Weekly Media Statement
For immediate release
19 February 2017

LATEST DECISIONS BY THE COMPETITION COMMISSION

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

1.1 The Glen Motors (Pty) Ltd v Renault and Nissan the Glen, a business of Super Group Trading (Pty) Ltd

The Commission has approved, without conditions, the intermediate merger whereby Glen Motors (Pty) Ltd (The Glen Motors) intends to acquire Renault and Nissan the Glen, motor dealerships owned by Super Group Trading (Pty) Ltd (Super Group).

The Glen Motors is controlled by Hallmark Motor Group (Pty) Ltd. The Glen Motors has motor vehicle dealerships in Gauteng and sells new motor vehicles, ancillary products and services.

The primary target firm is Renault and Nissan the Glen, motor dealerships owned by Super Group. Renault and Nissan the Glen is a Renault and Nissan franchise motor vehicle dealership in Gauteng, with an adjacent pre-owned vehicle sales, parts sales and servicing business. Renault and Nissan the Glen only sell Renault and Nissan passenger vehicles and Nissan light commercial vehicles.

The proposed transaction is unlikely to substantially prevent or lessen competition in the identified markets. In addition, there are no public interest concerns.

1.2 SA Retail Properties (Pty) Ltd v Redefine Properties Ltd in respect of Pritchard Street Trust

The Commission has approved, without conditions, the intermediate merger whereby SA Retail Properties (Pty) Ltd (SA Retail) intends to acquire Pritchard Street Trust from Redefine Properties Ltd (Redefine).

SA Retail is a property investment company. Its property portfolio is focused on industrial, retail, inner-city residential and commercial assets, primarily located in South Africa’s major metropolitan centres.

The primary target firm is Redefine in respect of the property letting enterprise, Pritchard Street Trust, a retail centre in Pritchard Street, Johannesburg, comprising rentable retail space.

The Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in the identified markets. In addition, there are no public interest concerns.
1.3 Stor-Age Property Reit Ltd v Storage RSA Investments (Pty) Ltd

The Commission has approved, without conditions, the proposed intermediate merger whereby Stor-Age Property Reit Ltd (Stor-Age) intends to acquire Storage RSA Investments (Pty) Ltd (Storage RSA).

Stor-Age is a property fund which provides secure rentable self-storage units and related services. The Acquiring Group has a portfolio of self-storage properties in Johannesburg, Pretoria, Cape Town, Durban, Port Elizabeth and Bloemfontein.

Storage RSA provides rentable self-storage units and related services and controls a number of firms. The Target Group is a property fund which owns a portfolio of self-storage properties in Gauteng and the Western Cape.

The proposed merger is unlikely to result in a substantial prevention or lessening of competition in the affected self-storage markets. In addition, there are no public interest concerns.

1.4 Advent International Corporation v Morpho USA Inc and Safran Identity & Security SAS

The Commission has approved, without conditions, the intermediate merger whereby Advent International Corporation (Advent International) intends to acquire Morpho USA Inc (Morpho USA) and Safran Identity & Security SAS (Safran I&S SAS). The proposed transaction has been notified in other jurisdictions including the USA, EU, Russia, Colombia and Brazil.

Advent International is a global private equity investor with holdings in sectors including industrial, retail, media, communications, information technology, healthcare and pharmaceuticals. It controls various portfolio companies globally including Oberthur Technologies which supplies smart cards and security solutions for the payment, identity and telecommunication sectors. Advent International controls Oberthur South Africa (Pty) Ltd which supplies smart cards including SIM cards for mobile network operators and banking cards for financial institutions.

Morpho is a global company which provides identity and security solutions. These include multi-biometric recognition (i.e. fingerprint, facial and iris recognition) solutions, video and data analytics, smart cards (including SIM cards), embedded connectivity and security solutions, identity cards, as well as integrated solutions and systems to enrol and authenticate citizens. In South Africa, Morpho supplies SIM cards and security solutions through Morpho Cards and Morpho SA.

The Commission finds that the proposed merger is unlikely to result in a substantial prevention or lessening of competition in the relevant markets. In addition, there are no public interest concerns.

1.5 Fidelity Security Services (Pty) Ltd v ADT Security (Pty) Ltd

The Commission has recommended to the Tribunal that the proposed large merger be approved, without conditions, whereby Fidelity Security Services (Fidelity) intends to acquire ADT Security (ADT).

The Fidelity Group is an integrated security solutions provider. Its key areas of business include alarm monitoring and armed response services, cash solutions including cash-in-transit services, cash management solutions and guarding.

