

Statement on the decisions of the Competition Commission

To: All Media

Date: 29 June 2015

1. Key decisions on Mergers and Acquisitions

1.1 Large Mergers

Proposed merger between Brait Mauritius Limited (Brait Mauritius) and DGB (Pty) Ltd (DGB)

The Commission has recommended to the Competition Tribunal that the large merger whereby Brait Mauritius intends to acquire DGB, from Kangra Group (Pty) Ltd (Kangra), be approved without conditions. Post-merger, DGB will be jointly controlled by Brait Mauritius, the Cherub Staff Trust (Cherub) and Pentus Nominees (Pty) Ltd (Pentus).

The Brait Group is an international investment group that invests in funds raised from its shareholders directly in predominantly privately owned companies, and has interests in a variety of sectors.

DGB is a producer, wholesaler and distributor of wine, spirits and other beverages, which includes alcoholic and non-alcoholic beverages. It is also the South African agent and distributor of international spirits and other beverage brands.

1.2 Intermediate Mergers

Proposed merger between China Minsheng Investment Corporation Limited (CMI), and LuxAviation Holding Company S.A (LuxHolding) and LuxAviation Acquisition S.A (LuxAcquisition)

The Commission has approved without conditions, the intermediate merger whereby CMI intends to acquire a stake in LuxHolding and LuxAcquisition. Post-merger, CMI will have joint control over LuxHolding and LuxAcquisition.

CMI is a national-level private capital investment company that specialises in equity investment, equity investment management, business consulting, financial consulting, industrial investment, asset management and investment consulting. CMI does not have a presence in South Africa.

Internationally, the LuxAviation Group is involved in the private jet charter business. Its operations are based in Germany, Portugal, Belgium, Luxembourg, France and England. In South Africa, LuxHolding is involved in certain activities

through ExecuJet South Africa (Pty) Ltd. These activities involve the sale, maintenance, charter and management of aircrafts throughout South Africa.

Proposed merger between Vresthena (Pty) Ltd (Vresthena) and Sinoville Shopping Centre (Sinoville Centre)

The Commission has approved without conditions, the intermediate merger whereby Vresthena intends to acquire the immovable property and letting enterprise known as the Sinoville Centre. Post-merger, Vresthena will own the Sinoville Centre.

Vresthena is wholly-owned by the Giannacopoulos Family Trust (GF Trust), which owns a portfolio of retail, commercial and residential properties in the KwaZulu-Natal and Gauteng Provinces. The Sinoville Centre is a community shopping centre with a gross lettable area of approximately 13,431m², situated in Sinoville, Pretoria in the Gauteng Province.

Proposed merger between Multisource Telecoms (Pty) Ltd (Multisource) and WBS Holdings (Pty) Ltd (WBSH)

The Commission has approved without conditions, the intermediate merger whereby Multisource intends to acquire WBSH. Post-merger, WBSH will be controlled by Multisource.

Multisource distributes Icom two-way radios to parastatals such as Eskom, government, military and mining consumers. WBSH is an investment company and does not provide any products or services. It operates through its subsidiaries, namely, WBS, iBurst and Broadlink.

Proposed merger between Rhodes Food Group (Pty) Ltd (RFG), and the businesses of Boland Pulp (Pty) Ltd (Boland Pulp) and the property of Boland Pulp Property Holdings (Pty) Ltd (Boland Pulp Property Holdings) [Target Business]

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

RFG specialises in the manufacturing of fresh foods (dairy products, ready-made meals and pastries), frozen products and long-life products (canned fruits, vegetables, jam and meat). In addition, it also produces and sells certain by-products such as fruit purée and juice concentrates, which fruit juice manufacturers in the production of fruit juices use.

The Target Business comprises of the business conducted by Boland Pulp as well as the property on which Boland Pulp operates. The Target Business is active in the manufacture of first and orchard run grade fruit and vegetable purée and concentrate supplied to the South African and international markets.

Proposed merger between Afrocentric Investment Corporation Limited (Afrocentric) and WAD Holdings Limited (WAD)

The Commission has approved without conditions, the intermediate merger whereby Afrocentric intends to acquire firms and properties currently controlled by WAD. The target firms are: Curasana Wholesaler (Pty) Ltd (Curasana); Pharmacy Direct (Pty) Ltd (Pharmacy Direct); Glen Eden Trading 58 (Pty) Ltd (Glen Eden) and a non-controlling interest in Activo Health (Pty) Ltd (Activo). Afrocentric will also acquire an option to purchase the warehouse property used by Pharmacy Direct.

