

## **Eurocash Group finalises acquisition of Mila supermarkets**

- **Eurocash Group has signed a final agreement on the acquisition of 100% of shares in Cyprus-based Domelius Limited, which controls Mila S.A. – the owner of a chain of 187 supermarkets located primarily in central Poland.**
- **The agreement was concluded after prior unconditional consent of the President of UOKiK for the takeover of the Cypriot owner of the Mila chain.**
- **The transaction is the next stage of strengthening the market position of thousands of independent entrepreneurs running retail stores in Poland. Thanks to the deal, the Group's Customers will benefit from an enhanced logistics infrastructure as well as increased purchasing scale, which will improve the competitive position of independent retail stores in Poland.**
- **Innovative solutions and experience of the acquired chain, which is classified as a modern retail format, will be available to all Customers of the Eurocash Group.**
- **Eurocash Group's overarching strategic objective is to improve the competitiveness of Polish independent retail stores.**

The signing of the final agreement is the last stage in the process of acquiring Mila supermarkets. Following the closing of the transaction, Eurocash, the domestic leader in wholesale distribution of food products which supports thousands of entrepreneurs nationwide, became the owner of a chain of 187 supermarkets operating under the Mila brand, located mainly in central Poland. The chain generated about PLN 1.48 billion in total sales in 2017. Thanks to Eurocash Group's investment, the Mila chain gains a strong strategic partner with the know-how and resources necessary for further development.

The transaction to acquire the Mila chain was valued at PLN 350 million. That figure excludes select real estate assets which were not acquired by Eurocash.

*"Now that the transaction is finalised, we can begin a smooth integration of our businesses. It will be a period of intensive exchange and implementation of best practices of both chains, i.e. Mila and Delikatesy Centrum. The acquisition of Mila is very valuable to us as it will lead to the transfer of know-how and experience to our franchisees and partners. Thanks to the transaction, the Group's Customers will benefit from an enhanced logistics infrastructure as well as increased purchasing scale, which should improve the competitive position of independent retail stores in Poland. One can say that independent retailers are starting to re-acquire the market that has so far been dominated by large format chains,"* said **Jacek Owczarek, CFO and member of Eurocash Group's management board.**

The integration of the Mila chain with Eurocash Group may last between two and three years. It will start with a period of acquaintance, training as well as benchmarking visits to both Delikatesy Centrum and Mila stores. The next stage will involve integration of the two companies' logistics so

as to use shared assets in the most effective manner. A decision on store rebranding will be taken at the end of the integration process so that the entrepreneurs currently operating the nearly 1300 Delikatesy Centrum stores can benefit from the brand's increased presence in yet another region of the country. The solutions and innovations created in the chain formed by Delikatesy Centrum and Mila will eventually be made available to all Customers of the Eurocash Group. One example of such initiatives is the high-quality system for daily distribution of fresh products, which will be substantially supported by Mila's logistics solutions in central Poland.

*“Eurocash’s stability and experience are some of the key assets that the Mila chain is gaining as of the day of transaction closing. We expect the exchange of know-how to translate into an improved competitive position of our supermarkets. Together with the Delikatesy Centrum team, we are able to develop solutions that will be appreciated by Customers all over Poland. And thanks to the fact that more entrepreneurs will join the chain as franchisees, we will be able to reap further benefits resulting from the effect of scale. This will certainly translate into a greater attractiveness of our offer,”* said **Artur Góralczyk, President of the Management Board of Mila S.A.**