

Statement on the decisions of the Competition Commission

To: All Media

Date: 16 September 2015

1. Key decisions on Mergers and Acquisitions

1.1 Large Mergers

Proposed merger between Investec Bank Limited (Investec) and Ferro South Africa (Pty) Ltd (Ferro)

The Commission has recommended to the Competition Tribunal (Tribunal) that the large merger whereby Investec intends to increase its shareholding in Ferro, be approved without conditions. Post-merger, Investec will have joint control of Ferro.

Investec is an international specialist banking group that provides a diverse range of financial products and services to a niche client base.

Ferro is a manufacturer of base coating materials, operating within the industrial chemicals sector.

Proposed merger between Sun International (South Africa) Limited (SISA) and GPI Slots Proprietary Limited (GPI Slots)

The Commission has recommended to the Tribunal that the large merger whereby SISA intends to acquire GPI Slots, be approved without conditions. Post-merger, SISA will have control of GPI Slots.

SISA invests in and manages businesses in the hotel, resort and casino industries.

GPI Slots is the holding company of all the Limited Pay-out Machines (LPMS) gaming operations of GPI. LPMS are gambling machines with a restricted bet and prize; these machines are generally located in bars, restaurants and clubs.

Proposed merger between Fortress Income Fund Limited (Fortress) and Capital Property Fund Limited (Capital)

The Commission has recommended to the Tribunal that the large merger whereby Fortress intends to acquire Capital, be approved without conditions. Post-merger, Fortress will have sole control of Capital and Capital will delist from the Johannesburg Securities Exchange.

Fortress controls a number of firms that own a portfolio of several investment properties comprising of industrial, retail, office and residential properties.

Capital owns a portfolio of industrial, retail, office, development and miscellaneous (i.e. motor dealership and hotel properties).

Proposed merger between wherein Rockwood Fund I (Rockwood) and Enviroserv Holdings (Pty) Ltd (Enviroserv)

The Commission has recommended to the Tribunal that the large merger whereby Rockwood intends to acquire Enviroserv, be approved without conditions. Post-merger, Rockwood will have control of Enviroserv.

Rockwood is a private equity fund that has subsidiaries that are active in catering, facilities management, cleaning, investing, and manufacturing of household furniture and erection of pre-fabricated buildings. .

Enviroserv is a waste management firm.

Proposed merger between Delta Property Fund Ltd (Delta) and Orthotouch Ltd (Orthotouch)

The Commission has recommended to the Tribunal that the large merger whereby Delta intends to acquire fifteen target properties from Orthotouch, be approved without conditions. Post-merger, Delta will own the target properties.

Delta is a listed property fund with controlling interests in various office, retail and industrial properties.

Orthotouch is a property management company focused on the development of commercial property assets including retail centres and corporate developments. The Target Properties comprise of Grade B and C office properties, retail and industrial properties.

1.2 Intermediate Mergers

Proposed merger between Road Freight and Logistics Industry Provident Fund (RFLIPF) and Highway Property Group (Pty) Ltd (HPG)

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

RFLIPF is a provident fund that provides its members with a means to save for retirement and access to risk benefits that include death, disability and funeral benefits.

HPG owns immovable properties.

Proposed merger between Magna PT GmbH (Magna PT), Magna Powertrain AG (Magna Powertrain) and GETRAG Getriebe - und Zahnradfabrik Hermann Hagenmeyer GmbH, Cie KG (GETRAG) and GETRAG CH Beteiligungsgesellschaft mbH (GETRAG CH) (Target Firms)

The Commission has approved without conditions, the intermediate merger whereby Magna PT and Magna Powertrain intend to acquire the Target Firms. Post-merger, Magna will control the target firms.

Magna is a global automotive supplier with manufacturing operations and product development, engineering and sales centres in 29 countries.

GETRAG specialises in the development and manufacture of transmissions for passenger cars and light commercial vehicles and the provision of related after sales services.

This is an international transaction that has already been filed in Turkey and Mexico; it is subject to notification in other jurisdictions such as Argentina, China and the EU.

Proposed merger between Flint Group International B.V (Flint Group) and SA Ink Holdings Proprietary Limited (SA Ink)

The Commission has approved without conditions, the intermediate merger whereby the Flint Group intends to acquire SA Ink. Post-merger, Flint Group will have control of SA Ink.

Flint Group is a global manufacturer and supplier of printing inks and non-ink pressroom consumables.

SA Ink is a manufacturer and supplier of inks (liquid, paste and metal decorating) and varnishes to the printing and packaging industry in South Africa and the rest of Africa.

Proposed merger between Fulcrum Financial Services SA (Fulcrum) and Southern View Finance Limited (SVF)

The Commission has approved without conditions, the intermediate merger whereby Fulcrum intends to acquire the subsidiaries of SVF (Target Firms). Post-merger, Fulcrum will have control of SVF's target firms.

Fulcrum does not have any activities in South Africa.

The Target Firms conduct an international unsecured lending business.

Proposed merger between is Man-Dirk (Pty) Ltd (Man-Dirk) and Sibuyile Industrial Supplies (Pty) Ltd (Sibuyile)

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

Man-Dirk, which is owned by the Invicta Group that is a specialist suppliers of tools and equipment in the maintenance, repair and operating (MRO) product

groupings to mines, industrial firms, power generation plants, municipalities, government and quasi-government departments.

Sibuyile is a provider of tools, hardware, engineering supplies, welding safety equipment and cleaning materials.

Proposed merger between Life and Brand Co. (Pty) Ltd (LBC), on behalf of New Harbour House (Pty) Ltd (NEW HH) and Harbour House Central Services (Pty) Ltd (Harbour House)

The Commission has approved without conditions, an intermediate merger whereby New HH intends to acquire Harbour House. Post-merger, New HH will have sole control of Harbour House.

New HH is a company that is yet to be incorporated and does not provide any products or services.

Harbour House is in the business of investing in, owning and operating casual dining and quick service restaurants in the Western Cape Province.

Proposed merger between Fidelity National Information Services Inc (FIS) and SunGard (previously SunGard Capital Corp) and SunGard Capital Corp. II (Target Firms)

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

FIS is a banking and payment technology company and involved in consulting and outsourcing solutions.

The SunGard Group is a global software group serving the financial, public and education sectors. It offers a wide range of innovative software solutions, delivered as traditional software offerings or via software as a service and the cloud

Proposed merger between Mutodo Properties (Pty) Ltd (Mutodo) and Jorissen Place (Target Property)

The Commission has approved without conditions, the intermediate merger whereby Mutodo intends to acquire the Target Property from Liberty Group Limited. Post-merger, Mutodo will have control of the Target Property.

Mutodo, through its controlling firm, has interests in the financial, property and professional services sectors within South Africa.

The Target Property is a multi-storey office block situated at 66 Jorissen Street, Braamfontein, in Johannesburg, Gauteng Province.

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

- a) Johan Kannemeyer v Bergwater Plase CC – *The Commission notes that the conduct complained of does not give rise to a contravention of the Competition Act and has taken a decision to advise the complainant to approach NERSA.*
- b) Johnston Slaghuis CC t/a Serbco South Africa v South African Bureau of Standards – *The Commission notes that the conduct complained of does not give rise to a contravention of the Competition Act.*

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

Ends

For more information:

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