

## Freenet Commits to Ceconomy Investment

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German telco Freenet confirms commitment to a June 2018 investment in CE retailer Ceconomy, despite back-to-back profit warnings bringing about the departure of CEO Pieter Haas earlier last month.



"I still believe in the company," Freenet CEO Christoph Vilanek tells Reuters, before insisting the company will stick to the 9% stake in Ceconomy. Freenet acquired part of Ceconomy-- worth \$323.9 million-- through a rights issue. Vilanek adds the investment was made not in the name of growing share prices, but in order to use the stores to sell more mobile phone contracts, and believes individual stores should have more freedom while doing more to centralise logistics and warehouses.

October 2018 saw Ceconomy shares tumbling following a profit warning and reports of a -3.8% Y-o-Y sales drop for fiscal Q4, something the retailer blames on unusually hot weather. This was but the latest of a series of tumbles for the company since splitting with Metro AG, including the granting off too many Black Friday rebates in 2017 and a costly exit from Russia.

Currently CFO Mark Frese and management board member Dieter Haag Molkenteller are running Ceconomy, at least until the board finds a suitable CEO.

Go [Freenet Still Committed to Electronics Retailer Ceconomy: CEO \(Reuters\)](#)