

Immochan S.A.

**Statutory auditors report on the annual financial
statements**

Year ended December 31, 2017

Immochan S.A.

Rue du Maréchal de Lattre de Tassigny - 59170 Croix

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Head office: Rue du Maréchal de Lattre de Tassigny - 59170 Croix
Share capital: €635 801 600

Statutory auditors report on the annual financial statements

Year ended December 31, 2017

To the General Meeting of Immochan S.A.,

Opinion

In execution of the mission entrusted to us by your General Meeting, we have audited the annual financial statements of the company Immochan S.A. for the financial year ended December 31, 2017, as attached to this report.

We certify that, in the light of French accounting rules and principles, the annual financial statements are sincerely and honestly presented and give a true and fair view of the results of the operations of the past financial year and the financial position and assets of the company at the end of this financial year.

Basis of opinion

Audit reference system

We conducted our audit in accordance with professional standards applicable in France. We believe that the evidence we have collected is sufficient and appropriate to provide a basis for our opinion.

The responsibilities incumbent on us with regards to these standards are set out in the section "Auditors' responsibilities for auditing the annual financial statements" of this report.

Independence

We carried out our audit mission in accordance with the independence rules applicable to us, over the period from January 1, 2017 to the date of issuance of our report, and in particular we have not provided services prohibited by the code of ethics of the profession of auditor.

Justification of the assessments

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessment which, in our professional judgment, was the most important for the audit of the annual financial statement of the financial year.

Equity investments, whose net amount on the balance sheet on December 31, 2017 amounted to €2,414,188, are recorded at their transfer, subscription or acquisition value and impaired as described in note 2.3. "Controlling interests and other financial assets" in the appendix.

On the basis of the information provided to us, our work consisted of assessing the appropriateness of the methods used and the data on which the determination of the value in use of the controlling interests is based, notably to assess the consistency of the assumptions made by general management.

The assessments thus made fall within the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on elements in these annual financial statements taken separately.

Audit of the management report and other documents addressed to the shareholders

In accordance with the professional standards applicable in France, we have also carried out the specific verifications required by the legal and regulatory texts.

Information provided in the management report and in other documents related to the financial situation and the annual financial statements addressed to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents pertaining to the financial situation and the annual financial statements addressed to the shareholders.

Corporate governance information

In application of the law, we inform you that the information provided for by the provisions of article L.225-37-3 of the French Commercial Code is not mentioned in the section of the management report of the Board of Directors devoted to corporate governance. Consequently, we cannot attest to the existence in this report of the information required nor of the accuracy and the sincerity of the information relating to the remunerations and benefits paid to the corporate officers as well as on the commitments made in their favour.

Other information

In accordance with the law, we have ensured that the various information relating to equity investments and control and the identity of the owners of the capital have been communicated to you in the management report.

Responsibilities of the management and persons in charge of corporate governance relating to the annual financial statements

It is the responsibility of management to prepare annual financial statements that present a true and fair view in accordance with French accounting principles as well as to implement the internal control that it deems necessary for the preparation of annual financial statements that do not include any significant misstatements, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for evaluating the Company's ability to continue as a going concern, to present in these accounts, as appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting policy unless it is intended to liquidate the company or cease trading.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors in the auditing of the annual financial statements

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain significant misstatements. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit carried out in accordance with professional standards will systematically detect any significant misstatement. Anomalies may arise from fraud or error and are considered significant where it can reasonably be expected that they, taken individually or in combination, may influence the economic decisions that users of the accounts take in their business based on these.

As specified by Article L.823-10-1 of the French Commercial Code, our assignment to certify the accounts does not consist of guaranteeing the viability or the quality of the management of your company.

