

PRESS RELEASE

MEDIAMARKTSATURN AND FNAC DARTY START “EUROPEAN RETAIL ALLIANCE”

- MediaMarktSaturn and Fnac Darty have signed a memorandum of understanding to start exclusive discussions in order to implement a “European Retail Alliance” with the aim of achieving efficiencies in the partnership with their suppliers as well as in the offering to their customers.
- The alliance will comprise four core areas at the start: strategic partnership agreements with key suppliers, private label sourcing, and licensing activities, as well as innovation and data collaboration activities.
- The alliance will allow both companies to provide customers with exclusive products and services, with a wide and relevant choice.
- Suppliers will have better access to the largest community of consumer electronics customers across Europe.
- The European Retail Alliance will be open to other parties.
- No material financial impacts are expected for 2018.

Ingolstadt / Ivry-sur-Seine, 15.05.2018: MediaMarktSaturn and Fnac Darty, two of Europe’s leading consumer electronics retailers, have signed a memorandum of understanding to set up the European Retail Alliance that will create value for consumers, suppliers and members alike.

In a first phase, MediaMarktSaturn and Fnac Darty intend to explore the following areas of cooperation:

1. Strategic partnerships with suppliers at an international level as well as new value propositions for strategic suppliers
2. Combined private label sourcing and licensing activities by creating a jointly owned private label organization
3. Innovation, by making MediaMarktSaturn’s innovation approach part of the alliance, including the existing Retailtech Hub and the piloting of innovations and new technologies
4. Codevelop data analytics capabilities

Regarding sourcing, the alliance will first focus on private label products. The companies plan ultimately to integrate the two companies’ own private label sourcing activities into one joint company, to provide customers with a broader offer of quality products.

As far as innovation is concerned, the aim is to further strengthen the innovation capabilities and speed to enhance the customer experience in store or online, and systematize the search for ideas that can sustainably change the retail sector. The partnership will include Fnac Darty's participation in the MediaMarktSaturn innovation program, including the Retailtech Hub accelerator, whose aim is to find retail innovations at an early stage, run pilots with real customers across all channels, and leverage the insights and learnings for all partners. In 2019, the Retailtech Hub plans to start an accelerator program in France, too.

In full compliance with the applicable data protection regulations, the two companies will coinvest in analytics capabilities to deepen their understanding of their customers and products as a basis for cooperation with suppliers

The parties plan to create a joint venture, which functions as the holding company of the alliance, and separate operational entities for each of the value creation areas.

No material financial impacts are expected for 2018. Potential financial synergies beyond this point are still under evaluation. Financial impacts should start progressively in 2019 with a full effect targeted in 2020.

The European Retail Alliance will be open to other market players and plans to become a truly European platform offering advantages for all parties involved.

"This newly founded alliance is a major step to tap into currently unrealized value creation potential. We are convinced that the concentration of resources and bringing together the complementary skills of both companies offers benefits to customers, suppliers, and, of course, the members of the alliance. Both founding members would be delighted to welcome other market participants joining the alliance. MediaMarktSaturn and Fnac Darty have the same vision regarding the evolution of our industry and market and can now learn and benefit from each other," said Pieter Haas, CEO MediaMarktSaturn Retail Group.

"Fnac Darty has proven its ability to address new challenges and intense competition in the retail sector by building partnerships with strong allies who share the same values. At the core of our strategic plan Confiance+ lies the ambition to strengthen our "retail as a service" model, based on high-level human presence and advice, and our position as specialist. The European Retail Alliance we decided to launch with MediaMarktSaturn is destined to bring innovation and Europe's best omnichannel experience to customers, with access to the best choice of products and services, at the best value for money. Based on the shared vision regarding the evolution of the industry and market, we are honored to team up with MediaMarktSaturn as we share in that value-creating project to leverage Fnac Darty's operational excellence at a larger scale," said Enrique Martinez, CEO Fnac Darty Group.

About MediaMarktSaturn

The MediaMarktSaturn Retail Group is Europe's leading commerce company for consumer electronics and related services. It sees itself as a partner, daily companion and navigator for consumers in an increasingly digitized world. MediaMarktSaturn and its portfolio of formats and brands flexibly respond to the needs of different customer groups and countries. Apart from fronting the MediaMarkt and Saturn brands, which comprehensively network their more than 1,000 bricks-and-mortar stores with online sales platforms, the Media-Saturn Group operates online pure players such as iBood as well as the music streaming service JUKE. Moreover, its portfolio includes its own brands PEAQ, KOENIC, ISY and ok. Majority-owned by CECONOMY AG, in 2016/17 MediaMarktSaturn and its approximately 65,000 employees in 15 countries generated total sales of about €22 billion.

About Fnac Darty

Operating in eleven countries, Fnac Darty is a European leader in the retail of entertainment and leisure products, consumer electronics and household appliances. The group counts 26 000 employees and, as of december 2017, has a multi-format network of 728 stores, including 502 in France. Fnac Darty is France's second e-commerce player in terms of traffic (near 20 million aggregated unique visitors per month) with its two retail websites, fnac.com and darty.com. A standard-setting omni-channel retailer, Fnac Darty posted pro forma revenues of €7.4 billion in 2017.

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