

Auchan Retail Russia and Radius Group to build one of Europe's largest logistics centres.

New distribution centre will support Auchan Retail Russia's growth in Central Russia while keeping prices low for customers by making logistics more efficient.

12 October 2016, Moscow – Auchan Retail Russia announces that it has signed an agreement to build a major new warehousing and logistics centre in the Domodedovo district of Moscow region. The facility will have a total area of more than 138,000 sq m, making it the biggest single-user building in Europe. The developer for the project will be Radius Group, a leading developer of class-A warehouse and industrial real estate in Russia. Auchan will invest about RUB 6 billion in the project, which will create more than 750 new jobs.

The new centre will be constructed using advanced technologies and will be not only the largest facility of its kind but also one of the most energy efficient and environment friendly building in Russia. The facility has a planned capacity to handle loading and unloading of more than 230 trailers simultaneously, and will service more than 50 Auchan stores in the region. The centre will be located on a dedicated land plot at South Gate Industrial Park area, having developed infrastructure and excellent transport accessibility which will help optimise construction and maintenance costs for this large-scale building. South Gate Industrial Park with total area of 144-ha developed by Radius Group, is already a home to distribution centres of major retailers including Leroy Merlin and Decathlon.

“During the first stage we plan to build infrastructure for a warehousing centre that will allow us to expand it in the future,” said Oleg Alkhamov, CEO for hypermarkets at Auchan Retail Russia. “This is a major investment project that we intend to implement in Moscow region. Russia has always had and continues to have enormous potential for our future growth, and logistics is a key element in successful retailing.”

David Simons, Managing Director of Radius Group, said: “This agreement once again illustrates that major retailers are continuing to invest in logistics as a key competitive advantage despite challenging economic circumstances and the market situation in Russia. Radius Group is delighted to partner with Auchan Retail Russia on this project, which will be developed and constructed with the use of Radius InSite's suite of 3D and other digital management tools, providing unparalleled control and transparency over the design process and control on budget and schedule.”

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About Auchan Retail Russia

Auchan Retail Russia is the Russian subsidiary of Auchan Retail (part of Auchan Holding).

Auchan Retail Russia is a major chain operating in the Russian market since 2002. Today it owns 278 stores of three formats: hypermarkets, supermarkets and proximity stores, online sales. The company employs more than 43 000 people.

Auchan Retail Russia is one of the leaders of the Russian market. In 2016, by the results of the contest held by the Chamber of Trade and Industry of the Russian Federation the company was named the "Best

foreign company operating in the Russian market". In October 2015, Auchan Retail Russia was named the largest foreign company in the country by the Forbes magazine; it is also the winner of the retail "TOP-200", organized by the NTA and the CCI RF. It has international quality certificates in the field of production and sales of food and non-food products, as well as a certificate of environmental management system quality. Four times the company has been recognized as the "Best retail employer". In 2012 and 2014 Auchan was named the "№1 Brand" of Russia in the category "Hypermarket chain" basing on the results of a nationwide vote "People's Brand", as well as the "Favorite brand №1" in the category "Grocery store" according to the results of the fifth annual survey OMI "Russians' favorite brands". In 2015, Auchan Retail Russia became the winner in the nomination the "Company of the Year: Russia, Belarus and Kazakhstan" at the IX Retail Grand Prix, which was held within the framework of the annual International Summit Retail Business Russia 2015.

About Radius Group

Radius Group develops and invests in high-quality commercial real estate in Russia, partnering with major international and Russian companies. Founded in 2006, Radius Group has a portfolio in excess of 700,000 sq m, including a number of successful class-A warehousing and industrial real estate projects in Moscow, Kazan and Kiev. Since 2009 Radius has been developing South Gate Industrial Park with a total area of 650,000 sq m on 144 ha of land located at the intersection of two major federal highways: M4 "Don" and A107 Moscow Ring Road in the city of Domodedovo, Moscow region. For more information please see www.radiusrussia.com