

Statement on the decisions of the Competition Commission

To: All Media

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1. Key decisions on Mergers and Acquisitions

1.1 Large Mergers

Proposed merger between Business Venture Investments No.1360 (Pty) Ltd (BVI) and Old Mutual Life Assurance Company (South Africa) Limited (Old Mutual)

The Commission has recommended to the Competition Tribunal (Tribunal) that the large merger whereby BVI intends to acquire Old Mutual in terms of undivided shares of rental enterprise known as Menlyn Park Shopping Centre (Menlyn Park) and Old Mutual's simultaneous acquisition of undivided shares in the rental enterprise known as Cavendish Square be approved without conditions. Post-merger, BVI will have sole control of Menlyn Park and Old Mutual will have sole control of Cavendish Square.

BVI is a property holding investments entity that is fully owned by the Government Employee Pension Fund (GEPF). The GEPF property portfolio includes office property, retail property, industrial property and residential property all over South Africa. The Old Mutual Group is a diversified financial services firm.

Proposed merger between Pick 'n Pay Retailers (Pty) Ltd (Pick 'n Pay), and Boston Franchise Pick 'n Pay Supermarket and the Franchise Pick 'n Pay Liquor Store (the Boston Store), and the Welgemoed Franchise Pick 'n Pay Supermarket and the Franchise Pick 'n Pay Liquor Store (the Welgemoed store)

The Commission has recommended to the Tribunal that the large merger whereby Pick 'n Pay intends to acquire the Boston Store and the Welgemoed Store, be approved without conditions. Post-merger, Pick 'n Pay will have sole control over the Boston Store and the Welgemoed Store.

Pick 'n Pay operates supermarkets in various formats that are focused in the supply of goods such as food, groceries, clothing, health and beauty products, general merchandise and liquor.

The Boston store and the Welgemoed store are two Pick 'n Pay franchise supermarkets and liquor stores, which form part of the broader Pick 'n Pay multi-format, multi-channel retail offering to consumers in South Africa. As franchise stores, the Boston and Welgemoed supermarkets offer goods and services which are identical to those offered by Pick 'n Pay in its other franchise and corporate stores.

Proposed merger between Investec Bank Limited (Investec) and Blue Strata Trading (Pty) Ltd and 6 Bar Systems (Pty) Ltd (Blue Strata)

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

Investec is part of an international specialist banking group that provides a diverse range of financial products and services to a niche client base. Blue Strata facilitates import transactions from order placement, confirmation and tracking through to the hedging of foreign exchange risks and the management of import logistics.

Proposed merger between Tsebo Outsourcing Group (Pty) Ltd (Tsebo Outsourcing), Thorburn Security Solutions (Northern Region) (Pty) Ltd, Thorburn Security Solutions (Southern Region) (Pty) Ltd and Thorburn Remote Monitoring (Pty) Ltd (Target Firms)

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

The Tsebo group is a diverse catering and cleaning entity. Thorburn is active in the security solutions (guarding sector), providing guarding, remote monitoring and alarm monitoring and surveillance services.

Proposed merger between Rebosis Property Fund Limited (Rebosis) and Ascension Properties Limited (Ascension)

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

Rebosis is a property investment fund. Ascension is a property investment company.

Proposed merger between MMI Group Limited (MMI) and Smart Life Insurance Company Limited (Smart Life Insurance Company)

The Commission has recommended to the Tribunal that the large merger whereby MMI intends to acquire the long-term insurance policy book of Smart Life Insurance Company, be approved without conditions. Post-merger, the MMI Group will own the Smart Life Policy Book.

The core businesses of the MMI Group of companies are long and short-term insurance, asset management, savings, investment, healthcare administration, health risk management, employee benefits, and rewards programmes.

The Smart Life Policy Book comprises mainly of endowment assurance, whole life and some term assurance policies.

1.2 Intermediate Mergers

Proposed merger between Dnata and Imagine Enterprises Limited (Imagine)

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

Dnata is an air services provider that offers ground handling, cargo, travel, and flight catering services. Imagine is a supplier of packaged cruise holidays in the United Kingdom and South Africa.

