Grand Parade bails out of Spur deal

By Marc Hasenfuss

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Empowerment group Grand Parade Investments (GPI) - which is rolling out the Burger King franchise in SA - has cancelled its premium-priced order for a huge helping of Spur Corporation shares.

Picture: Sunday Times

Last month, GPI – which already owns a 10% stake in Spur — detailed plans to acquire up to 19.46-million shares in the restaurant and fast-food conglomerate from institutional asset manager Coronation Fund Managers.

The spicy twist to the transaction was that GPI proposed paying Coronation a premium price of R40/share – well above the ruling Spur share price on the JSE. The deal would have secured GPI a 28% stake in Spur, giving the empowerment company a valuable negative control share block. But on Friday GPI announced that the Spur transaction did not have the support of certain shareholders, which meant the share purchase could not proceed.

GPI did not disclose the identity of the shareholders with no appetite for the Spur transaction. CEO Alan Keet was unavailable on Friday.

But GPI's share register shows that Investec and Sanlam are large shareholders. A Sens announcement reiterated GPI's commitment to Spur, and indicated a willingness "to continue to seek opportunities to work with Spur to further enhance this relationship".

At this stage, it is not clear whether Grand Parade will look to snapping up Spur shares on the open market.

GPI's tilt at a bigger stake in Spur created quite a stir in the market in terms of the formation of an enlarged convenience food entity. Spur owns its eponymous family steakhouse brands and pizza and pasta chain Panarotti's as well as promising niche formats such as seafood specialist John Dory's.

If the retreat from the Spur share deal left a bitter taste in shareholders' mouths, GPI did offer some sweet compensation in a subsequent announcement late on Friday that declared a dividend payout of 25c a share.

Source: Business Day