As part of an audit carried out in accordance with the professional standards applicable in France, the statutory auditor exercises their professional judgement throughout this audit. Furthermore:

- they identify and assess the risks that the annual financial statements contain significant misstatements, whether due to fraud or error, define and implement audit procedures to address these risks, and collect any elements they consider sufficient and appropriate on which to base their opinion. The risk of not detecting a significant anomaly from fraud is higher than that of a significant misstatement resulting from an error, as the fraud may involve collusion, forgery, voluntary omissions, misrepresentation or circumventing internal controls;
- they become acquainted with the internal control relevant to the audit in order to define appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of the internal control;
- they assess the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by management, as well as the information relating to these provided in the annual financial statements;

- they assess the appropriateness of management's application of the going concern accounting policy and, depending on the evidence gathered, the existence or otherwise of significant uncertainty related to events or circumstances likely to call into question the company's ability to continue as a going concern. This assessment is based on the information collected up to the date of their report, although it should be remembered that subsequent circumstances or events could jeopardize the continuity of operations. If they conclude that there is significant uncertainty, they draw the attention of the readers of their report to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, they formulate a certification with reserves or a refusal to certify;
- they assess the overall presentation of the annual financial statements and assess whether the annual financial statements reflect the underlying transactions and events so as to give a true and fair view of them.

Neuilly-Sur-Seine and Paris La Défense April 25, 2018

The auditors

PriceWaterhouseCoopers Audit

KPMG Audit
Department of KPMG S.A.

Christian Perrier
Partner

Stella Vitchérian
Partner

ANNUAL ACCOUNTS

Company: IMMOCHAN

Legal form: Public Limited Company

Head office: RUE MAL DE LATTRE DE TASSIGNY 59170 CROIX

Closing date: 31/12/2017

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Assets (in thousands of euros)

ASSETS	31/12/2017			31/12/2016
	Gross	Depreciation	Net	Net
Uncalled subscribed capital (I)				79,300
Administration costs				
Development costs				
Concessions, patents and similar rights	67		67	67
Goodwill				
Other intangible assets	5	3	3	4
Advances on intangible assets				
TOTAL intangible assets	72	3	70	71
Land				
Constructions	3	3	0	
Technical installations, equipment	1	1	0	
Other tangible assets	22	22	0	
Assets in progress	414		414	
Advances and deposits				
TOTAL tangible assets	440	26	414	0
Controlling interests according to the equity method	15,923		15,923	
Other controlling interests	2,418,602	20,337	2,398,265	1,807,145
Receivables related to controlling interests	18,572		18,572	
Other financial assets				
Loans	120		120	
Other long-term investments	10		10	1
TOTAL financial assets	2,453,227	20,337	2,432,890	1,807,146
Total fixed assets (II)	2,453,738	20,365	2,433,373	1,807,217
Raw materials, supplies				
Production of goods in progress				
Production of services in progress				
Intermediate and finished products				
Merchandise				
TOTAL Stock	0	0	0	0
Advances and deposits on orders	1		1	16
Trade receivables	2,540		2,540	6,336
Other receivables	14,813		14,813	141,288
Subscribed and called capital, unpaid				
TOTAL Receivables	17,353	0	17,353	147,624
Negotiable securities (of which own shares:)				
Availabilities	0		0	
TOTAL Availabilities	0	0	0	0
Deferred costs	95		95	49
TOTAL Current assets (III)	17,449		17,449	147,689
Loan issue costs to be staggered (IV)				
Bond repayment premiums (V)				
Unrealised exchange rate gains (V)				
Overall total (I to VI)	2,471,187	20,365	2,450,822	2,034,206

Liabilities (in thousands of euros)

LIABILITIES	31/12/2017	31/12/2016
Share capital (of which paid: 635,802)	635,802	647,834
Issue, merger, contribution premiums,	840,768	520,992
Revaluation differences (of which equity method evaluation difference:)		
Legal reserve	50,041	49,353
Statutory or contractual reserves		
Regulated reserves (of which reserve for provisional fluctuation of currencies:)		
Other reserves (of which reserve for purchase of original artists' works:)	788,422	796,730
TOTAL Reserves	838,463	846,083
Balance brought forward		
PROFIT OR LOSS FOR THE FINANCIAL YEAR	128,016	13,759
Investment grants		
Regulated provisions		
TOTAL SHAREHOLDERS' EQUITY (I)	2,443,050	2,028,668
Income from equity investment issues		
Conditional advances		
TOTAL OTHER SHAREHOLDERS' EQUITY (II)		
Provisions for risks		
Provisions for charges	159	38
TOTAL PROVISIONS FOR RISKS AND CHARGES (III)	159	38
Convertible bonds		
Other bonds		
Loans and debts with credit institutions	4	372
Miscellaneous loans and borrowings (including participatory loans:)	0	
TOTAL Financial debts	4	372
Advances and deposits received on orders in progress		
Accounts receivable and related accounts	3,068	1,548
Tax and social debts	4,388	3,566
Debts on fixed assets and related accounts	153	
Other debts	0	15
TOTAL Operating liabilities	7,609	5,129
Deferred income		
TOTAL DEBTS (IV)	7,613	5,500
Liability conversion adjustments (V)		
TOTAL GENERAL - LIABILITIES (I to V)	2,450,822	2,034,206