ADT is a security solutions firm organised into both subscriber and commercial business units. Offerings include armed response services, monitoring services delivered via monitoring centres, home protection, manned guarding and electronic article surveillance.
The proposed transaction is unlikely to substantially prevent or lessen competition in any of the relevant markets. In addition, the merger does not raise any public interest concerns.

1.6 The Humansdorp Co-Operative Ltd and Friedshelf 1722 (Pty) Ltd v Umtiza Farmers Corp Ltd and the business of UFC Trust

The Commission has approved, without conditions, the intermediate merger whereby Humansdorp Co-Operative Limited (Humansdorp) and Friedshelf 1722 (Pty) Ltd (Friedshelf) intend to acquire Umtiza Farmers Corp Limited (Umtiza) and part of the business of the UFC Trust.

Humansdorp is an agricultural co-operative. Friedshelf is a wholly-owned subsidiary of Humansdorp. Humansdorp operates mainly in the Eastern Cape and owns farming retail stores and a silo complex. It has a livestock trading branch, sells irrigation products and provides financial services to customers.

Umtiza is controlled by three main shareholders and the balance of shares are owned by emerging black farmers. Umtiza operates in the former homeland areas of Ciskei, Transkei and areas of the Eastern Cape. It owns farming retail stores and sells chickens, pigs and goats upon customers’ request.

The Commission is of the view that proposed merger is unlikely to raise competition concerns in any of the affected markets. In addition, the proposed transaction does not raise any public interest concerns.

1.7 Koch Equity Development LLC v Infor Inc

The Commission has approved, without conditions, the intermediate merger whereby Koch Equity Development LLC (Koch Equity) intends to acquire Infor Inc (Infor).

Koch Equity is an American firm, wholly owned by Koch Industries Inc (KII). Koch Equity is the investment arm of KII. Koch Equity does not control any firm in South Africa.

Infor is an American firm and is a subsidiary of Infor Enterprises Applications LP (the Seller). Infor controls Infor South Africa (Pty) Ltd, which provides maintenance and consultancy services for SoftBrands Hospitality products. This includes providing software updates and implementation.

The Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition. In addition, the proposed transaction is unlikely to raise any public interest concerns.

1.8 HP INC v The Global Printer of Samsung Electronics Co Ltd

The Commission has approved, without conditions, the intermediate merger whereby HP Inc (HP) intends to acquire the global printer business (Samsung Printer Business) belonging to Samsung Electronics Co Ltd (Samsung Electronics).

HP is an American firm and controls many subsidiaries worldwide, including HP South Africa. HP South Africa, a South African company, manufactures and sells electronic devices including PCs and printers.

The Samsung Printer Business belongs to Samsung Electronics, a Korean firm. In South Africa, the Samsung Printer Business forms part of the operations of Samsung Electronics South Africa (Pty) Ltd, supplying regular format printers and products to retailers, IT distributors and office automation dealers.
The proposed transaction is unlikely to substantially prevent or lessen competition in the national market for regular format printers. Further, the proposed transaction does not raise any public interest concerns.

1.9 TPG Capital LP v Intel Security Inc

The Commission has approved, without conditions, the intermediate merger whereby TPG Capital LP (TPG Capital) intends to acquire Intel Security Inc (Intel Security), formerly McAfee.

TPG Capital is an American company. It forms part of TPG, a private investment firm that manages funds invested in various companies.

Intel Security is a subsidiary of Intel Corporation, a public company listed on the NASDAQ. Intel Security controls Intel South Africa Corp (Intel SA) and McAfee South Africa (Pty) Ltd (McAfee), a dormant company. Intel Security designs and develops IT security solutions and supplies products for servers, computers, smartphones and other devices. It provides IT security services locally through Intel SA.

The Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in any market and it is unlikely to raise any public interest concerns.

1.10 JR 209 Investments (Pty) Ltd v Zendai Development (SA) (Pty) Ltd, Zendai Investment Management (SA) (Pty) Ltd and Zendai Capital (Pty) Ltd

The Commission has recommended to the Tribunal that the proposed large merger be approved, without conditions, whereby JR 209 Investments (Pty) Ltd (JR 209) intends to acquire Zendai Development (South Africa) (Pty) Ltd (Zendai Development), Zendai Investment Management (South Africa) (Pty) Ltd (Zendai Investment Management) and Zendai Capital (Pty) Ltd (Zendai Capital) - the Target Firms.

The Acquiring Group is engaged in property development and investment. It owns a portfolio of immovable properties and vacant land and is involved in property development in South Africa. The Acquiring Group owns residential properties, office properties, vacant land zoned for office property, light industrial properties, properties zoned for light industrial property, retail properties and vacant farmland.

