



**COMBINED MANAGEMENT
REPORT**

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GROUP PRINCIPLES

Group business model

CECONOMY is the leading platform for companies, brands and concepts in the field of consumer electronics in Europe. CECONOMY's brand pledge – We empower life in the digital world – describes the Company's ambition to offer tailor-made solutions to support consumers and make their lives easier in a world that is becoming steadily more digital.

The business model builds on a clear division of responsibilities. The Group is headed by CECONOMY AG, which covers basic strategic management holding functions such as finance, controlling, legal and compliance.

Operational business is handled by several brands, with the main focus on MediaMarktSaturn Retail Group with its brands MediaMarkt and Saturn. The online retailer iBood and the entertainment platform Juke complete the range of products and services offered by the MediaMarktSaturn Retail Group.

Retail Media Group (RMG) is a further Group subsidiary of CECONOMY AG. CECONOMY AG is also the main shareholder of DTB Deutsche Technikberatung GmbH.

CECONOMY also holds a minority stake of around 24.33 per cent in Fnac Darty S.A., the leading consumer electronics and household appliances retailer in France.



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Overview of CECONOMY

MediaMarkt, founded in 1979, now operates around 850 stores in 14 European countries and is steadily expanding its position as Europe’s leading consumer electronics retailer. MediaMarkt is consistent in promoting the core of its brand – entertainment – in its range, pricing, customer assistance and after-sales service. Its declared aim is to make MediaMarkt the most enjoyable place for customers to shop consumer electronics – whenever and wherever they are. The recipe for success includes not just the very latest brand products at prices that are always fair, but also individual advice and a portfolio of tailor-made after-sales services, ranging from delivery to assembly and installation and up to repairs of electronic appliances. MediaMarkt also offers customers the option of renting appliances rather than buying them. In nearly all the countries where it has a store presence, MediaMarkt also operates online shops adapted for mobile use, which are closely linked to the store-based business. The company has positioned itself as a provider of continuous customer experience that spans all sales channels – while at the same time giving its customers the option of flexibly combining all mobile, online and offline services with each other. In addition, MediaMarkt operates various online portals for consumers, focusing on topics such as Smart Home, Gaming and Virtual Reality, and featuring technology and lifestyle trends and special offers. **redcoon** is a MediaMarkt brand in Germany with a comprehensive portfolio of consumer electronics. This means that the MediaMarktSaturn Retail Group also offers the right products and services to customers who prefer purely online retailers.



Saturn has been a specialist for electronic brand products at consistently fair prices for more than 50 years. Nowadays, Saturn operates some 200 stores in four European countries. Saturn stores offer their customers a technology experience, featuring a range comprising an average of 45,000 consumer electronics, gaming, virtual reality, smart home, telecommunications, computer and photography products and household appliances. Saturn also incorporates augmented and virtual reality elements to present the very latest technologies to customers while in store. Saturn enhances its store-based business in Germany with its online shop and mobile channels. Within the framework of this multi-channel strategy, Saturn customers reap the benefits of both online shopping and the personal advice and comprehensive services offered by the local stores and at home. Saturn publishes a magazine entitled “Turn On” in hard copy, as well as on YouTube and social media, to keep technology enthusiasts up to date with the latest trends and to report on the latest developments in digital lifestyle.



iBood stands for “Internet’s Best Online Offer Daily” and is Europe’s biggest live shopping portal. Customers can find new brand products at particularly low prices on iBood. Availability is limited, and the products change daily. A key element of this business model is the exchange about products and offers within the iBood community.



Juke is the product developed by Juke Entertainment GmbH, a subsidiary of MediaMarktSaturn Retail Group. More than 46 million songs and other digital content can be borrowed, purchased and consumed via Juke. Juke users also receive support in the more than 400 MediaMarkt and Saturn stores across Germany.



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Retail Media Group (RMG) develops customised advertising campaigns based on impersonal visitor and purchase statistics. The CECONOMY subsidiary draws on the online and mobile platforms operated by the participating retailers, such as MediaMarkt, Saturn or Thalia. RMG helps advertisers to develop online campaigns that ensure maximum reach of defined target groups.

Deutsche Technikberatung (DTB) offers professional assistance – either individually on site or remotely – with home installation, networking and troubleshooting of electronic appliances. In addition, cooperation with MediaMarkt and Saturn makes customers’ lives easier in the digital world: DTB consultants can design solutions for an unlimited technology experience at home.

Strategic investment

Fnac Darty is the leading consumer electronics and household appliances retailer in France with a market share of 23 per cent and a presence in nine additional countries. The Group consists of a multi-channel network of 664 outlets, including 455 in France. Through its two commercial websites, www.fnac.com and www.darty.com, Fnac Darty S.A. operates the second most frequently visited e-commerce platform in France with more than 13.6 million visitors per month. As a leading omnichannel retailer, Fnac Darty S.A. achieved proforma sales of €7.4 billion in 2016 in the year of the merger of Fnac and Darty. The stake in Fnac Darty S.A. of approximately 24.33 per cent underscores CECONOMY’s ambition to further strengthen its position as the leading European platform for companies, brands and concepts in the consumer electronics sector.



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Store network by country

	30/09/2016	Openings 2016/17	Closures 2016/17	30/09/2017
Germany	424	5	0	429
Austria	49	1	0	50
Switzerland	28	0	-1	27
Hungary	22	2	0	24
DACH	523	8	-1	530
Belgium	23	7	-2	28
Greece	11	1	0	12
Italy	111	5	0	116
Luxembourg	2	0	0	2
Netherlands	49	0	0	49
Portugal	9	1	0	10
Spain	79	4	0	83
Western/Southern Europe	284	18	-2	300
Poland	83	3	0	86
Russia	61	1	-5	57
Turkey	45	10	-2	53
Eastern Europe	189	14	-7	196
Sweden	27	0	0	27
Others	27	0	0	27
CECONOMY	1,023	40	-10	1,053