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## **Following merger AWG expects \$10 billion in annual sales**

September 16, 2016

Associated Wholesale Grocers Inc. and Affiliated Foods Midwest Cooperative Inc. recently announced that they had reached agreement to combine the two cooperatives' distribution businesses. The combination of the two cooperatives is slated to take effect next month after receiving near unanimous approval from the over 400 grocery store member-owners of Affiliated Foods Midwest. Following the unification, AWG will have annualized consolidated sales of approximately \$10 billion.

"Before our members voted to unify, they learned how they would benefit from a lower cost of goods and an expanded array of services," Martin Arter, president and chief executive officer of AFM, said in a press release. "Our boards knew that unifying the cooperatives would produce substantial financial rewards for the retailer-members and would produce long-term growth."

Following the transaction, Arter will assume the new position of senior vice president and manager of the northern region of AWG overseeing operations for the Nebraska and Great Lakes divisions. Arter said, "I'm looking forward to the growth opportunities in the new Northern Region with David's leadership."

"While we were anticipating tremendous support for the unification by AFM's members, I was humbled by the virtually unanimous vote in favor and by the enthusiasm and standing ovation the members demonstrated at AFM's shareholders meeting," David Smith, the president and CEO of AWG, said in the release. "AWG will indeed be stronger together by joining forces with this amazing group of like-minded retailers."

AFM shareholders approved the transaction by a vote of 410 to 2 and executed agreements to

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become part of their new co-op and commence being supplied next month.

Post transaction, the expanded AWG will provide products and services to over 3,500 independently owned member stores located in 35 states from nine full-line wholesale divisions.

In addition to its cooperative wholesale operations and related services, the company operates subsidiary companies which provide wholesale supply of health and beauty care, general merchandise, pharmaceutical supplies, and specialty, natural, organic and international foods, together with certain real estate and supermarket development services, retail accounting, digital marketing services, and military commissary supply.

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