

Statement on the decisions of the Competition Commission

To: All Media

Date: 07 October 2015

1. Key decisions on Mergers and Acquisitions

1.1 Large Mergers

Proposed merger between Government Employees Pension Fund (the GEPF) and Siyanda Resources Proprietary Limited (Siyanda Resources)

The Commission has recommended to the Competition Tribunal (Tribunal) that the large merger whereby the GEPF intends to acquire a stake in Siyanda Resources be approved without conditions.

GEPF's core business is to manage and administer pensions and other benefits for government employees. In doing so, the GEPF invests various classes of assets, including, equities, property and fixed income.

The GEPF is represented by the Public Investment Corporation SOC Limited (PIC), a registered financial services provider which is wholly owned by the South African government. The PIC manages the GEPF's assets in terms of the GEPF's investment mandate, which authorises the PIC to manage the equity, bonds, and money market and property portfolios of the GEPF.

Siyanda Resources is an investment company focusing in the resources sector with particular emphasis on coal, precious and base metal, industrial minerals and chrome operations.

Proposed merger between Investec Bank Limited (Investec) as nominee for a private limited liability company (New Itec Holdco) and Itec Group Proprietary Limited (Itec Group) and Itec Proprietary Limited (Itec)

The Commission has recommended to the Tribunal that the large merger whereby New Itec Holdco intends to acquire the Itec Group and Itec, be approved without conditions. Post-merger, New Itec Holdco will control the Itec Group and Itec.

Itec Group and Itec's business consist of three separate yet related aspects which are importing, financing and selling of IT equipment, on-going support services. The IT equipment distributed by Itec Group and Itec include printers, scanners and photocopy machines.

Investec is a wholly-owned subsidiary of Investec Limited, whose parent company (Investec Group) is an international specialist banking group that

provides a diverse range of financial products and services to a niche client base in the United Kingdom, South Africa and Australia.

1.2 Intermediate Mergers

Proposed merger between LexisNexis (Pty) Ltd (LexisNexis) and the Enablement Division of Korbitec (Pty) Ltd (Korbitec), comprising of WinDeed and GhostConvey

The Commission has approved without conditions, the intermediate merger whereby LexisNexis intends to acquire the Enablement Division of Korbitec. Post-merger, LexisNexis will control the Enablement Business of Korbitec.

LexisNexis is a leading provider of content and technology solutions that enable professionals in legal, corporate, tax, government, academic and non-profit organizations to make informed decisions and achieve better business outcomes.

WinDeed is a reseller of information from public and private sources to mainly property and credit professionals on a pay-per-use basis.

GhostConvey is a conveyancing work-flow system that automates document assembly and correspondence associated with mortgage bond registrations, consents and property transfers.

Proposed merger between Rolfes Holdings Ltd (Rolfes) and Bragan Chemicals (Pty) Ltd (Bragan)

The Commission has approved without conditions, the intermediate merger whereby Rolfes intends to acquire Bragan. Post-merger, Rolfes will have control of Bragan.

Rolfes operates through three divisions, namely; industrial chemicals, agricultural chemicals and mining and water chemicals divisions. In the industrial chemicals divisions, its wholly owned subsidiary, Rolfes Chemicals (Pty) Ltd imports and distributes a range of chemicals to diverse industries including the coatings, plastics, vinyl, agricultural and construction sectors.

Bragan is an importer and distributor of food ingredients and raw materials (i.e. food chemicals) for use in various industries including food, beverages, pharmaceutical and cosmetics.

Proposed merger between Servest (Pty) Ltd (Servest) and Elite Cleaning Services (Pty) Ltd (Elite Cleaning)

The Commission has approved without conditions, the intermediate merger whereby Servest intends to acquire Elite Cleaning as a going concern. Post-merger, Servest will control Elite Cleaning.

Servest provides cleaning, hygiene (including pest control), interior solutions (which includes the supply of water), landscaping (including turf), security, parking, marine and catering services.

Elite Cleaning provides commercial cleaning, industrial cleaning, office cleaning, window/high access cleaning, carpet/upholstery cleaning, chemical cleaning, hygiene services and pest management services.

Proposed merger between Africorp International Properties (Pty) Ltd (Africorp International Properties) and Growthpoint Securitisation Warehouse Trust (GSW Trust), in respect of Fairview Office Park (Fairview Office Park)

The Commission has approved without conditions, the intermediate merger whereby Africorp International Properties intends to acquire the Fairview Office Park from the GSW Trust. Post-merger, Africorp International Properties will control the Fairview Office Park.

Africorp International Properties is a property investment company, holding retail, commercial/office and industrial/warehouse space located in the Nelson Mandela Bay Municipality and Uitenhage Municipality in the Eastern Cape Province.

The Fairview Office Park is a Grade B office property situated at 8 Ring Road, Port Elizabeth, in the Eastern Cape Province.

