

METRO GROUP acquires leading Asian food service distribution player Classic Fine Foods

- Acquisition strengthens METRO GROUP's wholesale operations – dedicated Food Service Distribution (FSD) business as a growth driver
- Classic Fine Foods provides access to premium FSD markets in high growth Asian mega cities and Middle East
- With Classic Fine Foods, wholesale market presence expands from 26 to 36 countries
- Further growth potential by expanding Classic Fine Foods to selected European METRO Cash & Carry markets

Düsseldorf, 6 August 2015 – The Düsseldorf-based retailing company METRO GROUP has acquired the Classic Fine Foods Group (CFF) from private equity firm EQT. CFF is a leading premium food service distribution (FSD) player headquartered in Singapore, serving high-end hotels and restaurants in Asian mega cities and Middle East. The acquisition strengthens METRO GROUP's wholesale subsidiary METRO Cash & Carry with dedicated FSD capabilities. It provides access to growth and value creation potential in the attractive premium FSD markets. The transaction covers the operations and all fixed assets of CFF for an enterprise value of \$290 million plus an earn-out of up to \$38 million depending on the EBITDA performance in 2015 to 2017.

“METRO Cash & Carry aims to strongly expand its FSD operations. With the acquisition of CFF we strengthen our value proposition and enlarge our wholesale market presence fuelling future sales and earnings growth“, said Olaf Koch, Chairman of the Management Board of METRO AG. Pieter Boone, CEO of METRO Cash & Carry, added: “With Classic Fine Foods, we found the perfect partner to expand in high growth Asian FSD markets. CFF has a strong market position and a unique exposure to Asian mega cities and Middle East. CFF partners with some of the world's most sought after fine food producers and has excellent customer relationships in the high margin

premium Hotels, Restaurants and Caterers (HoReCa) segment. The acquisition boosts our FSD capabilities widening the services for our HoReCa customers.”

“During EQT's ownership, Classic Fine Foods extended into new product categories, initiated relationships with new suppliers, entered new geographies, for instance China, and institutionalized best practices in areas including procurement. The size of the business has doubled and we are pleased that a number of local companies have developed into a coherent group that is a clear leader within fine food services. We believe METRO will be an excellent new home where Classic Fine Foods will be able to enter its next phase of growth,” said Simon Griffiths, Partner at EQT Partners, Investment Advisor to EQT Greater China II.

The FSD potential in the market for HoReCa is substantial: A growing number of HoReCa professionals prefer to have their orders delivered especially in Asian mega cities and Middle East. “We have already successfully established our own FSD activities in markets such as China, Germany and Russia. By expanding the business activities of CFF to selected European METRO Cash & Carry markets we better tap the FSD growth potential in those markets”, said Koch. “Furthermore, we strive for joining forces with CFF by utilising METRO Cash & Carry’s assortment and its suppliers.”

In order to generate even more customer value, Fred Barnes, METRO Group Director FSD, will – in addition to his current role – become the Chairman of the Supervisory Board of CFF; in this role, he will work closely together with CFF’s outstanding Management Team. Fred Barnes, who was the former CEO of Bidvest Europe and Middle East, a leading international FSD player, has a substantial experience in FSD from which both CFF and METRO will benefit.

“I really look forward to working with METRO, especially to help us expand in Japan and China and in new countries where we are not present”, said Fergus Balfour, CEO of Classic Fine Foods.

CFF's geographical footprint covers 25 cities predominantly Asian (e.g. Singapore, Dubai, Hong Kong, Bangkok, Kuala Lumpur, London, Ho Chi Minh City and Jakarta) across 14 countries. This will increase METRO Cash & Carry's presence from 26 to 36 countries. CFF's business comprises sourcing and procurement, import and export, storage and handling, marketing and distribution of high-end fine foods products such as dairy, meat, pastry, seafood, high quality perishables, condiments, pasta and dry products. By directly distributing international and mostly European premium brands CFF serves the daily needs of HoReCa customers like five-star hotels and high-end restaurants in Asian mega cities and Middle East. Additionally, the company serves airlines, supermarket chains and delicatessen stores. CFF employs approximately 800 people, generates annual sales of more than \$200 million and is highly profitable.

CFF has its own distribution and warehousing network across the cities it serves. This enables the company to offer highly flexible delivery schedules. Products are sourced and stored in CFF's network of warehouses through third-party providers and are distributed using CFF's fleet of vehicles or external drivers to meet peak demand. After being acquired by METRO GROUP, CFF will remain largely independent, maintaining its own sourcing base and distribution network.

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.

EQT is a leading private equity group in Europe, with portfolio companies across Europe, Asia and the US with total sales of more than EUR 17 billion and approximately 140,000 employees. EQT works with portfolio companies to achieve sustainable growth, operational excellence and market leadership.