Income statement (in thousands of euros)

Income Statement	31/12/2017			31/12/2016
	France	Export	Total	
Sale of goods				
Production sold goods				
Production sold services	7,619	6,835	14,454	12,750
Net turnover	7,619	6,835	14,454	12,750
Production in stock				
Immobilised production				
Operating grants			3	
Reversals of depreciation and provisions, transfer of charges			38	6
Other income			0	
Total income from operations (I)			14,495	12,756
Purchases of goods (including customs duties)			0	
Change in stock (goods)				
Purchases of raw materials and other supplies (including customs duties)				
Change in stock (raw materials and supplies)				
Other purchases and external expenses			9,400	8,886
Taxes & similar payments			602	543
Wages			7,737	5,948
Social contributions			3,521	2,920
Operating allocations	on fixed assets	Depreciation allowances	1	0
		Provision for impairment		
	On current assets: provision for impairment			
	For risks and expenses: provision for impairment		159	38
Other expenses			35	35
Total operating expenses (II)			21,455	18,369
OPERATING INCOME			-6,961	-5,613
Profit allocated or loss transferred		(III)		
Loss sustained or profit transferred		(IV)		
Financial income from controlling interests			140,261	29,591
Income from other securities and receivables from fixed assets			0	
Other interests and similar income			90	44
Reversals of provisions and transfers of expenses				1,190
Positive currency exchange differences			0	0
Net income from disposals of marketable securities				
Total financial income (V)			140,351	30,824
Financial allowances for depreciation and provisions			5,000	10,800
Interest and similar expenses			0	0
Negative currency exchange differences			0	0
Net expenses on disposals of marketable securities				
Total financial expenses (VI)			5,000	10,800
FINANCIAL PROFIT OR LOSS (V - VI)			135,351	20,024
CURRENT PROFIT/LOSS BEFORE TAX (I-II III-IV+V-VI)			128,390	14,411

Income statement (continued)

Income statement (continued)	31/12/2017	31/12/2016
Exceptional income from management operations		
Exceptional income from capital transactions		1
Reversals of provisions and transfers of expenses		16
Total exceptional income (VII)		17
Extraordinary expenses on management operations	17	324
Extraordinary expenses on capital transactions		1
Exceptional allocations to depreciation and provisions		
Total exceptional expenses (VIII)	17	325
EXCEPTIONAL PROFIT/LOSS (VII-VIII)	-17	-308
Employee profit-sharing in the company (IX)	401	258
Taxes on profits (X)	-44	86
TOTAL INCOME (I + III + V + VII)	154,846	43,597
TOTAL EXPENSES (II + IV + VI + VIII + IX + X)	26,830	29,838
PROFIT OR LOSS (total income - total expenses)	128,016	13,759

NOTES TO THE ANNUAL ACCOUNTS
Company: IMMOCHAN

The financial year has a duration of 12 months covering the period from 01/01/2017 to 31/12/2017

The notes or tables hereafter form an integral part of the annual accounts.

1. Key factors

1.1. Main events of the financial year

In 2017, Immochan SA received dividends in the amount of €140,563,631 from Immochan France and €138,261 from the limited liability company Domaine de Bonne Nouvelle.

The share capital increased from €647,834,040 to €635,801,600 in 2017, firstly by the cancellation of the outstanding capital for €79,300,000 and by the creation of 1,319,924 shares of €20, subscribed by Auchan Holding on December 15th, and 2,043,454 shares of €20 subscribed by ARI on December 14th.

