BOOKER & makro

30th May 2012

Booker and Makro

Seeking to become the UK's leading wholesaler to caterers, retailers and small and medium sized enterprises with a wide range of foods and non foods via the internet, delivery and cash and carry

Caterers

Retailers

SMEs

Booker primarily serves retailers and caterers
Makro primarily serves small and medium sized enterprises

	Customers 000's		Sales £bn		
	Booker	**Makro**	**Booker**	**Makro**	**Total**
Retailers/Traders	83	39	2.6	0.2	2.8
Caterers/Horeca	338	129	1.2	0.2	1.4
Small medium sized enterprises	60	963	0.1	0.4	0.5
Total	**481**	**1,131**	**3.9**	**0.8**	**4.7**

Together we can improve choice, prices and service for caterers, retailers and SMEs throughout the UK

	Makro	Booker
Locations	30	172
Typical size k sqft	100	36
Typical SKUs ‘000	29.0	8.5
% delivered	-*	27%
% internet	-*	16%

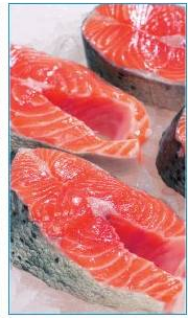
* Only recently started

Together we can improve choice, prices and service for caterers, retailers and SMEs throughout the UK

Makro

Booker

Choice



Prices

SIGMA

RIOBA

Select HORECA

EURO SHOPPER

FARM FRESH™

BOOKER BASICS for Caterers

Service

Availability

Delivery

Business Services

Potential benefits of strategic partnership with Metro AG

- Sourcing expertise

- Shared competency

Delivering shareholder value

Through improving choice, prices and service for customers, Booker has delivered value for shareholders

	2005/6	2011/12
Sales £bn	3.0	3.9
Cash (debt) £m	(125)	64
Ebit £m*	22	89

* Ebit before goodwill, amortisation, impairment and exceptional items and shown under Gaap in 2005/06 and IFRS in 2011/12

Acquisitions have helped improve choice, prices and service and have delivered shareholder value

Company	Date	Expertise
Blueheath	2007	Delivery
Ritter	2010	Catering
Classic	2010	On Trade

Note: All the key people stayed with the businesses

Makro is attractive

- Increases customer base by c. 1 million customers
- Good sites in good locations for collect and delivery
- Good people
- Expertise in fresh, non food etc

Summary of Makro Financials

Year ended 31 December	2009	2010	2011
	£'m	£'m	£'m
Revenues			
- tobacco	114.6	116.9	109.5
- non tobacco	782.8	701.1	677.9
	897.4	818.0	787.4
Reported Loss before tax	(35.6)	(12.5)	(63.2)
Net financing costs	7.4	4.6	3.4
Reported operating loss	(28.2)	(7.9)	(59.8)
Depreciation and amortisation	12.5	12.8	13.6
Impairment	6.4	-	17.8
Pension credits	(0.1)	(12.7)	(4.3)
Other significant items	15.3	2.9	26.7
Operating profit/(loss) before pension credits, depreciation, amortisation and other significant items	5.9	(4.9)	(6.0)
Gross assets	413.4	421.5	348.7

Note:

The financial information set out above is unaudited; audited financial information for Makro UK will be published in the circular to be sent to shareholders

On acquisition, Booker will consider the fair value of all assets and liabilities and will align accounting policies

Terms of the Deal

- 9.99% of existing Booker equity +£15.8m of cash
- Acquisition of operating company including 30 sites
- Debt free/ cash free business
- Expected to have a dilutive impact on earnings in 2012/13 and expected to be earnings enhancing in the first full year after integration*
- Agreements with Metro AG
  - Relationship agreement re shareholding
  - Strategic partnership agreement
- Circular available in mid-June
- Seeking to complete in early July following the EGM

* This statement is not meant or intended to be a profit forecast, and should not be interpreted to mean that the earnings per share of Booker following the Acquisition will necessarily be above or below the historical published earnings per share.