

Edcon sells CNA chain to Astoria Investments

Edcon has sold South African newsagent and stationery chain CNA to a consortium headed by JSE-listed Astoria Investments.



The deal, which is subject to regulatory approvals, entails the sale of all 167 CNA stores, and includes all brands and trademarks, with the business continuing to trade under the CNA brand name.

Focus on fashion, beauty and home

In a statement released on Tuesday, Edcon said the CNA transaction is aligned to its broader strategy which is to focus on its core business through the realignment of its retail brands and operations.

Edcon CEO Grant Pattison commented: "Edcon has a simple business model that is focused on delivering an enhanced customer experience, and an optimised store portfolio, ultimately creating a focus on our three divisions: Edgars, Jet and Thank U. The ongoing process of consolidating, merging and rebranding of the businesses, will ensure an offering of a selected set of private and some international brands, while also being a fashion and beauty retailer that provides credit."

"As I have always said, CNA is an important but not a strategic part of the Edcon business, as it is not focused on clothing, beauty and home categories, and we would only sell if it's good for CNA. The new owners have the muscle and extensive

management focus and leadership expertise to invest in the business. I am also pleased that this transaction will not result in any job losses,” concluded Pattison.

Edcon is in the midst of a turnaround plan aimed at saving the business from collapse. In March 2019 it secured a R2.7bn lifeline in which lenders freed it of all interest-bearing debt in exchange for shareholdings. A [Business Day report](#) notes that Edcon closed approximately 150 underperforming Jet, Edgars and CNA stores last year.



Edcon secures R2.7bn lifeline for restructuring plan

4 Mar 2019



Return to CNA building blocks

According to the press statement, the new owners intend to focus CNA on the original building blocks of its founders, with books, stationery, magazines and gifting at its core. The outlets will be community-focused: supporting and encouraging reading while catering for the entire stationery needs of consumers throughout South Africa.

“We believe that this transaction will be welcomed by staff, landlords and suppliers including publishers, both locally and internationally,” said Astoria Investments.

For more, visit: <https://www.bizcommunity.com>