

Statement on the decisions of the Competition Commission

To: All Media

Date: 13 March 2015

1. Key decisions on mergers and acquisitions

1.1 Large Mergers

Proposed merger between Edcon Limited (Edcon), Celrose (Pty) Ltd (Celrose) and Eddels Shoes (Pty) Ltd (Eddels)

The Commission has recommended to the Competition Tribunal (Tribunal) that the large merger whereby Edcon, intends to acquire Celrose and Eddels, be approved without conditions.

The proposed merger comprises of two inter-related steps which will ultimately result in Edcon controlling Celrose and Eddels. In the first transaction, Celrose will acquire Eddels. Post-merger, Eddels will be controlled by Celrose.

In the second transaction, Edcon will acquire Celrose. Post-merger, Edcon will have a majority stake in Celrose.

Edcon is a national retailer operating in the clothing, footwear, accessories, household textiles and cosmetic markets. Celrose manufactures and supplies clothing for men and women to retailers. Eddels manufactures footwear for men, women and children under various brands.

Proposed merger between The SPAR Group Ltd (the SPAR Group) and Florida Junction SUPERSPAR and Tops@SPAR (Florida Junction Businesses) and Gordon Road SUPERSPAR and Tops@SPAR (Gordon Road Businesses)

The Commission has recommended to the Competition Tribunal that the large merger whereby the SPAR Group, intends to acquire Florida Junction and Gordon Road Businesses be approved without conditions. Post-merger, the SPAR Group will have control over these target businesses.

The SPAR Group conducts a wholesaling operation of dry goods, perishable goods, liquor, general merchandise and personal care goods. The Florida Junction and Gordon Road Businesses are retail supermarkets that sell to the general public a wide range of fresh and processed foodstuffs, toiletries, household products and other similar supermarket-style items.

1.2 Intermediate Mergers

Proposed merger between Overberg Agri Bedrywe (Pty) Ltd (Overberg), & TP Hentiq 6433 (Pty) Ltd (TPH), and MOOV Fuel (Pty) Ltd (MOOV) and Overberg Agri Bedrywe (Pty) Ltd

The Commission has approved an intermediate merger whereby Overberg is acquiring a share in MOOV and a small merger whereby TPH will acquire the Business consisting of 13 filling stations from Overberg, without conditions. The two transactions are interlinked.

In the second transaction, TPH will also apply to the Department of Energy for 13 new Retail Licenses.

Overberg's core activities are in the agricultural sector and it conducts the trading operations of the Overberg Agri group of companies. MOOV is a licensed wholesaler of petroleum products. TPH is a shelf company that will be trading as Energy Trust Trading (Pty) Ltd.

Proposed merger between Actavis Plc. (Actavis) and Allergan Inc. (Allergan)

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

Actavis is an integrated global specialty pharmaceutical company engaged in the development, manufacturing, marketing, sale and distribution of generic, originator and over-the-counter (OTC) products.

Allergan consists of a portfolio of pharmaceuticals, biologics, medical devices and OTC consumer products, with a focus on several medical specialties, including eye-care, neurosciences, medical aesthetics, medical dermatology, breast aesthetics and urologic.

Proposed merger between Famous Brands Management Company Proprietary Limited (FBMC), City Deep Storage Proprietary Limited (City Deep) and Cater Chain Food Services Proprietary Limited (Cater Chain)

The Commission has approved with conditions, the intermediate merger whereby FBMC intends to acquire a stake in City Deep and Cater Chain. Post-merger, FBMC will have sole control over Cater Chain and City Deep Storage.

FBMC supplies meat products to its various franchisee operations that have meat products on their menu. Cater Chain is a commercial scale butchery and City Deep operates a very large freezer facility that is capable of blast-freezing meat products in bulk quantities to ultra-cold temperatures.

The Commission found that the proposed transaction is likely to have an effect on job losses as the suppliers of processed Halaal and pork meat will have to scale down their operations. To ameliorate the concern, the Commission imposed a supply condition on the merging parties for the acquiring group to continue sourcing from its current suppliers of processed pork and Halaal meat.

Proposed merger between ADvTECH Limited (ADvTECH), Maravest (Pty) Ltd (Maravest), Nascifon (Pty) Ltd (Nascifon) and Maramedia (Pty) Ltd (Maramedia)

The Commission has approved without conditions, the intermediate merger whereby, ADvTECH, intends to acquire sole control over the businesses of Maravest, Nascifon and Maramedia. Post-merger, ADvTECH will have sole control over the target businesses.

ADvTECH is a diversified education, training and placement group. Maravest is involved in the management, operation and control of the Maragon Schools. The Maragon Schools operate independent co-educational schools that cater for learners across 15 grades. Maramedia is a publishing company that produces learning materials for Maragon Schools.

Proposed merger between Constantinople Acquisitions GmbH (Constantinople) and Constantia Flexibles GmbH (Constantia Flexibles)

The Commission has approved without conditions, the intermediate merger whereby Constantinople intends to acquire sole control over Constantia Flexibles. Post-merger, Constantia Flexibles will be wholly owned by Constantinople but will not be integrated into the holding company.

Constantinople is owned by Wendel, a French investment company which has shareholding in a number of sector-leading companies. Constantia Flexibles is a global producer of flexible packaging products.

Proposed merger between Blackstar Investors Limited (Blackstar) and Times Media Group Limited (TMG)

The Commission has approved, without conditions, the intermediate merger whereby Blackstar, intends to acquire TMG. Post-merger, TMG will be controlled by Blackstar and will be delisted from the JSE.

Blackstar is an investment company, with particular focus on businesses operating within South Africa. TMG is a South African listed media and entertainment company which owns newspapers, magazines and various online services.

1.3 Termination of Conditions

Termination of conditions imposed in the merger between the Thoroughbred Horseracing Trust and Kenilworth Racing (Pty) Ltd

On 15 November 2012, the Competition Tribunal approved the above merger subject to certain public interest conditions relating to employment.

The purpose of the conditions was to ensure that the Kenilworth Racing does not retrench any employee for a period of 2 years from the effective date of the merger.

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

Termination of conditions imposed in the merger between Kenilworth Racing and Gold Circle (PTY) Ltd

On 15 November 2012, the Competition Tribunal approved the above merger subject to certain public interest conditions relating to employment.

The purpose of the conditions was to ensure that Kenilworth Racing does not retrench any employee for a period of 2 years from the effective date of the merger.

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

2. Non Referrals

2.1 The Commission has taken a decision to non-refer the following cases on the basis of lack of evidence:

- a) Eugen Bezuidenhout v Len Pienaar and Hussain Ismail Shaik and Hussain Ismail Shaik.
- b) Unitrade Management Services (Pty) Ltd v South African Social Security Agency and Cash Paymaster Services (Pty) Ltd.
- c) Afrocentric Health Ltd and Dewald Dempers v Discovery Health Medical Scheme.
- d) Dennis Lawrenson and Associates CC v Santam Ltd and Hollard Insurance Co. Ltd and Zurich Insurance Co. Ltd and ABSA Insurance Co. Ltd.
- e) Competition Commission v Honda Motors SA (Pty) Ltd and 32 others.

2.2 The following case was non-referred on the basis of a withdrawal by a complainant party:

- a) Ekurhuleni Metropolitan Municipality (Legal Services) v P.D. Naidoo & Associates Engineers (Pty) Ltd and Mott Macdonald Pdna (Pty) Ltd.

ENDS

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