Shares in the company Aushopping, 100%-owned by Immochan SA, were completely depreciated.

1.2. Events subsequent to the end of year

A significant event occurred affecting our subsidiary Alliage et Territoire.

On March 6th, 2018, the Administrative Court of Cergy-Pontoise decided to cancel the prefectural decree creating the Gonesse Triangle development zone taken by the prefecture of Val d'Oise. According to our analysis, the decision of the Administrative Court concerns only the decree creating the Gonesse Triangle development zone. Namely the creation of a new district around the station of the same name, as part of the Grand Paris Express project and not the EuropaCity leisure centre project, by itself. It is only a setback to the project (horizon 2027) and is in no way stopping it. This decision can be appealed within two months and the impact assessment file can be completed.

This event does not impact the continuity of the project or the valuation of the assets of our subsidiary and its subsidiaries and therefore does not affect the valuation of the related equity investments in our accounts.

2. Accounting rules and methods

The annual accounts have been prepared and presented in accordance with the principles and methods defined by ANC regulation no. 2014-03 of June 5th, 2014 relating to the French accounting principles [PCG].

The general accounting conventions have been applied in accordance with the principle of prudence, in accordance with the basic assumptions:

- Continuity of operations,
- Consistency of accounting methods from one year to the next,
- Independence of financial years,

And in accordance with the general rules for the preparation and presentation of the annual accounts. The basic method used for valuing items recorded in the accounts is the historical cost method.

2.1. Intangible assets

Software

Computer software purchased and software developed internally are capitalised and depreciated over their estimated useful life of 3 years. As an exception, ERP-type software is depreciated over 5 years since it is highly structuring for the business and its functional and technical architecture has a longer useful life.

Impairment of intangible assets:

In accordance with article 214-16 of the PCG, the company carries out impairment tests as soon as there is an indication of loss of value. When the net book value of the asset exceeds its recoverable amount, an impairment loss is recorded as an expense.

2.2. Tangible assets

Tangible assets are valued at their acquisition cost, with the exception of assets received as an asset contribution on January 1st, 1997.

Acquisition costs and borrowing costs are recorded as expenses.

The principal components of a tangible asset (hereinafter "component") are recorded separately when their estimated useful lives are significantly different. A depreciation plan specific to each component is applied according to the rate or method of depreciation specific to it.

Maintenance and repair costs are recorded in the period in which they are incurred. Subsequent expenditures related to the replacement or renewal of a component are accounted for as a separate asset replacing the renewed asset.

Fixed assets are depreciated from the date of commissioning of the asset over their useful life with a residual value of zero.

Constructions (structural work):	40 years
Roofing, sanitation and flooring:	20 years
Fixtures and fittings:	6 and 2/3 years to 8 years
Technical installations, equipment and tools:	3 to 8 years
Office supplies:	3 to 5 years
Other fixed assets:	3 to 5 years

When the depreciable asset is likely to be eligible for tax system using declining-balance depreciation method and/or when the periods of use in the profession are lower than the useful lives, the company records an excess tax depreciation.

Impairment of tangible assets:

The impairment rules for tangible assets are identical to those used for intangible assets.

2.3. Controlling interests and other financial assets

Equity investments are shown in the balance sheet at their contribution, subscription or acquisition value. When the inventory value of a controlling interest is lower than its transfer or acquisition value, a provision for impairment is established.

The inventory value of a controlling interest corresponds to its value in use for the company, which is determined by reference to the proportion of shareholders' equity held, to the corrected net accounting asset, to its yield value and to the prospects of profitability.

Acquisition costs are included in the cost price of equity investments and are depreciated over a 5-year period.

Other financial assets are shown on the balance sheet at their production cost. If necessary, provisions are recognised when their value in use falls below their cost.

2.4. Receivables and debts

Receivables and debts are valued at their par value. Those expressed in foreign currencies are valued on the basis of the exchange rate prevailing at the end of the financial year.

When commercial transactions are hedged to fix the price of the foreign currency, debts and receivables are recorded at the hedged rate. In this case, there is no conversion difference.

