

Statement on the decisions of the Competition Commission

To: All Media

Date: 09 September 2015

1. Key decisions on Mergers and Acquisitions

1.1 Intermediate Mergers

Proposed merger between Nokia Corporation (Nokia) and Alcatel-Lucent Société Anonyme (Alcatel-Lucent)

The Commission has approved, with conditions the intermediate merger whereby Nokia to acquire Alcatel-Lucent. Post-merger, Nokia will acquire sole control over Alcatel-Lucent.

The Commission found that the merger raises public interest issues relating to employment. This would result in the retrenchment of a maximum of 60 affected employees of the merged entity in South Africa.

In order to remedy the concerns arising from the merger, the Commission and the merging parties agreed that the affected employees shall be the first to be offered employment within Nokia in South Africa, when vacant positions become available and this will occur before the vacant positions are advertised externally.

Nokia is an international mobile telecommunications company involved in the manufacture and sale of cellular telephony and related services. Alcatel-Lucent is a telecommunications solutions provider.

Proposed merger between Telkom SA SOC Limited (Telkom) and Telkom Retirement Fund, in respect of the Bellville Property (the Target Property)

The Commission has approved without conditions, the intermediate merger whereby Telkom intends to acquire the Target Property. Post-merger, Telkom will own the Target Property.

Telkom is a leading communications provider in South Africa, offering fixed line, mobile, ICT and data services to the wholesale, business and consumer markets and a wide range of related products.

The Target Property comprises of Grade B office property and light industrial space (currently leased by Telkom) and is located in Bellville, in the Western Cape Province.

Proposed merger between Labat Africa Limited (Labat Africa) and Reinhardt Transport Group (Pty) Ltd (RTG)

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

Labat Africa is an investment holding company and its only investments are in a certain property firm.

RTG is a transport and logistics company with several operating depots located in the Gauteng, North West, KwaZulu-Natal, Mpumalanga and Limpopo Provinces.

Proposed merger between JBS S.A. (JBS) and Moy Park Holdings (Europe) Limited (Moy Park)

The Commission has approved without conditions, the intermediate merger whereby JBS intends to acquire Moy Park. Post-merger, JBS will own Moy Park.

J&F and all its subsidiaries including JBS (Acquiring Group) is active in beef, pork and poultry processing and lamb production.

Moy Park has processing and production facilities across the United Kingdom (England, Ireland), France and the Netherlands. Moy Park imports frozen chicken and turkey into South Africa.

Proposed merger between Silverlands (SA) Plantations S.ar.L (Silverlands) and Crookes Brothers Limited (CBL)

The Commission has approved without conditions, the intermediate merger whereby Silverlands intends to increase its shareholding in CBL. Post-merger, Silverlands will have control of CBL.

The Silverlands Fund and the firms it controls including Silverlands (Acquiring Group), is a private equity investor holding investments in farming and agricultural operations in Sub-Saharan Africa. In South Africa, the Acquiring Group's activities are through its non-controlling shareholding in CBL.

CBL operates numerous farming operations which produce the various products including unprocessed sugar cane, deciduous fruit and Bananas.

Proposed merger between Resilient Properties (Pty) Ltd (RES) and NAD Property Income Fund (Pty) Ltd (NAD), in respect of the immovable property and rental enterprise known as Mamelodi Mall and certain undeveloped land adjacent to Mamelodi Mall (the Target Property)

The Commission has approved without conditions, the intermediate merger whereby RES intends to acquire a stake of the Target Property from NAD. Post-merger, RES and NAD will have joint control over the Target Property.

RESListco and all its subsidiaries including RES (Acquiring Group), is a property ownership firm owning a portfolio of 28 retail properties and vacant land.

The Target Property is wholly-owned by NAD. The Target Property consists of a community centre, Grade C office property and a fuel service station located at the corner of Hinterland and Tsamaya Avenues, Mamelodi, in Pretoria East, in the Gauteng Province.

Proposed merger between Siyanda Resources (Pty) Ltd (Siyanda Resources) and Jubilee Smelting and Refining (Pty) Ltd (JSR), Power Alt (Pty) Ltd (PA) and the shavings business of Ella Rose (Pty) Ltd (FMP) trading as Ferrous Metal Processors (FMP)

The Commission has approved without conditions, an intermediate merger Siyanda Resources intends to acquire JSR, PA and FMP. Post-merger, Siyanda Resources will control the FMP Shavings Business.

Siyanda Resources is a resources investment holding company which focuses on investments in coal, precious and base metals, industrial minerals and chrome operations.

JSR is a holding company which does not have any operations other than Jubilee's interest in RST. PA owns and operates an on-site 11MW gas-fired electricity generation plant at the RST Smelter. PA provides energy independence for the RST Smelter from the national electricity grid. PA also has a contract to supply 5.1MW of power to Eskom.

The FMP Shavings Business is a metals dealer and recycling operation located in Boksburg, Gauteng. The FMP Shavings Business is involved in the dealing, collection, processing and supply of recycled ferrous and non-ferrous metals sourced from the manufacturing, mining demolition and scrap collection industries.

Proposed merger between Thebe Investment Corporation (Pty) Ltd (Thebe) and Shell's Global Trading Network (GTN)

The Commission has approved without conditions, the intermediate merger whereby Thebe, on behalf of the primary acquiring firms, Sputnik 1 and Sputnik 2 intend to acquire the business currently carried on by foreign Shell-owned trading entities collectively referred to as GTN.

Post-merger, Thebe and Shell South Africa Holdings (Pty) Ltd (SSAH) will form a joint venture, the Sputnik Entities, which is intended to supply certain products to the customers in South Africa. In terms of the transaction, the Sputnik Entities will be granted the right to conduct the Target Business in place of GTN.

Thebe is an investment holding company which manages a diverse portfolio of investments ranging from tourism, mining resources, infrastructure, renewable

energy, petrochemicals, telecommunications, financial services, and healthcare industries in South Africa.

GTN currently supplies crude and refined petroleum products which include gasoil, fuel oil, and jet fuel, to customers in South Africa and neighbouring countries.

Sputnik 1 and Sputnik 2 are joint ventures yet to be formed by SSAH and Main Street 1117 (Pty) Ltd (Thebe NewCo). SSAH is the local holding company of the Shell entities in South Africa.

Proposed merger between Solly's Partnership (Solly's Partnership) and Middelburg and Groblersdal dealerships (the Target Firms) of Integrated Auto Services (Pty) Ltd (Integrated Auto)

The Commission has approved without conditions, the intermediate merger whereby Solly's Partnership intends to acquire the Target firms. Post-merger, Solly's Partnership will own the Target firms.

Solly's Partnership is a newly established firm for the purposes of acquiring the target business and is not active in the production of any products or the rendering of any services.

The Target Firms are motor vehicle dealerships that are located in Middleburg, in the Mpumalanga Province and in Groblersdal, in the Limpopo Province. The Target Firms are franchised retailers of General Motors, Chevrolet, Opel and Isuzu motor vehicles and branded spare parts. The Target Firms sell new and used passenger vehicles, as well as new and used light to extra heavy weight commercial vehicles.

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

- a) CGC Industries t/a RTS Industries v Technical Systems – *The Commission found that the conduct does not amount to a contravention of the Competition Act, and accepted a withdrawal by the complainant.*
- b) M.G. Maree v Zululand Yacht Club – *The Commission found that the competition concerns raised should be addressed through advocacy.*

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

Ends

For more information:

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