Proposed merger between Brambles Limited (Brambles), Braecroft Timbers Proprietary Limited (Braecroft) and Weatherboard Proprietary Limited (Weatherboard)

The Commission has approved without conditions, the intermediate merger whereby Brambles intends to acquire Braecroft and Weatherboard. Post-merger, Brambles will have sole control over Braecroft and Weatherboard.

Brambles is a supply-chain logistics company operating in more than 50 countries. Braecroft operates pine timber plantations in the KwaZulu-Natal province and is a supplier of pine saw logs (industrial timber) for its group affiliated company Weatherboard. Weatherboard's main business is the manufacture of pallets and pallet timber (industrial timber) from sawn timber.

Proposed merger between Blue Falcon 243 Trading (Pty) Ltd (Blue Falcon) and 1 Keerom Road Heriotdale, Gauteng, 2094 (the Target Property)

The Commission has approved without conditions, the intermediate merger whereby Blue Falcon intends to acquire the target property. Post-merger, Blue Falcon will have sole control over the target property.

Blue Falcon is a holding company that owns property. The target property is a light industrial property, situated at 1 Keerom Road Heriotdale, Gauteng Province.

Proposed merger between Lahaf (Pty) Ltd (Lahaf), Walker Drive Shopping Centre (Walker Drive) and Welkom Square Shopping Centre (Welkom Square) – (Target Properties)

The Commission has approved without conditions, the intermediate merger whereby Lahaf intends to acquire the Walker Drive and Welkom Square

Shopping Centres. Post-merger, Lahaf will have sole control over the target properties.

Lahaf is controlled by Paul & Bruce Investments (Pty) Ltd which is active in the retail property market. Walker Drive is a retail property situated in Port Elizabeth, in the Eastern Cape Province. Welkom Square is a retail property situated in Welkom, in the Northern Cape Province.

Proposed merger between Berkshire Hathaway Inc (Berkshire Hathaway) and Procter & Gamble Company (P&G)

The Commission has approved without conditions, the intermediate merger whereby Berkshire Hathaway intends to acquire the Duracell Battery Business of P&G. Post-merger, Berkshire Hathaway will have sole control over the Duracell Business of P&G.

Berkshire Hathaway is a holding company owning subsidiaries that engage in a number of diverse business activities including insurance and reinsurance, freight rail transportation, utilities and energy, finance, manufacturing, services and retailing. The Duracell Business of P&G markets and sells the Duracell rechargeable portable batteries such as alkaline and lithium batteries.

Proposed merger between EM Biotherm Holdings B.V (Biotherm) and Sevenstones 159 (RF) (Pty) Ltd (Sevenstones), Limarco 77 (RF) (Pty) Ltd (Limarco) and Klipheuwel-Dassiefontein Wind Energy facility (RF) (Pty) Ltd (Klipheuwel) – (Target Firms)

The Commission has approved without conditions, the intermediate merger whereby Biotherm intends to acquire Sevenstones, Limarco and Klipheuwel. Post-merger, Biotherm will have sole control over the target firms.

Biotherm is a shelf company and does not provide any services or products. The SunEdison Group, Biotherm's controlling firm, is a developer, independent power producer (IPP) and seller of photovoltaic energy solutions and a developer, manufacturer and seller of silicon wafers to the semiconductor industry.

The Target Firms are all independent Power Producers (IPP) that have successfully bid and been awarded preferred bidder status in the first window of the Renewable Energy Independent Power Producer Procurement Programme (REIPPP).

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

- a) Anonymous v Major-Tech Proprietary Limited – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

- b) Anonymous v Supreme Mouldings, Serame Mouldings and Supex Mouldings – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

- c) Chocolate Box Media (Pty) Ltd v SABC Senior Management Team - Commercial Enterprises – *The Commission found that the conduct complained of falls outside the ambit of the Competition Act.*

Ends

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