



Media Release

1 July 2010

FRANKLINS TO BE ACQUIRED BY METCASH

Leading discount supermarket chain Franklins has been acquired by Metcash Trading Limited in a A\$215 million deal with Franklins' parent company Pick n Pay Stores Ltd ("Pick n Pay") of South Africa.

The acquisition follows an unsolicited approach by Metcash to acquire Franklins after a broad strategic review process implemented by Pick n Pay earlier this year.

Commenting, the Chairman of Pick n Pay, Mr Gareth Ackerman, said:

"The decision to sell Franklins followed a strategic review which commenced several months ago. This review confirmed the excellent progress made by Franklins' management team and staff in transforming the business and building a solid platform for growth.

"Since we bought Franklins in 2001, we have invested in the business and turned the loss making operation profitable, introduced franchising, developed a very successful loyalty programme and made other major structural changes which have significantly improved its performance.

"The recently retired MD, Aubrey Zelinsky, Acting MD and long standing FD, Roni Perlov, and the Franklins people have done an incredible job and they are deserving of both our praise and gratitude.

"While we carefully considered all options during our strategic review, the Board felt that the Franklins business had not yet achieved critical mass and the decision was made to find an investment partner or purchaser for the business. The unsolicited offer from Metcash at a compelling price, which reflects the greater strategic value of Franklins to Metcash than under Pick n Pay's ownership, was then received and accepted."

As part of the transaction it has been agreed by both parties to withdraw all current litigation against each other.



The acquisition is subject to informal clearance from the Australian Competition and Consumer Commission and other consents. Completion of the transaction is expected to occur by late September 2010.

Pick n Pay received independent financial and legal advice in Australia in relation to this transaction from Momentum Corporate and Blake Dawson respectively.

For more information, please contact:

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