

## **Statement on the decisions of the Competition Commission**

To: All Media

Date: 05 August 2015

### **1. Key decisions on Mergers and Acquisitions**

#### **1.1 Large Mergers**

##### **Proposed merger between Pembani Group (Pty) Ltd (Pembani) and Shanduka Resources (Pty) Ltd (Shanduka Resources)**

The Commission has recommended to the Competition Tribunal (Tribunal) that the large merger whereby Pembani intends to acquire Shanduka Resources be approved, with conditions. Post-merger, Pembani will have control over Shanduka Resources as one of its subsidiaries.

Pembani focuses on investments in the oil and gas, mineral resources and infrastructure sectors in Sub-Saharan Africa. Shanduka Resources is invested in a diverse portfolio of listed and unlisted companies ranging from resources, financial services, energy, telecommunications, and other sectors.

The Commission found that the proposed transaction could give rise to the flow of competitively sensitive information between the merging parties' subsidiaries and a competitor. The Commission imposed conditions to restrict the parties from potentially exchanging competitively sensitive information.

##### **Proposed merger between Puma Energy Africa Holding B.V. (Puma Energy Africa), and Brent Oil Holdings (Pty) Limited (BOH) (Brent Oil)**

The Commission has recommended to the Tribunal that the large merger whereby Puma Energy Africa intends to acquire control over BOH and its subsidiary Brent Oil (Pty) Ltd (Brent Oil), be approved without conditions. Post-merger, Puma Energy will control BOH and Brent Oil.

Puma Energy is a global provider of fuel (petrol, diesel, bunker and aviation) lubricants and other oil products.

BOH and Brent Oil import petroleum and diesel from Mozambique and sell it to industrial and commercial end-users, as well as resellers or wholesalers in the Gauteng, KwaZulu-Natal, Mpumalanga and Limpopo Provinces.

##### **Propose merger between Vukile Property Fund Limited (Vukile Property Fund) and Bedworth Centre Letting Enterprise (Target Property)**

The Commission has recommended to the tribunal that the large merger whereby the primary acquiring firm, Vukile Property Fund intends to acquire the Target Property, from Flanagan & Gerard Investments (Pty) Ltd and East & West Investments (Pty) Ltd, be approved without conditions. Post-merger, Vukile Property Fund will control the Target Property.

Vukile Property Fund is a property fund with a portfolio comprising of retail space, office space and land under development. The Target Property is situated in Vereeniging, Gauteng.

### **Proposed merger between Redefine Properties Ltd (Redefine) and Republica Student Living (Pty) Ltd (RSL)**

The Commission has recommended to the Tribunal that the large merger whereby Redefine intends to acquire RSL be approved without conditions. Post-merger, Redefine will have control over RSL.

Redefine is a property holding company and its property portfolio comprises of offices, retail and industrial properties located throughout South Africa. RSL owns, manages and develops rentable residential property (student accommodation), which aims to provide fully serviced apartments to students in the Pretoria and Johannesburg CBD.

## **1.2 Intermediate Mergers**

### **Proposed merger between Bravo Manufacturing (Pty) Ltd (Bravo Manufacturing), Viva Cupboards CC (Viva Cupboards) and Show Cupboards CC (Show Cupboards) (target firms)**

The Commission has approved, with conditions, the intermediate merger whereby Bravo Manufacturing intends to acquire certain assets owned by the target firms. Post-merger, Bravo Manufacturing will control the target assets.

The Commission found that the merger raises a merger specific public interest concern with respect to the impact on employment. The Commission therefore imposed conditions requiring Bravo Manufacturing to employ 31 employees and to give first preference to the target firms' retrenched employees should there be any available jobs.

Bravo Manufacturing is involved in the manufacture and sale of a wide range of household furniture products. The primary target firms manufacture and distribute DIY kitchens and built-in cupboards and kitchens.

### **Proposed merger between AFHCO Holdings (Pty) Ltd (AFHCO) and Urban Property Holdings Limited (UPH)**

The Commission has approved, without conditions, the intermediate merger whereby AFHCO, intends to acquire UPH and 17 other related entities. Post-merger, AFHCO will control UPH and the 17 other entities.

AFHCO is a diversified real estate investment fund invested in industrial, office, residential and retail property primarily in the major metropolitan centres.

UPH is a property investment company which owns or has usage rights in respect of rentable office, retail, industrial and residential properties in South Africa.

**Proposed merger between Litha Pharma Proprietary Limited (Litha) and established brands from Pharmacare (Target Products)**

The Commission has approved without conditions, the intermediate merger whereby Litha intends to acquire certain pharmaceutical products from Pharmacare. Post-merger, Litha will have sole control of the Target products.

Litha supplies pharmaceutical products and complementary medicines in South Africa which are manufactured in Europe, India and China.

The target products being acquired by Litha comprise several brands which are marketed by Pharmacare. Pharmacare supplies a variety of pharmaceutical products and complementary medicines throughout South Africa.

**Proposed merger between Shanduka Properties (Pty) Ltd (Shanduka) and Gino's Corner (Pty) Ltd (Gino's Corner)**

The Commission has approved without conditions, the intermediate merger, whereby Shanduka intends to acquire Gino's Corner. Post-merger, Shanduka will control Gino's Corner.

Shanduka owns office property in the Johannesburg CBD and a retail shopping mall situated in Diepkloof, Soweto, in the Gauteng Province. Gino's Corner is a letting enterprise constituted of a P Grade office space situated in Sandton, in the Gauteng Province.

**2. Non Referrals – The Commission has taken a decision to non-refer the following cases for the following reasons:**

- a) Anonymous Complainant v The South African Universities – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

- b) Dentons Incorporated v Sales Hire CC – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- c) Department of Correctional Services v Tsebo Outsourcing Group (Pty) Lid v Fedics Food Services v Equality Reef Services – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- d) Diverse Urethane CC v National Urethane Industries (Pty) Ltd – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- e) Vlaamnet Primary, Multipurpose Co-Operative Ltd v The Moretele Local Municipality – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- f) Riaan Jonker v Johan Rosslee – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- g) Sisonke Gauteng Shuttle Services v Airports Company of South Africa at OR Tambo Airport – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- h) Anonymous v City of Johannesburg, Housing Department – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- i) Lightstone Auto (Pty) Ltd v TransUnion Auto Information Solutions (Pty) Ltd – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- j) 1st Fitness v Discovery Health, Momentum, Liberty Life, Virgin Active and Planet Fitness – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

Ends

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