

## **METRO GROUP and Alibaba Group join forces to promote e-commerce in China**

- **The two companies establish strategic partnership to expand their e-commerce endeavors in China**
- **METRO GROUP opens cross-border e-shop on Alibaba Group's Tmall Global platform offering German goods to Chinese consumers**
- **METRO GROUP and Alibaba Group to explore further collaboration opportunities in sourcing, supply chain and big data**

**Düsseldorf / Hangzhou, 8 September 2015** – METRO GROUP today announced a strategic partnership with the leading Chinese online and mobile commerce company Alibaba Group to promote business in China's rapidly growing e-commerce market. According to the agreement signed by both firms today, the German retailing company METRO GROUP is launching its official flagship store (<https://metro.tmall.hk>) exclusively on Alibaba Group's Tmall Global platform offering a range of German products to the Chinese consumer.

Operating over 80 wholesale markets in China under the banner METRO Cash & Carry, METRO GROUP is now expanding its channels by opening on Tmall Global innovative cross-border e-shop platform to further tap the great potential of the Chinese consumer market. The online storefront will sell products of METRO GROUP's sales divisions' private labels as well as supplier brands from Germany. In the first phase, over 100 products in the categories of dairy, canned foods, coffee, and chocolate from METRO Cash & Carry Germany as well as cosmetics goods from Real are to be offered online. The product assortment is planned to be expanded with more food items from METRO Cash & Carry and non-food from Real on the e-shop.

"We are pleased to enter into this remarkable partnership with Alibaba Group. E-commerce is one of our strategic growth drivers in China. Opening the flagship store on Tmall Global again shows our clear confidence in the

METRO AG

Chinese market, where we possess a solid commercial position and proven track record for high quality and broad assortment,” said Olaf Koch, Chairman of the Management Board of METRO AG. “This latest innovative platform enables us to deliver more quality imported goods and German brands to the Chinese customers through our competence in global sourcing and supply chain.”

The international shipping from Europe to China is performed in advance to ensure sufficient stock is stored in the Shanghai Free Trade Zone warehouses. Chinese customers are thus able to benefit from cross-border delivery directly from the Shanghai Free Trade Zone and fast customs clearance fulfilled by Alibaba Group’s specialized service team.

Daniel Zhang, CEO of Alibaba Group, said: “This partnership will encompass collaboration in areas including cross-border e-commerce, logistics, rural e-commerce, online supermarket and online-offline initiatives. Insights provided by Alibaba Group’s Big Data will help METRO GROUP effectively capture the demand for quality imported products among Chinese consumers.

Additionally, Alibaba Group and METRO GROUP will work together to help more European consumer brands establish fast-track solutions for expanding into the Chinese market.”

In addition to the cross-border e-shop, both companies also agree to explore omni-channel and comprehensive collaboration opportunities in areas including global sourcing of quality products in different categories, supply chain optimization and market insights leveraging on big data. For example, METRO GROUP will support the establishment of the Germany Pavilion on Tmall by introducing high-quality German products from small to medium-sized brands to Chinese consumers.

## About METRO GROUP

METRO GROUP is one of the largest and most important international retailing companies. In the financial year 2013/14 it generated sales of around €63 billion. The company operates around 2,200 stores in 30 countries and has a headcount of around 250,000 employees. The performance of METRO GROUP is based on the strength of its sales brands that operate independently in their respective market segments: METRO/MAKRO Cash & Carry - the international leader in self-service wholesale - Media Markt and Saturn - the European market leader in consumer electronics retailing - Real hypermarkets and Galeria Kaufhof department stores.

## About METRO China

Having entered the Chinese market in 1996, METRO currently runs 82 wholesale markets in 57 cities in China with over 12,000 employees, serving about 4 million professional customers. Over the past nearly 20 years, METRO China has successfully developed its competence in food safety and quality assurance, freshness and wide assortment. E-commerce is one of the strategic growth drivers for METRO China.

## About Alibaba Group

Alibaba Group's mission is to make it easy to do business anywhere. The company is the largest online and mobile commerce company in the world in terms of gross merchandise volume. Founded in 1999, the company provides the fundamental technology infrastructure and marketing reach to help businesses leverage the power of the Internet to establish an online presence and conduct commerce with hundreds of millions of consumers and other businesses.