Proposed merger between Imbali Props 21 (Pty) Ltd (Imbali Props) and Arena Props 19 (Pty) Ltd (Arena Props), in respect of the property letting enterprises known as Celrose and Whiteheads (Target Properties)

The Commission has approved without conditions, the intermediate merger whereby Imbali Props intends acquire a stake in the Target Properties. Post-merger, Imbali Props will control the Target Properties.

Imbali Props forms part of the Collins Group, which is active in the business of investing in and developing immovable property in South Africa for the purposes of earning rental income.

The Target Properties are industrial properties and are the property letting enterprises situated at 9 and 13 Walter Reid Road, Tongaat, in the KwaZulu-Natal Province.

Proposed merger between HNA Group Co. Ltd (HNA) and Aguila 2 S.A (Aguila)

The Commission has approved without conditions, the intermediate merger whereby HNA intends to acquire Aguila. Post-merger, HNA will control Aguila.

HNA is part of the HNA Group, a multinational conglomerate with a wide range of business activities, including aviation, airport management, logistics and tourism.

Aquila is the holding company for the Swissport Group of companies and does not conduct any other business activities. The Swissport Group is a provider of airport ground handling, and related ground handling services, to airlines in Europe and outside of Europe, including in South Africa.

The proposed transaction is also notified to the competition authorities in Argentina, the European Union, Korea and Tanzania.

Proposed merger between Corruseal Group (Pty) Ltd (Corruseal Group) and the Enstra Paper Mill business (Enstra) of Sappi Southern Africa Limited (Sappi) and The Refibre business (Refibre) of Sappi

The Commission has approved without conditions, the intermediate merger whereby the Corruseal Group intends to acquire certain assets of Enstra and a share in the Refibre businesses of Sappi. Post-merger, Corruseal will have sole control of the Enstra assets.

Corruseal manufactures corrugated sheets or boards, corrugated cartons, cigarette cartons, packaging consumables and offers packaging outsourcing services to the automotive industry.

Sappi Limited is a South African pulp and paper company, which is active worldwide in the manufacture of coated fine paper, chemical cellulose, uncoated graphic and business paper, premium quality packaging papers and a range of speciality papers.

The Enstra business is a mill producing containerboard paper materials and kraft paper. The Refibre business collects and treats waste paper, and mainly supplies the treated waste paper to Enstra as well as Sappi's other mills.

Proposed merger between Kaap Agri Bedryf Limited (Kaap Agri Bedryf) and Trade Carriers (Pty) Ltd (Trade Carriers) and Mixoflo (Pty) Ltd (Mixoflo)

The Commission has approved without conditions, the intermediate merger whereby Kaap Agri Bedryf intends to acquire Trade Carriers as well as an

immovable property owned by Mixoflo. Post-merger, Kaap Agri Bedryf will control the Target Firms.

Kaap Agri Bedryf is a subsidiary of Kaap Agri Limited, a retail services group that supplies a variety of products and services mainly to customers operating in the agricultural sector, but also to the general public.

Trade Carriers operates a fuel retail station in Brits in the North West Province. It also operates a convenience store on the premises which sells fast moving consumable goods.

The Target Property is the premises on which the business of Trade Carriers is operated.

1.3 Small Mergers

Proposed merger between Edcon Limited (Edcon), Accenture Holdings B.V. (Accenture BV) and Accenture (South Africa) (Pty) Ltd (Accenture SA) and the Consumer Credit and Collection Services Joint Ventures (JVs)

The Commission has approved with conditions, the small merger whereby Edcon, Accenture BV and Accenture SA intend to create the JVs. Post-merger, Edcon, Accenture BV and Accenture SA will exercise joint control over the JVs.

The Commission found that the proposed transaction could give rise to the flow of competitively sensitive information between Edcon and its competitors in the retail sector through the JVs. The Commission imposed conditions to restrict the parties from exchanging competitively sensitive information.

Edcon is a large non-food retailer that sells a variety of footwear and apparel brands, its own private labels, as well as top international apparel and cosmetic brands that attract customers from the entire socioeconomic spectrum.

The Accenture Group is a global organisation providing management consulting, technology and outsourcing services. In South Africa, Accenture SA helps assess and advise organisations on how to maximise their operating performance.

The JVs are newly established companies that will provide consumer credit and collection services to third-party customers locally and abroad. The JVs will provide consumer credit and collection services to customers such as banks, fast moving consumer goods retailers (particularly clothing retailers) and other consumer focused companies.

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

- a) Sam Moleshiwa v The South African Breweries – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- b) Auto Collision Towing & Recovery v T-Towing & AAA Towing – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- c) M.G. Maree v Zululand Yacht Club - *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

*Non-referral means the Commission has declined to prosecute the case.

Ends

For more information:

Themba Mathebula, External Communication Coordinator
012 394 3325/ 076 821 2508/ thembama@compcom.co.za