The Target Firms, controlled by Zendai (South Africa) (Pty) Ltd (Zendai SA), own industrial, commercial, retail and residential properties in Gauteng. Zendai Development is a property development business, which acts as the property developing arm of the Target Firms. Zendai Investment Management is a property investment company while Zendai Capital is a dormant company.

The proposed transaction is unlikely to substantially prevent or lessen competition in the affected markets. In addition, the proposed transaction does not raise any public interest concerns.

1.11 Folkes Holdings (Pty) Ltd v Rapfund Holdings (Pty) Ltd

The Commission has approved, without conditions, the intermediate merger whereby Folkes Holdings (Pty) Ltd (Folkes) intends to acquire Rapfund Holdings (Pty) Ltd (Rapfund).

Folkes is a property holding company and, through various subsidiaries, is involved in managing and leasing commercial property, particularly office and industrial property.
Rapfund is an investment holding company which holds its interests through Rapfund Investments (Pty) Ltd (Rapfund Investments). Rapfund Investments is a property investment fund that has controlling interests in various entities including shopping centres and retail properties.

The Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in any market. In addition, there are no public interest concerns.

1.12 Bain Capital Investors LLC v Daymon Worldwide Inc

The Commission has approved, without conditions, the intermediate merger whereby Bain Capital Investors LLC (Bain Capital) intends to acquire Daymon Worldwide Inc (Daymon).

Bain Capital is an American firm. It is the ultimate general partner of numerous private equity investment funds, each of which is a separate limited partnership that has investments in companies. The primary business activities of Bain Capital are providing investment advice and investment fund management.

Daymon, an American company, is a wholly owned subsidiary of Employee Stock Ownership Trust. Daymon and its subsidiaries provide end-to-end retailing services on six continents focused on private brand development, strategy and branding, sourcing and logistics, retail merchandising services and consumer experience marketing. Locally, Daymon’s activities include merchandising, logistics and private brands development services.

The proposed transaction is unlikely to substantially prevent or lessen competition in any market. In addition, the proposed transaction does not raise any public interest concerns.

1.13 Spirit Capital (Pty) Ltd and Emerald Panther Investments 141 (Pty) Ltd v Specialist Systems Engineering Excelcom (Pty) Ltd

The Commission has approved, without conditions, the intermediate merger whereby Spirit Capital (Pty) Ltd (Spirit Capital) and Emerald Panther Investments 141 (Pty) Ltd (Emerald Panther) intend to acquire Specialist Systems Engineering Excelcom (Pty) Ltd (SSE Excelcom).

Spirit Capital provides corporate advisory services and conducts investment activities for its own account by way of co-investments into private companies. The corporate advisory services focus on mergers and acquisitions, disposals, management buy-ins and buy-outs, leveraged buy-outs, raising and structuring of debt and equity finance as well as black economic empowerment. Emerald Panther is a special purpose vehicle for the proposed transaction. It does not conduct any business activities.

SSE Excelcom is involved in the design, manufacture, installation, commissioning and maintenance of telemetry systems for use in various electrical, industrial and domestic applications. SSE Excelcom is active in market segments including telemetry and industrial automation, industrial communications, energy management and supervisory control and data acquisition solutions.

The proposed transaction is unlikely to substantially prevent or lessen competition in any market. In addition, the proposed transaction does not raise any public interest concerns.
The Commission has approved, without conditions, the intermediate merger whereby M and F Giuricich Developments (Pty) Ltd (M&F), IPMFGD Investments JV (Pty) Ltd (IPMFGD), Dolsid Investments (Pty) Ltd (Dolsid) and Super Group Trading (Pty) Ltd (Super Group) intend to acquire Investec Property Fund Limited in respect of the property letting enterprises known as Nissan Roodepoort, VW Roodepoort and Super Group Greenstone (the Target Properties).

The primary target firm is Investec Property Fund Limited in respect of the property letting enterprises known as Nissan Roodepoort, VW Roodepoort and Super Group Greenstone. Investec Property Fund Limited is ultimately controlled by Investec Limited.

The proposed transaction is unlikely to substantially prevent or lessen competition in the identified markets. In addition, the proposed transaction does not raise any public interest concerns.

2. **Non Referrals: The Commission has taken a decision to non-refer (not to prosecute) the following cases:**

2.1 **A4 ELECTRICAL CC v VULCAN CATERING EQUIPMENT (PTY) LTD**

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.2 **RHINOLINE MANUFACTURERS CC v BP SOUTHERN AFRICA (PTY) LTD**

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.3 **Black Star Network v Vox Telecom**

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.4 **Shekhar Mahabeer v All convenience stores**

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

[ENDS]

**For more information or for media enquiries, please contact:**

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