

Eurocash Group with UOKiK merger clearance for Mila supermarkets acquisition

- **The President of the Office of Competition and Consumer Protection has issued an unconditional merger clearance for the acquisition by Eurocash Group of 100% of shares in the Cypriot company Domelius Limited, which controls Mila S.A. – the owner of a chain of 187 supermarkets located mainly in central Poland.**
- **Once the transaction is finalised, the Cypriot company that owns Mila S.A. will be dissolved, and the Mila stores will be directly owned by Eurocash S.A., a company based in Komorniki near Poznań and listed on the Warsaw Stock Exchange.**
- **The transaction is the next step to strengthen the market position of thousands of independent entrepreneurs running retail stores in Poland. Innovative solutions and experience of Mila chain, which is the part of so-called modern trade, will be available to all Eurocash Group clients.**
- **Eurocash Group’s overarching strategic objective is to improve the competitiveness of Polish independent retail stores, which are the Group’s main clients.**

The positive decision of the President of the Office of Competition and Consumer Protection (UOKiK) brings Eurocash Group closer to finalising the transaction, as a result of which the leader in the wholesale distribution, who supports thousands entrepreneurs in Poland, will become the owner of a chain of 187 Mila supermarkets, located primarily in central Poland. This chain generated about PLN 1.48 billion in total sales in 2017. Thanks to Eurocash Group’s investment, the Mila chain will gain a strong strategic partner with the know-how and resources necessary for further development.

The transaction to acquire the Mila chain is valued at PLN 350 million.

“Improving the competitiveness of retail stores operated by independent entrepreneurs in Poland remains our key objective. A large part of our clients are already doing quite well against the competition. But in order for them to compete in the future against discounters, we want to deliver the tools, scale and solutions allowing them to compete much more fiercely. Having our own locations, we can improve effectiveness in the area of logistics, marketing or the negotiation of purchasing terms for our clients that are more in line with those enjoyed by the discounters today,” said **Jacek Owczarek, CFO and member of Eurocash Group’s management board.**

With the Group’s resources, it will also be possible to maximise the effects of the Mila chain’s operations, which will have a positive impact on the chain’s results and the attractiveness of its offering.

“Following the transaction, the Mila chain will benefit from the support of a stable and experienced partner with which we will be able to develop our stores. We are, and we will remain, close to our clients, who appreciate our pleasant service and high quality, especially in fresh products. The



transaction means that our clients can be certain that they will continue benefitting from attractive promotions while shopping in a pleasant setting. Exchanging experiences with Eurocash Group will have a positive impact on the competitiveness of every store in the Group,” said **Artur Góralczyk, President of the Management Board of Mila S.A.**

Eurocash Group’s acquisition of the Mila chain is expected to be finalised in the coming weeks.