

Statement on the decisions of the Competition Commission

To: All Media

Date: 6 January 2015

1. Key decisions on mergers and acquisitions

Proposed merger between Takealot and Kalahari

The Commission has approved, with conditions, the intermediate merger whereby Takealot Online (Pty) Ltd (Takealot) intends to acquire Kalahari.com (Kalahari). Both merging parties are active in the online retailing of consumer goods and products.

The proposed merger will be implemented in two indivisible steps. In the first step of the transaction, Takealot will acquire Kalahari from MIH Internet Africa (Pty) Ltd (MIH). In the second step of the transaction, Tiger Global which is a parent company of Takealot will reduce its shares in Takealot in favour of MIH such that Tiger Global and MIH will hold equal shareholding in the merged entity.

There are public interest concerns arising from this proposed transaction, specifically in respect of employment. To address the employment concerns, the Commission imposed a condition that no more than 200 employees will be retrenched as a result of the merger. A training/res-skilling fund will also be established to support the affected employees.

Proposed merger between Fidelity Cash Solutions and Fidelity Security Services, and Protea Coin Group

The Commission has approved, with conditions, the intermediate merger whereby Fidelity Cash Solutions (Pty) Ltd and Fidelity Security Services (Pty) Ltd intend to acquire several businesses from Protea Coin Group (Assets in Transit and Armed Reaction) (Pty) Ltd (Protea Coin Group), namely, Protea Coin Group, in respect of cash management solutions such as cash in transit and cash processing services; Coin Aviation Security (Pty) Ltd (Coin Aviation) in respect of the Air Transport Business; Coin Risk Management (Pty) Ltd (Coin Risk) which provides cash risk insurance; and Coin Cameos (Pty) Ltd (Coin Cameos) which provides cash management services, mainly the installation and maintenance of cash acceptance devices known as Cameos.

Post-merger, Fidelity Cash Solutions and Fidelity Security Services will own and solely control the identified businesses acquired from Protea Coin Group.

There are public interest concerns arising from the proposed transaction as a result of the envisaged consolidation of the merging parties' businesses post-merger. In order to address the likely effect on employment, the Commission

imposed a condition that the merging parties do not retrench any employees as a result of the merger.

The Commission also considered the structural features of the markets assessed and found that the transaction may facilitate the flow of business sensitive information among competing security companies due to the inter-linkages that exist between the merging parties. Accordingly, the Commission imposed a condition to ensure that there is no sharing of commercially sensitive information that may harm competition.

Proposed merger between Life Healthcare and Lowveld Hospital and Interstate Cleaning

The Commission has prohibited the intermediate merger whereby Life Healthcare Group Proprietary Limited (LHG) intends to acquire Lowveld Hospital Proprietary Limited (Lowveld) and Interstate Clearing (126) Proprietary Limited (Interstate).

LHG is a private hospital group whose primary business is the provision of acute private hospital care services to the medically insured market. Lowveld is a small independent surgical hospital that offers a wide range of hospital and ancillary services.

The proposed merger is likely to result in a substantial prevention or lessening of competition in the market for the provision of hospital services in the Nelspruit and surrounding areas. There are no credible technological, efficiency or pro-competitive gains submitted by the merging parties that can outweigh the competitive harm arising.

The merger also raises public interest concerns, in that it significantly negatively impacts the provision of hospital services in the Nelspruit and surrounding areas which may result in patients paying higher prices on average.

Proposed merger between Hosken Consolidated Investment and Atterbell Investment, trading as Gallagher Convention Centre (GCC)

The Commission has prohibited the intermediate merger involving the acquisition of Atterbell Investment (Pty) Ltd (Atterbell) by Hosken Consolidated Investment Ltd (HCI). Pursuant to the merger, HCI would own 100% of the issued share capital of Atterbell.

HCI is broadly involved in hotel and leisure, interactive gaming (including the non-casino gaming industry), amongst other services. Atterbell owns a Trust that controls the business of GCC, located in Midrand, Johannesburg. GCC is a conference and exhibition venue or facility that offers conference and/or exhibition facilities.



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The Commission found that the proposed transaction is likely to substantially prevent or lessen competition in the market for the provision of exhibition venues and exhibition facilities, in the Johannesburg area.

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