Post-merger, Afrocentric will control Curasana, Pharmacy Direct and Glen Eden, and an option to acquire the warehouse property used by Pharmacy Direct. With regards to Activo, Afrocentric will hold a non-controlling interest.

Afrocentric is an investment holding company and trades in the healthcare fund management sector and associated industries. Its main business is to acquire and hold assets for investment purposes on behalf of the Afrocentric group.

Activo is a supplier of a broad range of pharmaceutical products which primarily comprise generic and over the counter medicine. Curasana is a pharmaceutical wholesaler which performs various logistics activities such as warehousing. Pharmacy Direct is a licenced dispensing pharmacy which dispenses and delivers chronic medication to end-users on behalf of various wholesalers, distributors and retail pharmacies. Glen Eden provides certain software development services to the Acquiring Group (Helios and Aid for Aids).

Proposed merger between Fundamental Holdings (Pty) Ltd (Fundamental Holdings) and Redefine Properties Limited (Redefine)

The Commission has approved without conditions, the intermediate merger whereby Fundamental Holdings intends to acquire Sable Square from Redefine. This includes the immovable property, the building, the fixed assets, the lease agreements, the movable assets and the contracts. Post-merger, Fundamental Holdings will control Sable Square.

Fundamental Holdings is a newly incorporated firm for the purposes of the proposed transaction and therefore does not provide any product or services. The Spear Trust, which controls Fundamental Holdings, is a private equity real estate firm investing in office, retail and industrial properties in the Western Cape Province. The Sable Square is a retail Community Shopping Centre situated in Cape Town, Western Cape Province.

Proposed merger between JT Ross Properties Limited (JT Ross Properties) and Apollo Tyres Africa Proprietary Limited (Apollo Tyres Africa)

The Commission has approved without conditions, the intermediate merger whereby JT Ross Properties intends to acquire the heavy industrial property and certain fixed assets (Transferred Firm) owned by Apollo Tyres Africa. Post-merger, JT Ross Properties will control the Transferred Firm.

JT Ross Properties is a property investment company forming part of the Ross Group. The Ross Group operates a property portfolio which comprises various types of rentable space in South Africa including commercial, industrial, retail and healthcare properties.

The Transferred Firm consists of certain property and assets owned by Apollo Tyres Africa for its tyre manufacturing operations.

1.3 Termination of conditions

Termination of conditions imposed in the merger between Zeder Financial Services Limited and Agricol Holdings

On 28 March 2012, the Tribunal approved the above merger subject to certain conditions. In terms of the conditions, the merging parties were meant to amend the restraint of trade period of the merger agreement, from six years to three years.

Upon examining the information received, the Commission is satisfied that the merging parties have complied with the conditions as they amended the restraint of trade period from six years to three years and did not enter into any subsequent agreements or arrangements while the restraint of trade clause was in effect.

Termination of conditions imposed in the merger between Synergy Income Fund Limited and Sipan 1 (Pty) Ltd and Superstrike Investments 53 (Pty) Ltd in respect of the property letting enterprise known as Kwa-Mashu Shopping Centre

On 14 July 2011, the Commission approved the above merger subject to certain public interest conditions aimed at improving the access of small businesses to retail space in shopping centres.

The purpose of the conditions was to ensure that Synergy uses its commercial endeavours to negotiate the removal of the exclusivity clause in the lease agreement upon the renewal of the lease. Upon examining the information received, the Commission is satisfied that there has been sufficient compliance with the conditions.

Termination of conditions imposed in the merger between Sunset Bay Trading 368 (Pty) Ltd and Jobling Investments (Pty) Ltd

On 08 May 2012, the Tribunal approved the above merger subject to certain behavioural conditions aimed at ensuring that the merged entity continues supplying its products to existing and independent stockists on fair terms.

The purpose of the conditions was to ensure that the merged entity continues supplying the products to stockists on fair, reasonable and non-discriminatory terms.

Upon examining the information received, the Commission is satisfied that there has been sufficient compliance with the conditions.

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

- a) South African Airways SOC v Comair Limited – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- b) Lawrence Fortuin v Redefine Properties (Pty) Ltd – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

Ends

For more information:

Mava Scott, Spokesperson

012 394 3527/ 076 095 2350/ MavaS@compcom.co.za

Themba Mathebula, External Communication Coordinator

012 394 3325/ 076 821 2508/ thembama@compcom.co.za