

Statement on the decisions of the Competition Commission

To: All Media

Date: 01 July 2015

1. Key decisions on Mergers and Acquisitions

1.1 Large Mergers

Proposed merger between Vodacom Proprietary Limited (Vodacom) and Neotel Proprietary Limited (Neotel)

The Commission has recommended to the Competition Tribunal that the large merger whereby Vodacom intends to acquire of Neotel, be approved, with conditions. Post-merger, Vodacom will have sole control over Neotel, and it (Neotel) will operate as a wholly-owned subsidiary of Vodacom.

Note to editors: Please see attached Annexure A on approval of Vodacom/Neotel merger.

Proposed merger between Louis Dreyfus Commodities Africa (Pty) Ltd (LDCA), VKB Agriculture (Pty) Ltd (VKB), Kromdraai Best Milling (Pty) Ltd (KBM), Ixia Trading 177 (Pty) Ltd (Ixia) and Moliblox (Pty) Ltd (Moliblox)

The Commission has recommended to the Tribunal that the large merger whereby LDCA and VKB intend to acquire Kromdraai Group of Companies which comprise of KBM, Ixia and Moliblox, be approved with conditions. Post-merger, the Kromdraai Group will be jointly controlled by VKB and LDCA.

The Commission found that although the merger will have an overall positive effect on employment as measured against the relevant counterfactual (being the liquidation of the Kromdraai Group), 61 affected employees will be retrenched as a result of duplication of roles and efficiency considerations at the Kromdraai Group.

To address any further job losses, the Commission imposed an employment condition that: save for the 61 Affected Employees, the merging parties shall not retrench any employees as a result of the Merger. Further, VKB shall give first preference to the affected employees should positions arise at VKB for a period of 12 (twelve) months after the Approval Date of the Merger.

VKB's primary business involves the origination, storage and processing of commodities including the handling, storing and marketing of grain. Its activities also include the provision of a range of services to farmers. LDC Ais a global merchandiser of commodities and a processor of agricultural goods operating a significant network of assets around the world.

Proposed merger between AECI Limited (AECI) and Southern Canned Products Proprietary Limited (SCP)

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

AECI controls a number of firms throughout the world, including South Africa. The AECI Group comprises of 16 businesses which together focus on five key strategic areas, namely, mining solutions, water solutions, agrochemicals, food additives and speciality chemicals.

SCP supplies bulk fruit juice concentrate, puree and pulp and manufactures formulated fruit concentrates and emulsions. It also supplies a range of olive and seed oils.

Proposed merger between Iridescent Investments Proprietary Limited (BidCo) and Servest Group Proprietary Limited (the Servest Group)

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

BidCo is a wholly owned subsidiary of Kagiso Tiso Holdings Proprietary Limited (KTH) and does not control any firm. KTH is an investment holding company which has a portfolio of investments comprising firms across key sectors, such as property, chemicals, pharmaceuticals, mining, financial services, engineering and others.

The Servest Group provides integrated multiservice solutions in line with the following service categories: cleaning, hygiene, security, parking management, landscaping and turf maintenance, marine services, office services and facilities management to customers in Africa and the United Kingdom.

1.2 Intermediate Mergers

Proposed merger between Transpaco Plastics (Pty) Ltd (Transpaco Plastics) and the East Rand Plastics (ERP) division of Astrapak Manufacturing Holdings (Pty) Ltd (Astrapak)

The Commission has approved with conditions, the intermediate merger whereby Transpaco Plastics intends to acquire the ERP division of Astrapak. Post-merger, Transpaco Plastics will wholly-own and control ERP.

The Commission found that the proposed merger is likely to raise competition concerns, should Transpaco Flexibles refuse to supply plastic refuse bags to

Clorox. Given the history behind Transpaco Flexibles and Clorox in relation to the equipment used to manufacture the GLAD® branded plastic refuse bags, the Commission finds that there is no other manufacturer in South Africa who will be able to manufacture plastic refuse bags for Clorox, at least in the short-term period. In order to address this concern, the Commission imposed a condition that Transpaco should continue to supply Clorox with the GLAD® branded plastic refuse bags for a period of no less than 3 years, post-merger. The merging parties have agreed to this condition.

Transpaco Plastics, the company in which the ERP business will be housed, is currently a dormant company with no business activities or employees. The Transpaco Flexibles division is however predominantly active in the market for the production of retail boutique bags and vest type carrier bags, industrial plastic flexible packaging and scholastic stationary. ERP is active as a manufacturer of plastic refuse bags under the Garbie brand.

