

METRO OFFICIALLY KICKS OFF ITS OPERATIONS IN MYANMAR

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Duesseldorf/Yangon, March 8, 2019 – METRO today officially announced the market entry into Myanmar which has become the 36th country in the German wholesale company's international portfolio. Built on its modern warehouse in Yangon and empowered by its efficient digital ordering and delivery services, METRO Myanmar is serving local professional customers in the fast-growing hospitality and tourism sectors.

“The food wholesale industry in Myanmar offers big potentials for METRO and we believe our engagement in the trade sector will contribute to the local economic growth including the agriculture, tourism and hospitality sectors, and help upgrade the food wholesale infrastructure sustainably for the local community”, says Philippe Palazzi, Chief Operating Officer and member of the Management Board of METRO AG, at the grand launch ceremony today in Yangon.

Distinctive from its operations in other countries, METRO in Myanmar doesn't run stationary wholesale stores but provides a virtual “one-stop” convenient shopping experience for customers through the e-commerce and delivery systems. Central to the wholesale operations in Myanmar is the 5,800-m² warehouse situated in Thilawa Special Economic Zone outside Yangon. It is a modern logistics facility where incoming goods are received, stored, processed and packed in compliance with stringent quality and food safety standards for delivery to customers.

Right at the start of the operations, METRO Myanmar has already developed about 300 customers across the country. They are now enabled to select from an assortment, carefully tailored for Food Service Distribution (FSD), of over 2,000 high quality food and non-food products. Customers place orders digitally through website and mobile app and the delivery is carried out with a fleet of modern temperature-controlled trucks.

Focusing on food safety through training and supply chain optimization

With local sourcing and food safety improvement a top priority for the country, METRO has been making continuous efforts to build up strong partnership with local producers. These engagements include trainings as well as

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knowledge and expertise transfer for food suppliers and farmers across different regions and states in Myanmar. A competent and efficient supply chain is crucial to METRO's operational success as well as the local community's well-being.

A series of dedicated food safety and Hazard Analysis and Critical Control Points (HACCP) trainings have been delivered in recent months to equip local fish and chicken suppliers with necessary know-how and skills in food production and handling. In addition, METRO Myanmar has arranged Good Agricultural Practices (GAP) training for about 200 Fruit & Vegetables farmers specializing in the production of onion, potato, garlic and tomato.

METRO Myanmar will carry on these endeavors in the next years, with advanced trainings for the local agricultural sector, to further help raise local farmers' qualification. Such efforts are also to endure the wholesale company's own unique food safety concept "Farm to Fork" is guarded by an optimized supply chain, throughout which the global quality standards for food safety and hygiene are fully complied with.

Local workforce for customer relationship

Over 90% of the current workforce at METRO Myanmar, which is about 150 employees, is staffed by local talents. Among them there is a strong and well-trained sales force tasked with building and enhancing relationship with customers, such as guiding them through the digital ordering and delivery processes and promoting food safety, traceability and sustainability.

METRO Wholesale Myanmar was established in February 2017 as a joint venture between METRO and Singapore-listed Yoma Strategic Holdings.

METRO is a leading international wholesale company with food and non-food assortments that specialises on serving the needs of hotels, restaurants and caterers (HoReCa) as well as independent traders. Around the world, METRO has some 24 million customers who can choose whether to shop in one of the large-format stores, order online and collect their purchases at the store or have them delivered. METRO in addition also supports the competitiveness of entrepreneurs and own businesses with digital solutions and thereby contributes to cultural diversity in retail and hospitality. Sustainability is a key pillar of METRO's business. METRO has been the sector leader in the Dow Jones Sustainability Index for the last four years. The company operates in 36 countries and employs more than 150,000 people worldwide. In financial year 2017/18, METRO generated sales of €36.5 billion. In September 2018 METRO AG initiated the divestment process for the food retail chain Real with its 34,000 employees. For more information, please visit www.metroag.de.

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