

## Statement on the decisions of the Competition Commission

To: All Media

Date: 15 October 2015

### 1. Key decisions on Mergers and Acquisitions

#### 1.1 Large Mergers

##### **Proposed merger between Tiso Blackstar Group SE (Tiso) and Robor (Pty) Ltd (Robor)**

The Commission has recommended to the Tribunal that the large merger whereby Tiso intends to acquire Robor be approved, without conditions. Post-merger, Tiso will control Robor.

Tiso is an investment holding company with interests in a number of industries including media and entertainment, steel and real estate.

Robor is a manufacturer and supplier of welded tube and pipes, cold formed steel profiles and associated value added products.

##### **Proposed merger between G and C Shelf 115 (Pty) Ltd (G and C Shelf) and The Sydeny Road Property (owned by Redefine Properties Ltd) (Redefine)**

The Commission has recommended to the Tribunal that the large merger whereby G and C Shelf intends to acquire the target property from Redefine be approved, without conditions. Post-merger, G and C Shelf will control the target property.

G and C Shelf is a property holding company through which Premier intends holding the various properties of the Premier Group.

The Target Property comprises of heavy industrial space and is situated at 341 Sydney Road, Congella, Durban, in the KwaZulu-Natal Province.

##### **Proposed merger between VAPS Holdings (Pty) Ltd (Newco) and Motorite (Pty) Ltd (Motorite), Engine Room (Pty) Ltd (Engine Room) and Small Area Repair Technology Underwriting Managers (Pty) Ltd (SMART)**

The Commission has recommended to the Tribunal that the large merger whereby Newco intends to acquire Motorite, Engine Room and SMART be approved, with conditions. Post-merger, Newco will control Motorite, Engine Room and SMART.

The merger constitutes the formation of a joint venture by Hollard and FirstRand (WesBank) which will provide insurance and non-insurance Motor Value Added Products (VAPS) Products. The Commission received concerns from numerous market participants about the relative position of WesBank in the market for the provision of vehicle finance and the possible influence that this merger will allow WesBank to have over the VAPS offered in the market to customers.

In order to remedy the competition concerns, the Commission recommended the imposition of conditions, amongst others that; WesBank shall not require a customer to purchase a Motor VAPS Product sold by or through Newco or its subsidiaries, as a condition to providing motor vehicle finance to such customer.

Newco is a shelf company and does not currently provide any products or services.

Motorite acts as the underwriting manager in respect of vehicle warranty products and provides full maintenance and service plans.

SMART acts as an underwriting manager in respect of bodyline insurance and (through Streamline) offers bodyline maintenance products.

#### **Proposed merger between Kilimanjaro Sakhumnotho Consortium Proprietary Limited (Consortium) and Main Street 87 Proprietary Limited (Main Street)**

The Commission has recommended to the Tribunal that the large merger whereby the Consortium intends to acquire Main Street be approved, without conditions. Post-merger, the Consortium will control Main Street.

The Consortium has been established for the purpose of the proposed transaction and therefore does not provide any products or services.

Main Street's sole business activity is a stake in Total South Africa (Pty) Ltd (TSA); a South African subsidiary of the Total Group International Limited. TSA is active in the petroleum industry.

## **1.2 Intermediate Mergers**

#### **Proposed merger between 3G Mobile (Pty) Ltd (3G Mobile) and Equipment Company (Pty) Ltd (CEC)**

The Commission has approved without conditions, the intermediate merger whereby 3G Mobile intends to acquire CEC. Post-merger, 3G Mobile will control CEC.

3G Mobile is a mobile phone and tablet distributor. Its core business is the supply and distribution of cellular handsets and other mobile devices and related accessories, to operators, wholesalers, retailers and other customers in various countries in Africa.

CEC is a newly formed company that has recently been appointed as a non-exclusive financier and supplier of handsets, tablets, dongles and routers for Cell-C's customers.

