

# Massmart sells Zim stores to OK Zimbabwe

By [Dumisani Ndlela](#)

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South Africa's Massmart, a sitting duck for a US\$2 billion takeover bid by US retailer Wal-Mart Store Inc., has sold its Zimbabwe unit to retail group, OK Zimbabwe. The deal ends months of speculation over Massmart's planned disposal of Makro Zimbabwe and the identity of the buyer.

## WAL★MART

OK Zimbabwe CEO, Willard Zireva, told analysts during a trade update that the acquisition of Massmart's two Makro stores in Zimbabwe had been agreed although teams from both sides were to still finalise a few things.

### US\$20 million injection

"This gives us an opportunity to sell extra things," said Zireva, whose group recently received a US\$20 million injection through a cash-for-equity deal with Investec Frontier Private Equity Fund (IAFPEF), a third party investment management arm of the Investec Group, as well as from a rights offer.

A Massmart spokesman Brian Leroni had been quoted in media reports last October confirming talks for the disposal but declined to name the potential buyer, or the purchase price.

"Massmart has received an offer from a respected Zimbabwe retailer to purchase our interest in Zimbabwe and we are currently considering that offer. It's a combination of the fact that we have a policy that we prefer 100% control of assets in foreign territories, together with pragmatic business considerations," Leroni said.

### Current ownership

Massmart owns 85% of Makro Zimbabwe, and shareholder C Peach Investments has the remaining 15%.

The sell appears to reinforce speculation that Wal-Mart was not interested in the Zimbabwean businesses, despite a rush by several South African retailers to consolidate their positions in the neighbouring market.

Pick n Pay recently shored up its stake in the largest retailer by outlets, TM Supermarkets, from 25% to 49%.

## 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](mailto:dndlela@yahoo.co.uk).

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