

Statement on the decisions of the Competition Commission

To: All Media

Date: 25 March 2015

1. Key decisions on mergers and acquisitions

1.1 Large Mergers

Proposed merger between Redefine Properties Limited (Redefine) and Leaf Property Fund Proprietary Limited (Leaf Property Fund)

The Commission has recommended to the Competition Tribunal that the large merger whereby Redefine intends to acquire Leaf Property Fund, be approved without conditions. Post-merger, Redefine will have sole control over Leaf Property Fund.

The Redefine Group comprises of a number of property investment and management firms that have a property portfolio comprising of office, retail and industrial space situated throughout South Africa.

The primary business of Leaf Property Fund comprises long-term investment in quality Grade A and premium grade (Grade P) office properties, located in metropolitan areas such as the Gauteng and Western Cape Provinces.

Proposed merger between Vukile Property Fund Limited (Vukile) and NAD Property Income Fund Proprietary Limited (NAD)

The Commission has recommended to the Tribunal that the large merger whereby Vukile intends to acquire a stake in Clidet 1011 Proprietary Limited (Clidet) from NAD, be approved without conditions. Further, Vukile intends to acquire the Batho Plaza, including all the land and buildings erected, fixed assets installed on this property and NAD's lease agreements in respect of this property. Post-merger, Vukile will have sole control over Clidet and the Batho Plaza.

The Target Properties are retail properties, classified as community shopping centres. Vukile is a property fund with controlling interest in various properties throughout South Africa.

Proposed merger between RBT Grindrod Terminals (Pty) Ltd (RBT Terminals) and RBT Resources, and Grindrod Holdings (South Africa) (Pty) Ltd (Grindrod Holdings)

The Commission has recommended to the Tribunal that the large merger whereby RBT Terminals intends to acquire sole control over the RBTG Business comprising of a property owned by RBT Resources and the Richards Bay coal export operations of Grindrod Holdings, be approved without conditions.

RBT Terminals is jointly controlled by RBT Resources and Grindrod Holdings. Post-merger, RBT Resources and Grindrod Holdings will jointly control the RBTG Business through RBT Terminals.

RBT Terminals is a shelf firm that does not conduct any activities. The Grindrod Group provides freight and logistics services that includes the transportation of bulk dry commodities, bulk liquid commodities, containerised cargo and vehicles by road, rail, sea and air. RBT Resources is an investment firm that only holds interest in RBT Terminals and in a dormant firm, RBCD Holdings that owns a vacant land situated at 95 of Erf 5333 Richards Bay.

1.2 Intermediate Mergers

Proposed merger between Rhodes Food Group Proprietary Limited (RFG) and Pacmar Proprietary Limited (Pacmar)

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

RFG specialises in the manufacturing and processing of prepared foods/readymade meals, as well as canned fruits and vegetables. It also produces and sells certain by-products such as fruit purée and juice concentrates, which are used by Pacmar and other fruit juice manufacturers in the production of fruit juices.

Pacmar is active in the manufacturing and packaging of fruit juice and fruit nectar products for distribution in the local and international markets under various third party brands, private label programmes and its own brands

Proposed merger between Dariovox (Pty) Ltd (Dariovox) and AFGRI Poultry (Pty) Ltd (AFGRI Poultry) and the business of AFGRI Operations Ltd (AFGRI Operations) at the Kinross Mill (Kinross Mill)

The Commission has approved without conditions, the intermediate merger whereby Dariovox, which will be renamed AfPo Consortium (Pty) Ltd (AFPO), intends to acquire sole control of AFGRI Poultry and the Kinross Mill.

AFGRI Poultry operates as a producer, processor and supplier of a range of fresh and frozen poultry products, while the Kinross Mill operates as a manufacturer and supplier of broiler feed in bulk.

AFPO is a Black Economic Empowerment (BEE) consortium which operates through various divisions, including farming, and has interests in MHS Agro Industries (Pty) Ltd (MHS Agro) which operates a broiler breeding farm.

Proposed merger between Libstar Operations (Pty) Ltd (Libstar) and African Pride Wines (Pty) Ltd (APW), and Berfin (Pty) Ltd (Berfin)

The Commission has approved without conditions, the intermediate merger whereby Libstar intends to acquire APW and Berfin. Post-merger, Libstar will have sole control over APW and Berfin.

