitment for the good, the healthy and the local** has been reaffirmed with rolling out *La Vie en Bleu* customer app, using Nutri-Score labelling in France, accelerating the implementation of co-developed supply channels with local agricultural ecosystem in 14 countries, implementing a health check for employees (Hungary, Ukraine, etc.), reorganising objectives of the Auchan Youth Foundation towards the well-being and healthy eating of children, creating healthy cooking classes for employees (Vietnam, France, etc.) and redesigning menus served in company canteens.

The 1st stages of the transformation show promising results:

- Convergence towards a single brand is accelerating with 26% of stores now under the Auchan trade name and another 50% expected at the end of 2018. These brand changes are accompanied each time by a significant increase in the number of customers and a rise in store revenue (an increase of between 5 and 13 points depending on the country).
- The international success of Auchan non-food brands (destination brands) in textiles, cosmetics, home and decorating and consumer electronics validates this strategy: each time, revenue is up significantly (a 2 to 13% increase depending on the product category and country), helping to improve gross

margins within the sector, due to special attention being paid to quality-price ratios. In addition, these brands are subject to a sustained CSR commitment by ensuring that all unwanted chemicals such as parabens and phthalates are removed from their manufacturing processes.

- The first tests involving Audastores (pilot transformation stores per format) in the target countries have encouraged Auchan Retail to continue to revolutionise the hypermarket concept.
- The implementation of CSR approaches closer to operations has yielded very motivating results for teams and the company: the weight of waste sorted by stores has increased by 16.7% with very significant progress in Asia, 12 countries have now stopped providing plastic bags at check-outs free of charge, electricity consumption per m² of floor area fell in 2017 by 4.0% thanks to specific and tailored actions... Finally, at the end of 2017, Auchan Retail confirmed and specified its objectives for reducing energy consumption made during the 2015 United Nations Climate Change Conference in Paris.

According to **Wilhelm Hubner**, CEO of Auchan Retail:

"2017 was a key year for Auchan Retail with the launch of transformation projects in all countries and the alliance signed with Alibaba in China. These projects are carried out thanks to the efforts of our teams who work harder and harder each day to provide a better service to shoppers in our 14 countries. A human project, tangible in each country, strengthens our actions at a local level. The results will be fully visible in 2019. Today, our results are incredibly different depending on the country and actions are in progress to improve the situation where it is deemed necessary, as we have done in Spain and Portugal and where we have then returned to sustained growth. In this context, the company has continued to implement its Vision 2025 by placing particular emphasis on multi-format and phygital experiences, reinventing customer experience, ensuring a campaign approach of our retailing business based on the good, the healthy and the local, paying special attention to our teams and modernising our back offices. In 2017, Auchan Retail shaped the retail sector by entering into an operational and capital alliance with Alibaba. We are going to create the phygital leader in China's food retail sector and capitalise on this experience in the other target countries. The first stages of the transformation plan fill me with absolute confidence in the teams' ability to implement our Vision and encourage further acceleration in 2018."

IMMOCHAN

393 shopping centres in 13 countries

€667 million in consolidated revenue excluding taxes (+5.3%)



On 31 December 2017, **Immochan saw organic revenue growth of 6.0%**, driven by expansion (+5.4%) and also by its comparable network (+0.6%). On a comparable basis, retailers' revenues are tending to increase and vacancies are declining: thanks to the daily efforts of teams, Immochan shopping centres have an occupancy rate of more than 96%. Disposals have had little impact (-0.5%) and the revenue reported at current exchange rates increased by 5.3% to €667 million.

Excluding exceptional items, **EBITDA grew by 5.3%** (3.1% as reported). This increase was a result of strong rental performances and control over day-to-day costs and improved customer risk management.

The fair value of assets reached €8.3 billion, 50% of which were in France. They grew by €766 million (+10.2%), due to expansion and growth in capitalisation rates.

2017 was a key year in implementing Immochan's Vision.

The first tangible results of **diversification** were achieved. In Spain, a partnership was signed with ADIF, the Spanish rail network operator, to build a shopping centre in the Vigo TGV **train station**. In France, Immochan built a 2,900 m² office project in Sorgues. In Romania, Immochan completed the acquisition of Coresi Business Park, representing 40,000 m² of **office space**, and finalised the first set of 1,400 **apartments** under construction in Coresi Brasov.

