

To: All Media

Date: 14 May 2015

1. Key decisions on Mergers and Acquisitions

1.1 Large Mergers

Proposed merger between Telkom SA SOC Limited (Telkom) and Business Connexion Group Limited (BCX)

The Commission has recommended to the Competition Tribunal (Tribunal) that the large merger whereby Telkom SA SOC Limited (Telkom) intends to acquire Business Connexion Group Limited (BCX) be approved, with conditions. Post-merger, BCX will become a wholly owned subsidiary of Telkom, and will delist from the Johannesburg Stock Exchange (JSE). Telkom is primarily a telecommunications services provider. BCX is primarily active as an Information Communication Technology service provider.

Note to editors: Please see Annexure A on approval of Telkom/BCX merger

Proposed merger between Bidvest Namibia Fisheries Holdings (Pty) Ltd (Bidfish) and Foodcorp Pty Limited (Foodcorp)

The Commission has recommended to the Tribunal that the large merger whereby Bidfish intends to acquire The Glenryck Brand from Foodcorp be approved without conditions. Post-merger, Bidfish will have sole control of the Glenryck Brand.

Bidfish is a fishing company offering a wide range of products which include frozen horse mackerel, monk fish, canned pilchard, other canned products, fishmeal, fish oil and oysters. The Glenryck Brand is a canned pilchard brand and found in most grocery stores at both retail and wholesale level.

Proposed merger between Absa Bank Limited (Absa) and Amdec Investments Proprietary Limited (Amdec), and Culemborg Investment Properties (Pty) Ltd (Culemborg)

The Commission has recommended to the Tribunal that the large merger whereby Absa and Amdec intend to increase their shareholding in Culemborg, be approved without conditions. Post-merger, Absa and Amdec will have joint control of Culemborg.

Absa offers banking products and services. Amdec is a privately owned property development and investment business that has a wide property portfolio. Culemborg is a retail property letting enterprise, which operates and lets out its property premises.

Proposed merger between Bain Capital Investors LLC (Bain Capital) and TI Fluid Systems Limited (TI Fluid)

The Commission has recommended to the Tribunal that the large merger whereby Bain Capital intends to acquire TI Fluid, be approved without conditions. Post-merger, Bain Capital will have sole control of TI Fluid.

Bain Capital is a private alternative asset management firm. TI Fluid through its two subsidiaries, namely, TI Automotive Fuel Systems and TI Group Automotive Systems assembles fuel tanks, delivery systems and automotive components.

Proposed merger between the SPAR Group Ltd (the SPAR Group) and Engcobo SUPERSPAR and Ndu's SPAR (the Target Firms)

The Commission has recommended to the Tribunal that the large merger whereby the SPAR Group intends to acquire Engcobo SUPERSPAR and Ndu's SPAR, be approved without conditions. Post-merger, the SPAR Group will have sole control over the target firms.

The SPAR Group conducts a wholesaling operation throughout South Africa. Engcobo SUPERSPAR and Ndu's SPAR are retail supermarkets that sell to the general public a wide range of fresh and processed foodstuffs, toiletries, household products and other similar supermarket-style items. The target firms are located in Engcobo in the Eastern Cape Province.

Proposed merger between RCS Cards (Pty) Ltd (RCS) and JD Group Limited (the JD Group)

The Commission has recommended to the Tribunal that the large merger whereby RCS intends to acquire the Consumer Finance Business of the JD Group, be approved with conditions.

The Commission found that the transaction has a direct effect on the JD Group Insurance Business (JDGI) as post-merger JDGI will cease to provide credit life insurance to its customers as credit life insurance will now be provided by RCS in the JD Group retail stores. The Commission found that the transaction raises concerns in JDGI as there may be job losses if the business is not sustainable post the merger. To address the concerns, the Commission recommended that conditions be imposed that require the JD Group to ensure that the JDGI Business remains running for at least a period of 3 years and that JDGI shall not retrench any employees as a result of the merger.

RCS focuses on providing unsecured credit, retail credit card facilities (RCS branded, co-branded and private label) and insurance products ancillary to the provision of the credit such as the credit life insurance.

JDGI provides unsecured credit to the JD Group retail consumers through the JD Group's retail stores as well as to third party consumers of non-JD Group retail stores.

Proposed merger between General Electric Company (GE) and Thermal Power, Renewable Power and Grid businesses of ALSTOM Energy (ALSTOM Energy)

The Commission has recommended to the Tribunal that the large merger whereby GE intends to acquire the Thermal Power, Renewable Power and Grid businesses of ALSTOM Energy, be approved without conditions. Post-merger, GE will have sole control over ALSTOM Energy.

GE is a global, diversified manufacturing, technology and services company. Alstom Energy comprises of Thermal Power, Renewable Power and Grid business of Alstom and ultimately, Alstom Holdings.

1.2 Intermediate Mergers

Proposed merger between Tower Property Fund Limited (Tower Property) and HTP Holdings Proprietary Limited (HTP Holdings)

The Commission has approved, without conditions, the intermediate merger whereby Tower Property intends to acquire HTP Holdings in terms of its 8 immovable properties. Post-merger, Tower Property will have sole control of HTP Holdings.

