

Auchan RETAIL METRO



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Auchan Retail, Casino Group, METRO and Schiever Group announce their cooperation in purchasing, internationally and in France, and build a set of next generation purchasing platforms called "Horizon"

Several agreements have been concluded during the past three months between Auchan Retail, Casino Group, METRO and Schiever Group. A set of alliances in purchasing called "Horizon" has been created. The new alliances will focus on moving away from purely transactional negotiations towards a collaborative, balanced and innovative type of negotiations.

Internationally, Horizon will act in three areas:

<u>« Horizon – International Services »</u>

Auchan Retail, Casino Group and METRO (including Real) will offer the main brands suppliers international services based on their complementary geographic locations and their presence in countries with a strong potential.

<u>« Horizon – International SME »</u>

Auchan Retail, Casino Group and METRO will assist SMEs in their international development.

<u>« Horizon – International Tender »</u>

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Auchan Retail and Casino Group will be able to launch invitations to tender for their general expenses and their non-differentiating basic private-label brands.

These platforms will be based in Geneva. Other partners may join these alliances shortly.



In France, Horizon will act in three areas:

<u>"Horizon - National Brands"</u>

Auchan Retail, Casino Group, METRO France and Schiever will jointly negotiate their purchases with the main manufacturers of national brands. Small and medium-sized businesses as well as farmers are not affected.

<u>"Horizon - Invitations to tender"</u>

Auchan Retail, Casino Group, METRO and Schiever will jointly launch invitations to tender for their general expenses and their non-differentiating basic private-label brands.

<u>"Horizon - sectors"</u>

Auchan Retail, Casino Group and Schiever will develop common agricultural sectors in line with the commitment made during the *Etats Généraux* de *l'Alimentation* (France's National Food Conference). The first four sectors will be announced in the coming weeks.

In France, these 'next generation' platforms commit to:

- Present their negotiating objectives at a very early stage;
- Install a negotiation monitoring committee, to which will be associated provider representatives;
- Finalize the annual negotiations gradually, mainly one month before the deadline which is in March the 1st;
- Systemize the talks about the subjects of nutrition and health;
- Develop multi-annual agreements;
- Ensure guarantee of fair treatment to agricultural producers.

In building Horizon internationally and in France, Auchan Retail, Casino Group, METRO and Schiever confirm their common vision and culture when it comes to their relationship with suppliers.

Based on that, these agreements will be respectful of everyone's interest: customers, farmers and manufacturers.

Each party will continue to be independently responsible for its own commercial strategies and sales policies, which include building product ranges, defining pricing and promotional activities.

Relevant competition authorities will be approached for approval prior to the implementation. A submission has been made to the competition authority in France immediately upon signing of the agreements for France on 18 May.



About Auchan Retail

Among the 5 most internationalized food banners in the world and located in 17 countries, Auchan Retail (with net sales of €52bn in 2017) combines all the food retail formats with 3 778 outlets under banners (hypermarkets, supermarkets and ultra-proximity), extended by the e-commerce and drive in certain countries. To build a conquering and modern business, Auchan Retail focuses on clients by offering them discount prices, variety and diversity of offering, quality of service, adaptation to local markets, consideration of their multi-channel purchasing behaviors. 35th employer in the world, the firm has 351 107 employees. www.auchan-retail.com

About Casino Group

Casino Group is a well-established and key player in the French retail industry as well as a leader in the global food retail market, with more than 12,000 stores worldwide – in France, Latin America and in the Indian Ocean region. The Group has built up a portfolio of strong, dynamic and complementary banners, thanks to its workforce of over 220,000 people driven by a passion for retail and customer service, generating consolidated net sales of €38bn in 2017. In France, the Group successfully implemented its multi-format, multi-brand and multi-channel model by leveraging its large network of hypermarkets (Géant), supermarkets (Casino), urban supermarkets (Monoprix, Franprix, Leader Price), convenience stores (Casino Shop, Vival, Spar, Leader Price Express) and the French e-commerce leader Cdiscount. The Group is notably present in Latin America: N°1 in Brazil with GPA and Via Varejo and in Colombia with Grupo Exito. In all of its host countries, the Casino Group focuses its development on the formats with the highest potential and ability to adapt in order to meet customer needs, both today and in the future. www.groupe-casino.fr

About METRO

METRO is a leading international specialist in wholesale and food retail. The company operates in 35 countries and employs more than 150,000 people worldwide. In financial year 2016/17, METRO generated sales of approximately €37 billion. The company provides custom solutions to meet the regional and international needs of its wholesale and retail customers. With its sales brands METRO/MAKRO Cash & Carry and Real as well as delivery services and digitisation initiatives, METRO sets the standards for tomorrow: for customer focus, digital solutions and sustainable business models. More information is available at metroag.de.

About Schiever

Schiever, is a unique tribe in the world of retail. A tribe present in France and abroad with 10 banners and 160 stores, where more than 7,000 employees every day foster a different vision of retail. This is based on a differentiating relationship: closer, more respectful and more committed. For more information: www.schiever.com.

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