The strengthening of existing sites remains a priority through the ongoing roll-out of the "**Aushopping**" quality label, particularly in France, Russia, Romania and Poland. **Openings** and extensions, totalling 120,000 m², mainly involved Russia with two shopping centres, including *Togliatti* (> 25,000 m² and more than 50 stores) and France with *Promenade de Flandres* (60,000 m² and 54 stores). In Italy, a new **catering** concept was launched for "Emotional Food" in Mestre and Fano.

New **awards** were given in recognition of the hard work carried out by Immochan teams. In Portugal, Alegro was recognised at the ICSC Solal Marketing Awards for its brand awareness campaign. The quality of projects

was also praised in Romania (Residential Developer of the Year at the Europa Property SEE Awards), as well as in Italy and Ukraine. In terms of environmental responsibility, France and Poland received a BREEAM "Very Good" rating for the Sorgues and Łomianki projects.

For **Benoît Lheureux**, CEO of Immochan:

"2017 has experienced incredible momentum and witnessed many initiatives to set the company in motion and create a true transformation. This is just the beginning but we have already made significant progress and we are incredibly proud of our first achievements. We have a clear vision of what we want to do and how we want to do it. Our great results make it possible for us to look to the future with confidence while giving us the means to succeed."

ONEY

9.7 million customers (+826,000 customers/2016)

€416.3 million (+6.7%) net banking income



For 2017, Oney has displayed a **very good level of activity in all its markets**: a 9.3% increase in the number of customers, a 9.7% increase in production, a 5.9% increase in performing credit outstandings. There was a net increase in sales performances, with a 6.7% increase in net banking income (excluding the impact of the sale of Visa Europe in 2016).

The **cost/income ratio** stood at 72.1%, **up** in relation to 2016, with expenditure linked to the plan to accelerate human and digital transformation directly impacting operating expenses. Excluding this expenditure, the cost/income ratio would be 62.4%, versus 62.8% in December 2016 after restatement for the impact of the sale of Visa Europe shares.

The cost of risk on loan outstandings has maintained a downward trend for several years and reached 2.1% on 31 December 2017 thanks to successful risk management across all markets.

In the end, **net profit for the period came to €38.1 on 31 December 2017, down -42.8%** compared to 31 December 2016. Excluding exceptional items (linked to the sale of Visa Europe shares in 2016 and goodwill impairment in China in 2017), and also expenditure on transformation and acceleration plans, net profit for the period increased by 2.4%.

For **Jean-Pierre Viboud**, CEO of Oney:

"2017 was a very good year and we are very pleased with the results achieved by all of our subsidiaries. We have started, with our teams, a major move towards human and digital transformation that will accelerate our growth. Our investments, especially in the international roll-out of our split payment solution, will enable us to accompany our partners across all of their markets to meet their trading needs today and in the future. They will also lead us to create the alternative and single bank that we want to establish."

Auchan Holding: Maintaining a strong financial position

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", assets and liabilities have been grouped together on one asset and liability line for December 2016 and the net impact on Alinéa's income statement has been grouped together on a single line of the consolidated income statement for 2016 and 2017.

Slight increase in consolidated revenue excluding taxes at current exchange rates (+0.6%)

On 31 December 2017, **Auchan Holding recorded consolidated revenue excluding taxes of €53.2 billion, up 0.6%** at current exchange rates, including a positive **currency impact particularly** for the Russian rouble and the Polish zloty, offsetting the negative changes related to the Ukrainian hryvnia and the Chinese yuan. Within the context of its three companies undergoing profound transformation, Auchan Holding experienced a slight increase in its revenue also at constant exchange rates.

On 31 December 2017, Auchan Holding recorded an 8.0% decline in EBITDA to 4.6% of revenue (vs. 5.1% of revenue in 2016), which was impacted in particular by the negative performance in France, Russia and Italy.

Operating profit from continuing operations excluding taxes, which reflects the recurring performance of the group's activities, **experienced a decline of 0.4 points to €935 million, reflecting a significant decline** at Auchan Retail Russia and Auchan Retail France. Immochan's **operating profit from continuing operations** is improving steadily in France, Russia and Poland. Oney's operating profit from continuing operations is declining due to expenditure incurred to accelerate the company's human and digital transformation.

After deducting "other operating profit and expenses", which represented an expense of €173 million in 2017 (compared to an expense of €78 million in 2016), operating profit fell by 29.5% to €762 million. Financial revenue is improving by €57 million.

The effective tax rate of Auchan Holding stands at 35.1%, an increase of 18.9 points compared to December 2016. This increase is mainly due to the rise of unused tax losses and non-recurring items recorded under APCO (Other operating profit and expenses). A negative comparison since in 2016, the effective tax rate was low due to the positive effects from the "Steria" ruling made by the Court of Justice of the European Union.

