

Statement on the decisions of the Competition Commission

To: All Media

Date: 29 January 2015

1. Key decisions on mergers and acquisitions

1.1 Large Mergers

Proposed merger between Tsogo Sun Holdings Limited (Tsogo Sun), and SunWest International (Pty) Ltd (SunWest) and Worcester Casino (Pty) Ltd (Worcester)

The Commission has recommended to the Competition Tribunal (Tribunal) that the large merger whereby Tsogo Sun intends to acquire a stake in SunWest and Worcester be prohibited.

Tsogo Sun is a gambling (casino), hotel and entertainment business with operations in South Africa, the rest of Africa, the Middle East and the Seychelles. SunWest operates the GrandWest Casino and Entertainment World (GrandWest) and Grand Hotel situated in Goodwood, Cape Town. Worcester operates the Golden Valley Casino and Lodge Complex.

The proposed transaction is likely to substantially prevent or lessen competition in the relevant market due to likelihood of coordination between the merging parties, post-merger.

Proposed merger between DCD SPV (DCD Newco) and Van de Wetering Industrie (Pty) Ltd (VDWI)

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

DCD Newco is a Special Purpose Vehicle solely incorporated for purposes of the proposed transaction, and thus does not have any operations. VDWI is active in the trailer manufacturing industry.

Proposed merger between Atlantic Industries (Atlantic) and Coca Cola Shanduka Beverages (Pty) Ltd (CCSB)

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

Atlantic is ultimately controlled by The Coca Cola Company (TCCC) through The Coca Cola Export Corporation (TCCEC). TCCC is a brand owner and

supplier of concentrates for non-alcoholic beverages, which it sells to bottling and canning companies. In South Africa, TCCC markets 24 brands in the non-alcoholic market. CCSB is an authorised TCCC bottler, appointed by TCCC to bottle and distribute branded TCCC products in South Africa. CCSB offers bottling and distribution services exclusively to TCCC.

1.2 Intermediate Mergers

Proposed merger between Equites Property Fund Limited (Equites) and Dormell Properties 575 Proprietary Limited (Dormell)

The Commission has approved, without conditions, the intermediate merger whereby Equites intends to acquire the vacant land, Erf 113223, situated at the City of Cape Town, from Dormell.

Post-merger, Equites will exercise sole control over the vacant land. The immovable property and letting enterprise of Erf 113223, will be developed into industrial property. Equites is a new property investment firm incorporated in terms of the laws of the Republic of South Africa.

Proposed merger between MOGS Proprietary Limited (MOGS) and Sunrise Energy Proprietary Limited (Sunrise)

The Commission has approved, without conditions, the intermediate merger whereby MOGS intends to acquire a controlling stake in Sunrise. Post-merger, MOGS together with the IDC, will exercise joint control over Sunrise.

MOGS provides its services to the mining (within and outside the borders of South Africa), oil and gas industry, also incorporating the coal, gold and platinum mining industries focusing *inter alia* on mineral exploration in relation to geology services, mineral analysis, environmental matters, legal matters, mining services and data management.

Sunrise was principally established to develop, construct and operate an LPG importation terminal in Saldanha Bay, Western Cape Province. The terminal is currently being constructed and is not yet operational.

Proposed merger between BPESAM II Limited (BPESAM II) and Wasteman Holdings (Pty) Ltd (Wasteman)

The Commission has approved, without conditions, the intermediate merger whereby BPESAM II intends to increase its shareholding in Wasteman.

BPESAM II is an investment holding company and therefore does not trade. Wasteman removes and disposes of all types of general and hazardous waste throughout South Africa. Its activities range from the collection, transportation and disposal of general waste and hazardous waste.

Proposed merger between Accelerate Property Fund Limited (Accelerate) and MB Technologies Investment Building (Target Property)

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

Accelerate holds investments in property. Its portfolio comprises of properties that include retail, office and light industrial properties. The Target Property is a light industrial property situated on Erf 315, Eastgate Extension 4 Township, Johannesburg.

Proposed merger between Accelerate Property Fund Limited (Accelerate) and the Accentuate Building (Target Property)

The Commission has approved, without conditions, the intermediate merger whereby Accelerate intends to acquire the Target Property, as a going concern. Post-merger, Accelerate will have sole control over the Target Property.

Accelerate is a firm that holds investments in property. The Target Property is a light industrial property known as the Accentuate Building situated on Erf 30, Steeldale Township, Johannesburg.

Proposed merger between Arrowhead Residential Limited (Arrowhead Residential) and Highveld View Estate (Target Property)

The Commission has approved, without conditions, the intermediate merger whereby Arrowhead Residential intends to acquire the Target Property. Post-merger, Arrowhead Residential will acquire sole control over the Target Property.

Arrowhead Residential is a wholly-owned subsidiary of Arrowhead that is listed on the JSE, and holds a diverse portfolio of properties comprising rentable retail, residential, industrial and office properties across South Africa. The target Property is a residential property known as Highveld View Estate being Erf 12, Presidential Park, eMalahleni Ext 4.

Proposed merger between Dazoscape (Pty) Ltd (Dazoscape) and Wasteman Holdings (Pty) Ltd (Wasteman)

The Commission has approved, without conditions, the intermediate merger whereby Dazoscape intends to acquire a stake in Wasteman. Post-merger, Dazoscape will have a controlling share in Wasteman.



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Dazoscape is a shelf company and does not control any firm in South Africa. Wasteman removes and disposes of all types of general and hazardous waste throughout South Africa. Its activities range from the collection, transportation and disposal of general waste and hazardous waste.

1.3 Termination of conditions

Termination of conditions imposed in the merger between Primepac (Pty) Ltd and Murray and Roberts Retail Assets Management (Pty) Ltd

On 21 December 2012, the Commission approved the above merger subject to certain behavioural and public interest conditions relating to cross-shareholding and employment. The purpose of the conditions was to prevent any cross-directorships between Carlmac (which controlled Primepac) and Capital Africa Steel (Pty) Ltd (CAS), to ensure that Carlmac divests of its interest in CAS and to restrict any possible retrenchments to 31 employees.

Upon examining submissions by the merged entity, the Commission is satisfied that the merging parties have complied with the conditions.

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