



Media Release

30 September 2011

PICK N PAY COMPLETES SALE OF FRANKLINS TO METCASH

Pick n Pay and Metcash have today completed the sale of Franklins to Metcash which was originally announced in July 2010. 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 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.

"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 Federal Court also found that the combination of the two businesses would strengthen the capacity of independent retailers operating under the IGA banner to compete more effectively with the majors.

Mr Ackerman added: "I would like to extend my sincere thanks to Franklins Managing Director Roni Perlov, as well as the Franklins staff and management team who must be commended for their commitment and focus during what has been a particularly difficult period for the business."

"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," he said.

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