As a result, on 31 December 2017, net profit from continuing operations was €470 million, down by 43%. In the end, Auchan Holding's net profit for the period, which takes into account the capital gain on the sale of Alinéa in 2017 for €40 million against Alinéa's loss of €21 million in 2016, amounts to €509 million (€803 million in 2016). **Therefore, after taking into account non-controlling interests, net profit for the year attributable to owners of the parent came to €275 million.**

A level of sustained investment, a strong financial position

In 2017, **Oney, Immochan and Auchan Retail invested €1.72 billion worldwide**, not only to continue their physical and digital growth, but also to accelerate the modernisation of shopping sites (Immochan modernised 45 assets, more than 10% of its network) and the remodelling of points of sale, particularly as part of the project to converge Auchan Retail brands to one single brand per country.

France received the most investment from Auchan Holding, with €572 million. Followed by Eastern Europe (€437 million) and Asia (€331 million). These figures reflect the decline in the number of openings in Russia and China. Out of 186 openings, 94 took place in Asia, 42 in Eastern Europe and 34 in Western Europe excluding France. These investments confirm the prioritising of convenience and ultra-convenience stores with 84% of openings for these formats.

Cash flows from operations of companies within Auchan Holding amounted to €2.07 billion, representing 3.9% of revenue, down 5.3% at current exchange rates compared to 2016, mainly due to the weakening of the Russian rouble, while cash flows from operations are improving in China despite the effect of a negative exchange rate.

On 31 December 2017, net financial debt amounted to €2.47 billion, an increase of €278 million, with gearing (i.e. the ratio of net financial debt to equity) remaining at a stable level of 18.6%.

According to **Régis Degelcke**, Chairman of the Management Board of Auchan Holding:

"2017 represents a year of transition for rolling out the transformation plans of the three increasingly independent companies that make up Auchan Holding. Auchan Holding has supported the profound and rapid transformations of its 3 companies while maintaining a strong financial position; transformations to become the global player in urban development and open new fields of investment for Immochan, human and digital transformations and to accelerate international development for Oney, transformations to become a multi-format phygital retailer, a campaigner for good, healthy and local products for Auchan Retail. These transformations are a unique experience in the history of Auchan and they benefit from the daily efforts of teams and employees. The first results of these transformations will be reflected in 2019 figures."

Key figures in 2017 (per IAS/IFRS)

€ million	2017	2016 ¹	Change at constant exchange rates	Change at current exchange rates
Revenue from ordinary activities	53,155	52,820	+0.2%	+0.6%
EBITDA ²	2,434	2,646	-8.4%	-8.0%
Operating profit from continuing operations excluding taxes	935	1,159	-20.3%	-19.3%
Other operating profit and expenses	(173)	(78)	n.a.	n.a.
Pre-tax operating profit	762	1,081	-30.4%	-29.5%
Net profit from continuing operations	470	824	-43.4%	-43.0%
Net profit from assets held for sale and discontinued operations	40	(21)	-	-
Profit for the year	509	803	-37.0%	-36.6%
of which attributable to owners of the parent	275	590	-54.5%	-53.4%

€ million	2017	2016	Change (€m and %)	
Current investments	1,721	1,792	(71)	-4.0%
Net financial debt	2,470	2,192	278	+12.7%
Total equity	13,281	12,902	367	+2.9%

The Management Board met on 7 March to finalise the financial statements for financial year 2017. Audit procedures have been performed and the audit report is currently being issued.

¹ At constant exchange rates; 2015 figures and changes from the previous year adjusted for the impact of reclassifying Alinéa as a “discontinued operation”

² EBITDA: Operating profit from continuing operations excluding other operating profit and expenses and excluding depreciation, amortisation and impairment expenses

