

French retailer Auchan posts profit rise

PARIS, FRANCE: French retailer Auchan last week reported an almost 34% rise in first-half net profits, mainly flattered by one-off gains and continued growth in Asia and central and eastern Europe.



The company, controlled by the Mulliez family, said net profit in the six-month period rose to €317m from €237m a year ago.

The jump in profits was boosted by a €119m gain from its sale of seven shopping centres and retail parks in France. Excluding non-recurring items, profits rose by about 3.0%.

Sales, including taxes, rose 3.9% to €23.15m, with mixed performance recorded across its operations.

While the group experienced a significant climb in sales in both central and eastern Europe and Asia - these were up 14% - business in western Europe was dull as it was still being hampered by the after effects of the Europe-wide debt crisis.

Vianney Mulliez, Auchan's chairman, said that although the macroeconomic environment "weighed on household purchasing power" in the period, "the group saw further organic growth in eastern Europe and China".

She said: "Measures taken in terms of pricing and improvements in our offerings, sourcing, and cost control must enable us to withstand an overall environment that is not expected to show any real improvement."

Source: AFP via I-Net Bridge