

Press Release – 19 October 2020

Auchan Retail sells its Chinese subsidiary SunArt to its partner Alibaba

Three years after the signing of an alliance to develop phygital food retail in China, the suitability and success of which has been well proven, Auchan Retail and Alibaba have come together to discuss the future of SunArt.

With both parties noting the unique nature of the Chinese market, Auchan Retail accepted Alibaba's proposal to acquire its entire stake in SunArt (484 hypermarkets, 150,000 employees, largest market share for food in China).

While Auchan Retail and Alibaba will no longer work together as part of SunArt, they remain committed to technological collaborations and will continue to research opportunities for joint actions in countries where Auchan Retail has a presence, both now and in the future.

The transaction will be carried out at the equivalent price of HKD 8.10 per share, which will be the basis for a public takeover bid.

With this transaction and its withdrawal from China, Auchan Retail confirms its desire to accelerate the rollout of its "Auchan 2022" business plan at its existing sites. Through this sale of approximately €3 billion, it will thus have the financial resources to deleverage, seize any relevant opportunities in its markets, and develop in new countries.

"For 20 years now, in close collaboration with our local partners Ruentex and Alibaba and thanks to the commitment of our Chinese teams, we have supported the development of our activities in China. This inspiring market is highly specific both in its operation and in its digital ecosystems. As such, it seemed to us that Alibaba was best positioned to grow SunArt. We know that we are placing the Chinese RT Mart and Auchan teams in the hands of an ambitious and inspiring shareholder. That is why we accepted the proposal made by Alibaba as part of our ongoing excellent relations. We will take this opportunity to initiate our deleveraging and continue the implementation of our 'Auchan 2022' plan elsewhere in the world." Edgard Bonte, Chairman of Auchan Retail.

About Auchan Retail

Present in 14 countries, Auchan Retail encompasses all food trade formats (hypermarkets, supermarkets, convenience stores, click-and-collect and e-commerce) with 2,293 points of sale. Auchan Retail places its customers at the heart of its strategy by offering them a phygital shopping experience combining physical stores with the digital ecosystem, as well as exclusive, high-quality products at the best possible prices. Next-generation retailers, campaigners for good, healthy and local products, Auchan Retail's 329,694 employees work responsibly with customers, farmers and suppliers so that everyone can improve their quality of life by eating better.

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