



competition commission
south africa

Statement on the decisions of the Competition Commission

Date: 02 June 2016

1. Key decisions on Mergers and Acquisitions

1.1 Mergers approved without conditions

Proposed merger between Liberty Group Ltd (LGL), the Public Investment Corporation SOC Ltd (PIC) and Trans African Concessions (Pty) Ltd (TRAC)

The Commission has recommended to the Tribunal that the large merger whereby LGL and PIC intends to acquire TRAC be approved without conditions.

LGL is a financial services provider which offers a range of long-term insurance products and services to both individuals and corporate clients. The PIC is a registered financial services provider and is the only asset manager that serves South Africa's public sector. It takes care of the investment needs of a number of public sector pension, provident, social security, development and guardian funds. TRAC is a concession company responsible for the design, construction, rehabilitation, financing, operation and maintenance of the highway which runs from the Solomon Mahlangu Drive on the interchange on the N4.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market in South Africa. In addition the transaction raises no public interest concerns.

Proposed merger between Public Investment Corporation SOC Ltd (PIC) in its capacity as the duly authorized representative of the Government Employees Pension Fund, the Unemployment Insurance Fund and the Compensation Fund and N3 Toll Concession (Pty) Ltd (N3TC)

The Commission has recommended to the Tribunal that the large merger whereby PIC intends to acquire N3TC be approved without conditions.

PIC is a registered financial services provider and is the only asset manager that serves South Africa's public sector. It takes care of the investment needs of a number of public sector pension, provident, social security, development and guardian funds.

N3TC is a privately owned company incorporated as a special purpose vehicle for purposes of entering into a concession contract with South African National Roads Agency Ltd (SANRAL) relating to the design, construction, financing, operation and maintenance of the N3 Toll Route.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market in South Africa. In addition the transaction raises no public interest concerns.

Proposed merger between Zeag SA (Pty) Ltd (Zeag SA) and Centurion Systems (Pty) Ltd (Centurion Systems)

The Commission has approved without conditions the intermediate merger whereby Zeag SA intends to acquire the issued shares in Centurion Systems.

The FAAC Group is a multinational industrial group that designs and manufactures innovative, functional and secure solutions for pedestrian and vehicular access automation and control needs. FAAC's presence in South Africa is through Zeag SA, which is currently focused on delivering the FAAC Hub Parking Technology business in South Africa for the development, manufacture, installation and provision of after-sales services for parking revenue control systems branded under three parking systems ZEAG, DATAPARK and FAAC. Centurion Systems is active in designing, manufacturing and distributing gate motors, barriers and electronic accessories.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market in South Africa. In addition the transaction raises no public interest concerns.

Proposed merger between FirstRand Bank Limited (FirstRand Bank) and MMI Group LTD (MMI Group) in respect of the property letting enterprises situated at 2 and 4 Merchant Place and the related parking bays (the Target Properties) held as share blocks by Merchant Place Parkade Share Block (Pty) Ltd (Merchant Place Parkade)

The Commission has recommended to the Tribunal that the large merger whereby FirstRand Bank intends to acquire the Target Properties from MMI Group be approved without conditions.

FirstRand Bank is active in the financial services sector and its activities include retail banking, broking, assets or investment management, private client's management, corporate finance, interest rate management, project finance, risk management, mortgage lending as well other banking solutions. The Target Properties and Merchant Place Parkade are owned by MMI. In addition, the Target Properties are Grade A office properties.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the provision of rentable space in Grade A office property. Furthermore, the Commission found that the proposed transaction does not raise any public interest concerns.

Proposed merger between RMB Holdings Limited (RMH) and Atterbury Property Holdings (Pty) Ltd (Atterbury)

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

RMH is a focused investment company. FirstRand is a registered bank with a portfolio of leading financial services franchise i.e. First National Bank, Rand Merchant Bank and WesBank. These franchises cover retail, commercial, corporate, investment, investment finance and instalment finance businesses. Atterbury is a property investment and development company with a portfolio of properties and developments spread across office, commercial, residential and retail segments. It also conducts an information technology business relating to the provision of Wi-Fi and related infrastructure.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market, as there is no overlap between the activities of the merging parties. In addition, the proposed transaction does not raise any public interest concerns.

Proposed merger between Apollo Management L.P. (Apollo Group) on behalf of AP VIII Queso Holdings, L.P. and Socrates Merger Sub Inc. (Socrates) and Apollo Education Group, Inc (AEG)

The Commission has approved without conditions the intermediate merger whereby Socrates intends to acquire the entire issued share capital of AEG.

Socrates is controlled by AP VIII Queso Holdings, L.P. AP VIII Queso Holdings, L.P is in turn controlled by affiliates of the Apollo Group. The Apollo Group invests in equity and debt issued by companies involved in various businesses throughout the world. Examples of current investments include companies in the chemical, real estate, insurance, paper and television production businesses. AEG globally offers undergraduate, post-graduate, certificate and non-degree educational programs and services, online and on-campus, through the University of Phoenix, Inc. and Apollo Global, Inc.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market, as there is no overlap between the activities of the merging parties. In addition, the proposed transaction does not raise any public interest concerns.

Proposed merger between Thomas Ignatius Borman (Borman) and Boulder Property Investment Holdings (Pty) Ltd (Boulder Group)

The Commission has approved without conditions the intermediate merger whereby Borman intends to acquire Boulder Group.

Borman is an individual investor and is active through his subsidiaries, which include Borman Consulting, Rukbat Investments and Thuban Investments are investment holding companies. Rukbat Investments and Thuban Investments have investments in coal mining. The Boulder Group through its various subsidiaries, owns and controls a residential property portfolio.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market. In addition, the proposed transaction does not raise any public interest concerns.

2. Non Referrals – The Commission has taken a decision to non-refer (i.e. not to prosecute) the following case

- a) AKN Transport CC vs Grindrod Intermodal, a division of Grindrod (South Africa) (Pty) Ltd – *The Commission found that the conduct complained of does not contravene the Competition Act.***

Ends

For more information:

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