**Proposed merger between Axios Bidco Ltd (Bidco) and Innovation Group Plc (Innovation Group)**

The Commission has approved without conditions, the intermediate merger whereby Bidco intends to acquire the Innovation Group. Post-merger, Bidco will control the Innovation Group.

Bidco is a special purpose vehicle established for the purpose of the transaction and therefore does not provide any products or services.

The Innovation Group provides expert business process services to global motor and property insurers, fleet owners, finance houses and manufacturers, as well as specialist software for the industry.

**Proposed merger between Tacora Investments (Pty) Ltd (Tacora) and 6 rental enterprises (the Target properties) owned by Four Rivers Trading 422 (Pty) Ltd (FRT)**

The Commission has approved without conditions, the intermediate merger whereby Tacora intends to acquire the Target Properties. Post-merger, Tacora will control the Target Properties.

Tacora is a property management company and owns industrial, office and retail properties located throughout South Africa.

The Target Properties consists of office properties located in the Gauteng and Mpumalanga Provinces.

**Proposed merger between Old Mutual Life Assurance Company Limited (OMLACSA) and the income growth annuity policies (Target Business) owned and controlled by Superflex Limited**

The Commission has approved without conditions, the intermediate merger whereby OMLACSA intends to acquire the Target Business. Post-merger, OMLACSA will become the primary insurer to the existing policy holders of the Target Business.

OMLACSA gathers contributions from clients (policyholders) and in turn invests these to provide future enhanced returns for clients. As part of OMLACSA's ordinary business, the company invests the collective contributions (funds) in different asset classes, such as listed equities, bonds, properties and alternative assets.

The Target Business comprises of income growth annuity policies. The policyholders of the Target Business are individual pensioners of pension funds and beneficiaries which include spouses and children of the pensioners.

#### **Proposed merger between United Bulk (Pty) Ltd (United Bulk) and Vision Transport (Pty) Ltd (Vision Transport)**

The Commission has approved without conditions, the intermediate merger whereby United Bulk intends to acquire Vision Transport as a going concern. Post-merger, United Bulk will control Vision Transport.

United Bulk comprises of companies that provide logistics and related services to companies within the abnormal loads, bulk liquid and gas, auto-logistics or car carrier services and transport of foodstuffs.

Vision Transport is a logistics company that transports liquid hazardous and non-hazardous products that include acid, chemicals (aluminium sulphate, ammonium nitrate solution), heating fuels and solvents (such as methanol, acetone and ethanol).

#### **Proposed merger between Equites Property Fund Limited (Equites) and Tunney Ridge Business Park (Tunney Ridge Business Park)**

The Commission has approved without conditions, the intermediate merger whereby Equites intends to acquire Tunney Ridge Business Park. Post-merger, Tunney Ridge Business Park will be owned by Equites.

The Acquiring Group owns office and industrial properties in the Western Cape and Gauteng Provinces.

The Tunney Ridge Business Park is an immovable property and letting enterprise consisting of light industrial property situated at Sam Green Road, Germiston, in the Gauteng Province.

### **1.3 Small Mergers**

#### **Proposed merger between Grapetek (Pty) Ltd (Grapetek) and the business of Vanguard Limited (Vanguard)**

The Commission has approved without conditions, the small merger whereby Grapetek intends to acquire the Sulphur Dioxide (SO<sub>2</sub>) sheets manufacturing business of Vanguard (the business of Vanguard). Post-merger, Grapetek will own and control the business of Vanguard.

Grapetek is involved in the manufacture and distribution of various packaging material for grapes, flowers and citrus fruit.

The business of Vanguard is involved in the manufacture and distribution of SO<sub>2</sub> sheets for grapes and flowers.

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

- a) Justice Gininda v Massmart – The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.
- b) South African Football Intermediaries Association (Safia) v South African Football Association – The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.
- c) Absolutely Gorgeous Beautique v Lamelle Research Laboratories – The Commission found that the conduct complained of does not amount 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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