

Hoevelaken, 27 October 2014

## **Euretco acquires DGN Retail**

With the final acquisition of DGN Retail (Apeldoorn), Euretco (Hoevelaken) further strengthens its position as a retail service organisation. In a response, Harry Bruijniks, CEO of Euretco, says: "We are pleased that, after months of intensive consultations, the DGN entrepreneurs have overwhelmingly opted for joining Euretco. Through this acquisition, 230 independent entrepreneurs with the Hubo, Multimate and Fixet formulas and 70 independent purchasing members are joining the Euretco organisation."

By expanding into the DIY market, the organisation has added a new sector to its current sectors of fashion, living, sports and media. "This is entirely in line with our chosen strategy. We are builders of a retail service platform for independent entrepreneurs and we have knowledge of retail processes and franchise development. Our knowledge is suitable for many different sectors," said Bruijniks.

At the extraordinary members' meeting in September in Nijkerk, the DGN Retail entrepreneurs voted on the acquisition by Euretco. More than 91 per cent of the depositary receipt holders with voting rights approved the proposed acquisition. Meanwhile, the number of individual contracts with entrepreneurs that was agreed to has been achieved, as a result of which the final condition for the merger of the two companies has been fulfilled and the acquisition was completed last Friday.

"Through this acquisition, DGN Retail and its formulas have found a home with a professional party that focuses on the interests of independent entrepreneurship. This acquisition will allow the formulas to continue to grow," says Henk Castelijns, Interim Director at DGN Retail.

In the short term, Euretco intends to continue with two of the three DIY formulas, namely Hubo en Multimate, in order to achieve maximum cost synergy, but especially to further strengthen the marketing support for these formulas.

A majority of the Fixet entrepreneurs has already opted for one of the two formulas in consultation with the organisation. The entrepreneurs, who have not yet made a choice, will obviously continue to receive maximum support for the formula for the remaining period of their contract with Fixet.

During the fourth quarter of 2014, the DGN Apeldoorn office will be closed and all operations will be integrated into Euretco Hoevelaken.

Euretco, based in Hoevelaken in the heart of the country, is the largest retail service organisation in the Netherlands. It works with around 2,200 retailers and franchisees in the fashion, sport, home, do-it-yourself and media sectors. They operate approximately 3,250 stores. Collective consumer turnover amounts to over € 2.5 billion. Euretco's core activities include: retail services, franchise, wholesale and financial services for independent retailers. Well-known store formats and concepts include INTERSPORT, Runnersworld, COACH / The Athlete's Foot, Decorette, Vivante, Libris, Blz, Hubo, Multimate and Fixet. Via the Euretco Label Company, Euretco also owns international brands in the baby and children's clothing sector; Babyface, LCKR, Rags and Blue Rebel. The independence of the entrepreneur is the central priority within the relationship. Businesses benefit from the scale-advantages offered by Euretco without giving up their sense of independence. With 380 staff, Euretco is ready and willing to help each and every day.

## **About Avedon**

Avedon provides growth capital to small and mid market companies with an enterprise value ranging between EUR 30 - 300 million in the Benelux and Germany. Avedon aims to support companies with strong leadership, proven business models and records of increasing revenues and earnings, and that are looking for an active, added value partner to further scale up and expand their business.

Specifically Avedon supports management teams and entrepreneurs in accelerating and realizing their growth ambitions through:

- Genuine partnerships during the entire investment period, whereby Avedon is actively involved in the agreed growth plan to realize the full potential of a company. Depending on the needs and wishes of the company, Avedon supports (geographic) organic expansion, acquisitions, revenue and profitability enhancement, operations and logistics, recruiting and management information systems.
- Flexible investment structures offering tailor made solutions through majority or meaningful minority stakes and ability to provide standby capital to accelerate growth plans.
- Access to an extensive network and deep sector expertise.

### ***For further information:***

Avedon Capital Partners  
Gerritjan Eggenkamp  
Apollolaan 153  
1077 AS Amsterdam  
Tel: +31 (0)20 800 23 50  
Fax: +31 (0)6 20 95 88 07  
[www.avedoncapital.com](http://www.avedoncapital.com)

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