

Pick n Pay completes Franklins sale

Today, 30 September 2011, Pick n Pay completed the sale of Franklins to Australia's Metcash. Metcash is now responsible for the management of the business.



The completion of the sale follows the decision by the Federal Court of Australia to dismiss an application by the Australian competition regulator, the Australian Competition and Consumer Commission (ACCC), for an interim injunction to prevent completion of the sale before the ACCC's appeal could be heard and decided.

The Chairman of Pick n Pay, Gareth Ackerman, commented: "We are delighted to complete the sale of Franklins to Metcash following a 15-month delay since the transaction was first announced." The sale was originally announced in July 2010.

"While the decision to exit our Australian investment was a difficult one, it was clear to us that Franklins lacked the significant scale needed to compete effectively in this market. Combining the operations of Franklins and Metcash was the best option to create a more robust competitor to the major supermarket chains.

"The successful exit from our Australian investment enables us to refocus our resources on a strategic realignment across the Pick n Pay business, and reinvest in the business.

"This includes increasing our focus on Pick n Pay's core market where we can leverage our regional competencies, and allows us to progress a number of other initiatives such as centralising buying functions, category buying, rollout of regional distribution centres, store refurbishments and additional investment in our Smart Shopping loyalty program.

"Notwithstanding our decision to complete the sale, the ACCC's appeal has been expedited with a three day hearing scheduled for 24 October 2011. Our confidence in a successful outcome has been boosted by the comprehensive judgment in our favour in the Federal Court in late August and by the court's denial of the ACCC's application for an interim injunction," Ackerman said.