Tower Property is a property investment firm that owns a portfolio of commercial, industrial and retail properties located throughout South Africa. HTP Holdings is a property holdings company that has industrial properties located in the Gauteng and KwaZulu-Natal Provinces.

Proposed merger between Bounty Harvest GBL2 (Bounty) and Synergy Investment Holdings (Pty) Ltd (Synergy)

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

Bounty imports and supplies urea in South Africa, Zimbabwe and Zambia. Synergy is an investment vehicle that holds majority shares in Vrystaat Mielies (VSM) and does not provide any services or products. VSM is involved in grain trading and the funding of the cultivation of certain agricultural produce.

Proposed merger between Dairy Day (Pty) Ltd (Dairy Day) and Honeydew Dairies (Pty) Ltd (Honeydew)

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

Dairy Day procures raw milk from dairy farmers in KwaZulu-Natal. Honeydew also procures raw milk from farmers in KwaZulu-Natal only. Honeydew manufactures fruit juice and dairy products such as fresh milk, fresh cream, sour milk (Maas), dairy juice blend and yoghurt.

There is also a vertical overlap in their activities in that Dairy Day Farmers produce raw milk which is used by Honeydew in the production of various dairy products. The merging parties also co-pack dairy products for third parties, including retailers. The proposed transaction will enable Dairy Day to integrate forward along the value chain (i.e. farmers who produce milk owning a dairy processing plant) to create better value for Dairy Day Farmers.

1.3 Termination of conditions

Termination of conditions imposed in the merger between Africum Limited and Agrinet Limited

On 16 April 2013, the Commission approved the above merger subject to certain public interest conditions. The conditions operated such that Africum will not retrench any employees at the target firm's Bellville warehouse for a period of 24 months from the operative date as a result of the merger.

Upon examining the information received, the Commission is satisfied that Africum has complied with the conditions.

Termination of conditions imposed in the merger between Cannistraro Investment 282 (Pty) Limited and Alert Steel Holdings Limited

On 14 May 2013, the Commission approved the above merger subject to a number of conditions pertaining to public interest issues, specifically employment.

In terms of the conditions, the merging parties were to ensure that following the implementation date, for a period of 2 years, no more than 150 employees, 100 skilled and 50 semi-skilled and unskilled, would be retrenched at Alert Steel as a result of the transaction.

During the monitoring and reporting phase, the merging parties advised the Commission that Alert Steel was placed under final liquidation. After assessing

further information submitted by the merging parties, the Commission is satisfied on the reasons why Alert Steel was placed under final liquidation by the High Court. The merging parties are therefore unable to report further on compliance with any obligations in terms of the conditions.

Upon examining the information received, the Commission is satisfied that the merging parties have complied with the conditions during the period which they reported. Given the circumstances, and the fact that their obligations in terms of the conditions terminate in May 2015, the Commission is of the view that there is sufficient ground to warrant that the status of the conditions be adjusted to reflect as finalised.

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

- a) James Craythorne v Rose (Recycling Oil Saves The Environment) Foundation, Nora-SA (National Oil Recycling Association Of South Africa), Fuel Firing Systems Proprietary Limited (FFS), Oilkol Proprietary Limited (OILKOL), Oil-X-Oil Proprietary Limited (Oil-X-Oil) And Exoltec Proprietary Limited (Exoltec) – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- b) Monroville Cooling Solutions (Pty) Ltd v Thermitrex (PTY) Ltd – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- c) Tshepamotheo 211 Trading v Department of Agriculture, Forestry & Fisheries – *The Commission noted that the conduct complained of falls outside the ambit of the Competition Act and has taken a decision to advise the complainant to approach the Department of Agriculture.*
- d) Mr. Ahmed Rihaz Ossman of Huvitz Optical (Pty) Ltd T/A Eurotech Optics v The Department of Health Nationally, The Premiers for the provinces of: the Western Cape, the Eastern Cape, and Kwazulu-Natal; and the MEC for the Department of Health and Social Responsibility for the provinces of the Western Cape, the Eastern Cape, and Kwazulu-Natal – *The Commission noted that the conduct complained of does not amount to a contravention of the Competition Act.*
- e) Abel Sultanom on behalf of the Fragrance Store v Prestige Cosmetics Group – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- f) Loot Online (Pty) Ltd v Takealot Online (Pty) Ltd – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

- g) Status Auctioneers (PTY) Ltd v Imran Humayun and Empire Auctioneers – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- h) 777 Family Stores v organized syndicate operating in townships – *The issues raised by the complainant in this matter will be dealt with as part of the impending Market Inquiry into the Retail Sector.*
- i) Lateral Unison Insurance Brokers (PTY) LTD V Aon South Africa (PTY) Ltd and Workers Compensation Assistance CC – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- j) Charles Pieter Barwise and Bwise Financial Solutions (Pty) Ltd Absa Investments and Financial Advisers, Absa Insurance Company, Absa Investment Managers and Absa Financial Services – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- k) Anonymous Complaint v Etihad Airways – *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