

Pick n Pay to acquire Zim TM Supermarkets shares

South Africa's retail group Pick n Pay was said to have reached an agreement on extending its shareholding in Zimbabwe's TM Supermarkets, currently majority-owned by Kingdom Meikles. The deal is said to be part of a recovery plan for the Kingdom Meikles group, whose retail operations need significant cash injections for refurbishment and restocking.

By [Dumisani Ndlela](#) 10 May 2010



Sources at the country's biggest retailer by outlets said the transaction was now only awaiting the demerger of Kingdom Financial Holdings from Kingdom Meikles after a shareholder agreement last year.

Maintain branding

Details made available this week indicate that Pick n Pay could gain an additional 26% shareholding in TM Supermarkets, bringing its entire shareholding to 49%. It would also assume management control of the operation, but would maintain the branding of the supermarket chain.

Former Meikles chairman and majority shareholder, John Moxon, currently based in South Africa pending resolution of outstanding disputes that led to the proposed demerger of the group, has confirmed plans by Pick n Pay to increase its shareholding in TM Supermarkets, which has 54 outlets countrywide.

Moxon had said Pick n Pay wanted to rejuvenate the stores.

Disclosure in due course

Farai Rwdzi, the Kingdom Meikles chairman, said in a statement issued 26 April 2010 that the group would "disclose in due course" steps it had taken to turn around operation.

He added: "Since the introduction of Foliwars licences in October 2008, with effect from December 2008, Pick n Pay has supported TM Supermarkets with stock."

Understandably, part of the shares could come from an equity conversion of the cash lent to the Zimbabwean supermarket chain for its restocking process.

ABOUT DUMISANI NDLELA

Dumisani Ndlela is a Zimbabwean journalist specialising in business and financial reporting, with experience reporting on commodities, stock and financial markets, advertising, marketing and the media. He has previously reported from a number of regional countries as well as from the UK and Germany on commodities and regional integration. He can be contacted on dndlela@yahoo.co.uk.

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