Appendices

2017 consolidated balance sheet

ASSETS (IN €M)	2017	2016
Goodwill	3,692	3,700
Other intangible assets	1,052	1,078
Property, plant and equipment	11636	12,105
Investment property	4,627	4,427
Investments in associates	184	195
Customer loans - credit activity	1,265	1,192
Other non-current financial assets	504	542
Non-current derivative assets	129	203
Deferred tax assets	350	318
NON-CURRENT ASSETS	23,439	23,761
Inventories	4,910	5,265
Customer loans - credit activity	1,647	1,630
Trade receivables	526	489
Current tax assets	113	175
Other current receivables	2,339	2,459
Current derivative assets	52	118
Cash and cash equivalents	2,619	2,381
Assets classified as held for sale		263
CURRENT ASSETS	12,206	12,780
TOTAL ASSETS	35,645	36,541
EQUITY AND LIABILITIES (IN €M)	2017	2016
Share capital	604	613
Share premiums	1,914	1,914
Reserves and net income attributable to owners of the parent	7,394	7,517
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	9,912	10,044
Non-controlling interests	3,369	2,858
TOTAL EQUITY	13,281	12,902
Provisions	282	345
Non-current borrowings and other financial liabilities	3,728	3,713
Debts financing credit activity	928	984
Non-current derivative liabilities	22	34
Other non-current liabilities	341	1,274
Deferred tax liabilities	627	654
NON-CURRENT LIABILITIES	5,927	7,005
Provisions	247	223
Current borrowings and other financial liabilities	1,487	1,102
Debts financing credit activity	1,387	1,299
Current derivative liabilities	52	48
Trade payables	8,799	9,312
Current tax liabilities	140	132
Other current liabilities	4,325	4,396
Liabilities classified as held for sale		121
CURRENT LIABILITIES	16,436	16,634
TOTAL EQUITY AND LIABILITIES	35,645	36,541

2017 Consolidated Income Statement (changes at current exchange rates)

(in € million)	2017	2016	Y/Y-1	
REVENUE FROM ORDINARY ACTIVITIES	53,155	52,820	+0.6%	
	Cost of sales	(40,510)	(40,259)	
GROSS PROFIT	12,645	12,561	+0.8%	
	Payroll expenses	(6,295)	(6,043)	+4.2%
	External expenses	(3,833)	(3,735)	+2.6%
	Depreciation, amortisation and impairment	(1,593)	(1,633)	-2.4%
	Other operating profit and expenses	12	10	+29.0%
OPERATING PROFIT FROM CONTINUING OPERATIONS	935	1,159	-19.3%	
	Other operating profit and expenses	(173)	(78)	n/a
OPERATING PROFIT	762	1,081	-29.5%	
	Income from cash and cash equivalents	59	50	-
	Gross cost of financial debt	(98)	(85)	-
	Net cost of financial debt	(39)	(35)	+10.3%
	Other financial income and expenses	3	(58)	n/a
PROFIT FOR CONSOLIDATED COMPANIES BEFORE TAX	727	989	-26.5%	
	Income tax expense	(255)	(160)	+59.3%
	Share of net profit (loss) of associates	(2)	(5)	-64.4%
NET PROFIT FROM CONTINUING OPERATIONS	470	824	-43.0%	
	Net profit from assets held for sale and discontinued operations	40	(21)	n/a
NET PROFIT	509	803	-36.6%	
	Of which attributable to owners of the parent	275	590	-53.4%

Our worldwide presence

Auchan store network at 31 December 2017 (incl. franchisees and partners)



	AUCHAN RETAIL			IMMOCHAN	ONEY
	Hypermarkets	Convenience stores	E-commerce		
			Auchan.fr, Auchandirect,		
	France	137	350	156 drives	96
	Spain	60	297	E-commerce	30
	Portugal	29	27	E-commerce	10
	Italy	48	1,559	E-commerce, 1 drive-through outlet	50
	Luxembourg	1	1	E-commerce, 4 drive-through outlets	1
	Malta	-	-	-	-
WESTERN EUROPE		275	2,234	161 drive-through outlets	187
	Poland	77	33	Auchandirect	28
	Hungary	19	1	E-commerce	18
	Romania	31	17	E-commerce	23
	Russia	62	248	E-commerce	38
	Ukraine	18	6	E-commerce	3
	Tajikistan	1	-	-	-
CENTRAL AND EASTERN EUROPE		208	305	-	110
	Mainland China	461	64	E-commerce	74
	Taiwan	22	1	E-commerce, 9 drive-through outlets	22
	Vietnam	-	19	-	-
ASIA		483	84	9 drive-through outlets	96
	Senegal	-	17	-	-
	Mauritania	-	2	-	-
AFRICA		-	19	-	-
TOTAL		966	2,642	170 drive-through outlets	393



Auchan Holding

Contact for investors

Antoine Pernod - Director of Communications - apernod@auchan.com

As of 4 April 2018:

François-Xavier Gimonnet - Tel. +33 3 20 81 68 54 – fxgimonnet@auchan.com

Press contact

Marie Vanoye – Tel. +33 3 20 81 68 52 – mvanoye@auchan.com

www.auchan-holding.com/ / [@Auchannews](https://twitter.com/Auchannews)