Receivables with risks of non-payment are subject to depreciation by provision.

2.5. Negotiable securities

Negotiable securities have been valued at their purchase price or their market value at the end of the financial year, whichever is lower.

2.6. Provisions for risks and expenses

A provision for risks and expenses is recorded when the company has a legal or constructive obligation to a third party resulting from a past event, the amount of which can be estimated in a sufficiently reliable manner and whose termination is likely to result in an outflow of resources.

2.7. Pension commitments and other long-term employee benefits

The company outsources the management of end-of-career benefits to cover future expenses through an insurance system.

The commitments are subject to an actuarial valuation, using the projected credit unit method. This method consists of determining the rights acquired by the employees at the end of year for pensions, post-employment benefits and long-term benefits, taking into account the economic conditions and the forecasts for salary changes.

As such, the valuation of retirement benefits takes into account, in particular, the following data:

- end-of-career salaries by integrating the years of service of the employees, the projected salary level at the date of retirement, taking into account expected career growth effects and an estimated evolution of pension levels;
- the retirement age, determined according to the provisions applicable in the company;
- the projected number of employees retiring, determined on the basis of turnover rates and the mortality table TF00/02 with age difference;
- a nominal discount rate of 1.8%;
- a rate of return on financial assets of 1.8%.

The company outsources the management of end-of-career benefits to cover future expenses through an insurance system.

2.8. Notion of current profit/loss and exceptional profit/loss

All exceptional elements in terms of frequency and amount related to ordinary activities are recorded as exceptional profit/loss.

2.9. Taxes on profits

The company is consolidated for tax purposes. The parent company (Auchan Holding SA), as the only entity liable for the tax, records the tax debt owed to the Public Treasury. Subsidiaries in the tax consolidation group determine and account for their tax expenses as if they were taxed separately and record their tax liability to the parent company in the current accounts. Tax savings from loss-making companies are recorded in the income statement by the group's tax consolidation parent company (Auchan Holding SA)

2.10. Turnover

Turnover mainly consists of invoicing for services rendered in France ("management fees" and fees).

3. Changes in method

During the financial year, no change in method occurred; consequently, the exercises are comparable without restatement.

4. Notes on the balance sheet

4.1. Fixed assets

4.1.1. Intangible and tangible assets

Gross fixed assets (in thousands of euros)	Start of the financial year	Merger operation	Increase and contributions	Decrease and contributions	End of the financial year
Intangible assets (1)	72		0	0	72
Tangible assets (2)	25		414	0	439
TOTAL	97	0	414	0	511

(1) Aushopping and Europacity brands for €67K and software for €5K.

(2) Refurbishment of offices for €414K and IT equipment for €25K.

4.1.2. Statement of depreciation

Depreciation (in thousands of euros)	Start of the financial year	Merger operation	Increase and contributions	Decrease and contributions	End of the financial year
Intangible assets	1		2	0	3
Tangible assets	25		0	0	25
TOTAL	26	0	2	0	28

4.1.3. Financial assets

Gross fixed assets (in thousands of euros)	Start of the financial year	Merger operation	Increase and contributions	Decrease and contributions	End of the financial year
Equity investments	1,822,482		612,042		2,434,524
Loans, receivables from controlling interests	1		18,701		18,702
TOTAL	1,822,483	0	630,743	0	2,453,226

Loans and other financial investments :

- Less than one year: €130K
- More than one year: €0K

4.2. Table of subsidiaries and controlling interests

(in thousands of euros)	Gross value of securities	Net value of securities	Shareholders' equity excluding profit	% holding	Turnover	Dividends cashed	Accounting result last financial year
A / More than 50% of the capital							
Soficole BV	1,402,138	1,402,138	1,759,519	100	0	0	18,894
Immochan France SA	636,042	636,042	521,250	97.73	315,714	140,563	69,941
Aushopping SAS	20,337	0	2,685	100	225		-3,447
Bonne Nouvelle SARL	401	401	245	100	201	138	135
Sofinance SAS	56,845	56,845	57,576	98.77	0		-1
Immochan Polska	298,879	298,879	319,884	89.80	22,241		4,374
B / Between 5% and 50% of the capital							
Huis	3,960	3,960	9,901	40	0		-6
Alliages et Territoires	15,923	15,923	3,454	50	5,623		-40

There are receivables with regard to Alliages et Territoires which figure in table in 4.1.3

There are no guarantees and endorsements granted to subsidiaries as of 31 December 2017.