Libstar, through its subsidiaries, manufactures, imports and distributes Fast Moving Consumer Goods (FMCGs) in the food and beverage, household and personal care segments. APW is primarily an exporter of a collection of wines. It markets and distributes selected high quality boutique wines to the international markets. Berfin markets and distributes locally manufactured food and beverage FMCGs, to export markets.

Proposed merger between Torre Industries Limited (Torre) and Set Point Group (Pty) Ltd (SPG)

The Commission has approved without conditions, the intermediate merger whereby Torre intends to acquire SPG. Post-merger, SPG will be wholly-owned by Torre.

Torre and its subsidiaries is an industrial supplier and services company, focused on the provision of branded capital equipment and consumables, engineering supplies and services and financing solutions.

SPG is a holding company and does not provide any products and/or services. In South Africa, SPG controls Set Point Industrial Technology (Pty) Ltd (SPIT), an industrial company providing distribution and support services across various sectors including among others the mining, industrial and energy and manufacturing sectors.

Proposed merger between PGC Management Services Pty Ltd (PGC) Royale Energy Limited (REL)

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

PGC is a holding company and does not sell any products or provides any services. Its parent company, the Popcru Group, is active in the following activities: private security & asset protection, insurance underwriting & administration and financial services. It also operates a game lodge.

REL, through its subsidiaries, is a wholesaler and marketer of petroleum products such as petrol, diesel, illuminating paraffin, liquefied petroleum gas and lubricants throughout the Limpopo, Gauteng, North West and Mpumalanga Provinces.

Proposed merger between OneLogix (Pty) Ltd (OneLogix) and Jackson Transport (Pty) (Jackson), Jackson Fleet (Pty) Ltd (Jackson Fleet), Buffelshoek Transport SA (Pty) Ltd (Buffelshoek) and Buffelshoek Fleet (Pty) Ltd (Buffelshoek Fleet)

The Commission has approved without conditions, the intermediate merger whereby OneLogix intends to acquire a stake in Jackson, Jackson Fleet and Buffelshoek from Jackson Group; and another stake in Buffelshoek Fleet from Du Randt. Post-merger, OneLogix will exercise control over the target firms.

OneLogix is wholly owned by OneLogix Group Limited (OLG).The Group offers specialised logistics services within specific niches of the market. This includes the carrying of abnormal loads; the transport of bulk liquids and gas via tanker services, and car carrier services.

The target firms provide transport services for foodstuffs (such as potatoes and chips), general goods and agricultural products (such as fertilizer, lime and gypsum soil to farmers and producers of fertilizer). The firms also provide specialised refrigerated transport services for perishable fresh produce and frozen foods.

2. Non Referrals

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

- a) Johan Schutte (Partner in Amalagamted Plastic Industries - Trading as T&E Lined Steel Pipe) V Robor Proprietary Limited – *The complaint falls outside the scope of the Act and consequently, the mandate of the Commission.*
- b) Amalgamated Metals Recycling Proprietary Limited and Six Others V Reclamation Holdings Proprietary Limited and Oakleaf Investment Holdings 108 Proprietary Limited, trading as The Melt Shop – *The complaint falls outside the scope of the Act and consequently, the mandate of the Commission.*
- c) David John Longshaw V Netcare Mulbarton Hospital Johannesburg – *The matter was amicably resolved.*
- d) Reclamation Holdings Proprietary Limited and Oakleaf Investment Holdings 108 Proprietary Limited, trading as The Melt Shop – *The complaint falls outside the scope of the Act and consequently, the mandate of the Commission.*
- e) DGD Certification V SABS Certification Commercials Soc Limited – *Department of Transport and the civil courts are best placed to deal with the matter.*
- f) Johan Swart V South African Boerboel Breeders' Society and The Minister of Agriculture, Forestry and Fisheries – *This did not raise any competition concerns.*

g) Daniel Francois Roodt on behalf of Praag V Naspers Limited, trading as Paarl Media, Media24 and Affiliates - *This did not raise any competition concerns.*

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