Proposed merger between Robor (Pty) Ltd (Robor) and Tricom Structures (Pty) Ltd (Tricom)

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

Robor is active as a steel trader and distributor worldwide. Robor has 7 operating divisions, through which supplies its products to most industries, including mining, logistics which covers rail and road, petrochemical, construction, engineering, manufacturing, agriculture, energy, water and automotive. Tricom designs, develops and manufactures steel structures for telecoms and power sectors.

Proposed merger between SunEdison Energy Holding B.V. (SunEdison Energy) and MEMC Asia Pacific Holdings B.V. (MEMC)

The Commission has approved without conditions, the intermediate merger whereby SunEdison Energy intends to acquire MEMC. Post-merger, SunEdison will have sole control of MEMC.

The SunEdison Group is a developer, independent power producer and a seller of photovoltaic energy solutions and a developer, manufacturer and seller of silicon wafers to the semiconductor industry.

In South Africa, MEMC has interests in Eriika Energy and Core Energy which operate the Soutpan Solar Power and Witkop Solar Power Plants in the Limpopo Province, respectively.

Proposed merger between Tower Property Fund Limited (Tower) and Link Hills Shopping Centre Proprietary Limited (Link Hills)

The Commission has approved without conditions, the intermediate merger whereby Tower intends to acquire Link Hills. Post-merger, Tower will have sole control over the Link Hills property.

Tower is a property investment entity owning a portfolio of 36 immovable properties and letting enterprises including office, retail and industrial properties situated in the KwaZulu-Natal, Western Cape and Gauteng Provinces.

The Link Hills Shopping Centre is a community shopping centre situated in Durban in the KwaZulu-Natal Province.

Proposed merger between Numbizest Proprietary Limited (Numbizest) and Redefine Properties Limited (Redefine)

The Commission has approved without conditions, the intermediate merger whereby Numbizest intends to acquire the community centre known as the Berea Centre (Target Property) from Redefine. Post-merger, Numbizest will have sole control of the target property.

Numbizest is a newly incorporated firm for the purposes of the proposed transaction and does not provide any product or services. The Target Property is a community retail centre situated in Berea Durban in the Kwa-Zulu Natal Province.

Proposed merger between Archie ACQ Limited (New ARRIS) and Pace plc (Pace)

The Commission has approved, without conditions the intermediate merger whereby New ARRIS intends to acquire Pace. Post-merger, New ARRIS will have sole control of Pace.

New ARRIS has been formed for the purpose of the proposed transaction and therefore does not provide any services or products. The ARRIS Group is a global provider of entertainment and communications solutions.

Pace is active in the provision of Customer Premises Equipment, Software and Services and Networks services. In South Africa, Pace only supplies satellite Set-Top Boxes (STBs).

Proposed merger between Equites Property Fund Limited (Equites) and Intaprop Proprietary Limited (Intaprop)

The Commission has approved without conditions, the intermediate merger whereby Equites intends to acquire Intaprop. Post-merger, Equites will have sole control over Intaprop.

The Acquiring Group comprises of property investment firms that focus on long term investments in the industrial property sector, with selective office properties located in the Western Cape Province.

The Target Group is involved in property ownership and development. The Target Group's property portfolio comprises of office and industrial properties in the Gauteng and Western Cape Provinces.

1.3 Termination of conditions

Termination of conditions imposed in the merger between Shoprite Checkers (Proprietary) Limited and Stone Acres Superspar and Tops, Mafikeng of Klipakkers (Proprietary) Limited

On 02 July 2014, the Commission approved the above merger subject to certain employment conditions. The purpose of the conditions was to ensure that Shoprite Checkers employs all of the affected employees, subject to them meeting the criteria for the positions for which they have applied.

Upon examining the information received by the Commission, the Commission is satisfied that Shoprite Checkers has complied with the conditions.

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

- a) Robben Island Museum v 7 Boat Companies – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- b) Katlegelopele Investments Holdings Pty (Ltd) v Standard Transfer Specification Association – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- c) Secret River Trading CC T/A Caffeluxe v Global Coffee Exports (Pty) Ltd – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- d) Karama (Pty) Ltd v Thornybush Private Nature Reserve – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- e) Zakariya Eidris Vawda v Mango Airlines, Avis, Tempest and Mikateko Media – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

Ends

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