4.3. Receivables and debts

Statement of receivables (in thousands of euros)	Gross amount	At - 1 year	At + 1 year
Accounts receivable (1)	2,540	2,540	0
Employees and related accounts	0	0	0
Social security and other social organisations	0	0	0
State and other public authorities	609	609	0
Groups and associates (2)	13,948	13,948	0
Various debtors	181	181	0
TOTAL RECEIVABLES	17,278	17,278	0

(1) Trade receivables correspond to receivables concerning the group (invoicing of overheads and management fees)

(2) "Group and associates" receivables mainly consist of the cash current account concerning ICS)

Statement of debts (in thousands of euros)	Gross amount	At - 1 year	From 1 to 5 years	At + 5 years
Bond issues	0	0	0	0
Financial debts	4	4	0	0
Suppliers and related accounts	3,068	3,068	0	0
Tax and social debts	4,388	4,388	0	0
Debts on fixed assets	153	153	0	0
Group and associates	0	0	0	0
Other debts	0	0	0	0
TOTAL DEBTS	7,613	7,613	0	0

4.4. Equity

4.4.1 Share capital

	Number of shares making up the capital	Par value (in euros)	Total (in thousands of euros)
On 1 January	32,391,702	20	647,834,040
Increase	3,363,378	20	67,267,560
Decrease	-3,965,000	20	- 79,300,000
Total on 31 December	31,790,080	20	635,801,600

4.4.2 Change in equity

Equity increased from €2,028,668.3 K to €2,443,050 K, equal to a change of €414,381.7 K. This variation, in thousands of euros, is broken down as follows:

Equity on January 1st	2,028,668.3
* Change in Capital	-12,032.4
* Change in the contribution premium	319,776.4
* Variation of reserves	-7,619.1
* Profit/loss for the financial year	128,016.2
* Allocation of profit N-1	
- Of which dividends	-21,378.5
- Of which allocation to the legal reserve	-688.0
- Of which allocation other reserves	8,307.1
- Of which allocation to balance brought	0
Equity on December 31st	2,443,050.0

4.5. Provisions

Type of provisions (in thousands of euros)	Start of the financial	Allocations	Reversals	End of the financial year
Investment provisions	0	0	0	0
Accelerated depreciation	0	0	0	0
TOTAL (I)	0	0	0	0
Provisions for litigation	0	0	0	0
Provisions for fines and penalties	0	0	0	0
Provisions for foreign exchange losses	0	0	0	0
Provisions for pensions	0	0	0	0
Provisions for taxes	0	0	0	0
Provisions for social security expenses	0	0	0	0
Other provisions for risks and expenses	38	159	38	159
TOTAL (II)	38	159	38	159
- Provisions on tangible assets	0	0	0	0
- Provisions on equity investments ⁽¹⁾	15,337	5,000	0	20,337
- Provisions on other financial assets	0	0	0	0
Provisions on trade receivables	0	0	0	0
Other provisions for impairment	0	0	0	0
TOTAL (III)	15,337	5,000	0	20,337
GENERAL TOTAL (I + II + III)	15,375	5,159	38	20,496

(1) The Aushopping SAS shares held by Immochan SA have been impaired by 100%.

