Pick n Pay increases shareholding in TM Supermarkets

On 8 December 2011, the shareholders of TM Supermarkets voted unanimously to allow Pick n Pay to purchase an additional 24% of shares, bringing its holdings up to 49%. The Competition and Tariff Commission of Zimbabwe agreed, subject to certain conditions pertaining to labour and local procurement of goods.

This follows the statement by the commission on 30 November 2011 that it had, "examined the competitive effects of the merger on the Zimbabwean market and established that the transaction does not rather reduce competition neither does it create a monopoly situation, but rather it strengthens the ailing TM Supermarkets."

"The acquisition of the additional shareholding has been a protracted one that has stretched over more than three years and required the approval of the Zimbabwean Investment Authority, the Zimbabwean Reserve Bank, the Zimbabwean National Indigenisation and Economic Empowerment Board and now finally the approval of the Competition and Tariff Commission of Zimbabwe," says Nick Badminton CEO Pick n Pay.

The deal will pump US$13 million into the Zimbabwean economy and Dallas Langman head of Group Enterprises (Africa) Pick n Pay said, "It is important to note that not a cent of the money coming into the business will go towards shareholders dividends. All the money is earmarked for developing and strengthening the stores in Zimbabwe. Some seven stores will be rebranded with the Pick n Pay brand, but we wish to express our confidence in the TM brand and respect its history in Zimbabwe.

"The investment will see money being spent on local procurement processes and will give employment to Zimbabweans during the refurbishment of stores and the staffing of them."

Badminton added, "Our intention was always to lift our shareholding to 49% and we have now been cleared to do so, which is good news. We have always had great faith in the business. There is good potential for cross learning and we hope to expand our footprint in Zimbabwe. We believe the business is well run and that it presents a high quality, great value proposition for Zimbabweans. We'll make sure it continues to do so."

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