4.6. Detail of accrued liabilities and receivables

Expenses payable (in thousands of euros)	Amount
Borrowings and financial liabilities	
Advances and deposits received on orders in progress	
Accounts receivable and related accounts	1,765.6
Tax and social debts	3,722
Debts on fixed assets and related accounts	152.9
Other debts	
Total	5,640.5

Accounts receivable (in thousands of euros)	Amount
Receivables related to controlling interests	
Other long-term investments	
Trade receivables	
Employees and related accounts	
Social security and other social organisations	
State and other public authorities	150
Other receivables	
Availabilities	
Total	150

4.7. Accruals

Deferred expenses by type (in thousands of euros)	Amount
General Expenses	94.9
Total	94.9

Deferred income by type (in thousands of euros)	Amount
Total	0

5. Notes on the income statement

5.1. Analysis on the operating income

(In K euros)	2017	2016
Net turnover	14,454	12,750
Personnel costs	-11,259	-8,868
Depreciation allocations and provisions net of reversals	-122	-32
Taxes and duties	-602	-543
Other operating income and expenses	-9,432	-8,921
Total on December 31st	-6,961	-5,613

Net turnover mainly corresponds to the invoicing of expatriate personnel costs to the countries for €2,394k, the invoicing of IT personnel costs to Immochan France for €1,712k. Invoicing for management fees to countries increased by €873k.

The change in personnel costs is largely related to the increased workforce.

Other expenses mainly increase on the fees item for €960k and travel expenses for €191k. There is a decrease in the hosting item for -€255k, external staff costs -€694k.

5.2. Analysis of the financial profit/loss

The financial profit/loss excluding dividends and provisions improved by €46k.

(In K euros)	2017	2016
Other financial income	90	1,234
Dividends received	140,261	29,590
Depreciation of equity investments	-5,000	-10,800
Other financial expenses	0	0
Total on December 31st	135,351	20,024

Immochan SA received dividends for €138k from the company Domaine de Bonne Nouvelle on May 31st, 2017.

Immochan SA received dividends for the amount of €140,563k from Immochan France.

Immochan impaired the shares of Aushopping SAS for €5,000k.

5.3. Analysis of the exceptional profit/loss

The extraordinary profit/loss is an expense of €17K. It is mainly explained by:

- The payment of donations for €27k
- The impact of the 2013-2014 tax audit for -€10k

5.4. Remuneration paid to members of management bodies

Given the confidentiality of this information, remuneration is not disclosed.

5.5. Employees

The average workforce changed from 57 in 2016 to 73 in 2017.
The actual workforce consists of 80 people, 55 men and 25 women.

5.6. CICE

In 2017, Immochan benefited from a tax credit for competitiveness and employment of €44K.

5.7. Taxes on profits

Immochan SA has a fiscal deficit of €6,124k on December 31st, 2017. There is no corporate income tax included in the income statement on December 31st, 2017

(In K euros)	Profit/loss before taxes	Taxes on profits	Profit/loss after tax
Current profit/loss	128,390		128,390
Extraordinary profit/loss	-17		-17
Tax income related to tax consolidation	0		0
CICE	44		44
Controlling interest	-401		-401
Accounting income	128,016		128,016

Method used:

The tax adjustments have been reclassified according to their type in current profit/loss and exceptional profit/loss.

6. Additional notes

6.1. Off-balance sheet commitments

- Line of credit granted and confirmed by the banks but not used as at December 31st :
€400,000k.
- Pension commitment:
€700,000 not accounted for

6.2. Deferred taxation

<i>Denominated (in thousands of euros)</i>	31/12/2017
Bases for increasing future tax debt	
Regulated provisions	
Investment grants	
Negative valuation difference of O.P.V.C.M securities	
Asset conversion adjustment	
Other expenses deducted in advance	
Long-term capital gains in tax deferral	
Total bases for increasing future tax debt	0
Total future tax liability	0
Bases for decreasing future tax debt	
Controlling interest	330.0
Potential losses on long-term contract	
Provisions for pensions and similar obligations	
Other risks and provisioned expenses	
Expenses to pay	
Positive valuation difference of O.P.V.C.M securities	
Liability conversion adjustment	
Other income taxed in advance	
Tax-allowable loss carry-forwards	
Total bases for decreasing future tax debt	330
Total future tax assets	113.6
Net situation	- 113.6

<i>(1) Tax rate:</i>	34.43
<i>Of which standard rate of corporation tax:</i>	33.33
<i>Social security contribution on the tax:</i>	3.30

6.3. Company establishing the consolidated accounts

Name and registered office
Auchan Holding SA 40, avenue de Flandre 59170 Croix Siret number: 47618062500479