

Statement on the decisions of the Competition Commission

Date: 19 February 2016

1. Key decisions on Mergers and Acquisitions

1.1 Large Mergers

Proposed merger between Land and Agricultural Bank of SA (Land Bank) and Capital Harvest (Pty) Ltd (Capital Harvest)

The Competition Commission (Commission) has recommended to the Competition Tribunal (Tribunal) that the large merger whereby Land Bank intends to acquire Performing Financial Products of the Debtors' Book of Capital Harvest, be approved without conditions. Post-merger, Land Bank will own the Debtors Book of Capital Harvest.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the relevant markets. The Commission also found there would be no public interest concerns due to the transaction.

The Land Bank is a specialist agricultural bank which provides financial solutions to participants in the agriculture and rural development sectors.

The Debtors' Book provides retail financing clients in the agricultural sector who require such capital to fund farming and agro-processing activities.

1.2 Intermediate Mergers

Propose merger between Accor S.A (Accor) and FRHI Holdings Ltd (FRHI)

The Commission has approved without conditions, the intermediate merger whereby Accor intends to acquire an interest in FRHI.

The Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in any market in South Africa as there is no geographic overlap in the activities of the merging firms.

Accor is an international hotel operator. FRHI Hotels & Resorts is a hotel management company.

Proposed merger between Ascendis Health Ltd (Ascendis) and Akacia Healthcare Holdings (pty) Ltd (akacia)

The Commission has approved, without conditions, the intermediate merger whereby Ascendis intends to acquire Akacia. Post-merger, Ascendis will control Akacia.

The Commission found that the merged entity will continue to be constrained by bigger players in the pharmaceutical market post-merger. Given the availability of alternative competing pharmaceutical firms within each of the identified markets, the Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in the relevant markets.

Ascendis is an investment company, which does not supply products or carry out any services. It controls a wide variety of pharmaceutical firms involved in the distribution of prescription, over-the-counter and homeopathic medicines, nutraceutical products, consumer health products and beauty products, amongst others.

Akacia is a manufacturer and distributor of a range of consumer health products and prescription medicines.

Proposed merger between Luvon Investments (Pty) Ltd (Luvon), Stilozest (Pty) Ltd (Stilozest) and The Village Mall

The Commission has approved without conditions, the intermediate merger whereby Luvon and Stilozest intends to acquire the Village Mall.

The Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in any market in South Africa as there is no geographic overlap in the activities of the merging firms.

Luvon is a property investment fund which invests in a diversified portfolio of commercial and retail assets throughout South Africa.

Stilozest is a dormant company which does not trade or provide services.

Village Mall is a shopping centre located in Hartbeespoort, North West.

Proposed merger between Value Group Limited (Value) and Key Distributors (Pty) Ltd (Key Distributors)

The Commission has approved without conditions, the intermediate merger whereby Value intends to acquire Key Distributors. Post-merger, Value will solely control Key Distributors.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the relevant markets. The Commission also found there would be no public interest concerns due to the transaction.

Proposed merger between CRH Africa Automotive (Pty) Ltd (CRH) and the Seat Assembly Business (Target Business) of Linde and Wiemann RSA (Pty) Ltd (Linde and Wiemann)

The Commission has approved without conditions, the intermediate merger whereby CRH intends to acquire the Target Business, as a going concern. Post-merger, CRH will control the Target Business.

The Commission is of the view that the merger is unlikely to substantially prevent or lessen competition in the assembling of car seat frames due to the existing constraints that might discourage the merged entity's ability to engage in unilateral conduct post-merger.

CRH assembles car seat frames or structures for the automotive sector and does not control any other firms in South Africa.

The Target Business operates a seat assembling operation which includes an e-coating operation in Port Elizabeth and assembles the metal seat structures (front and back seats with brackets) for the automobiles sector.

2. Referrals

The Competition has referred two matters to the Tribunal against Concor and WBHO. **See Annexure A**

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

- a) **Scuba Schools International South Africa (Pty) Ltd vs. The Professional Association of Diving Instructors Ltd and PADI EMEA Ltd** – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- b) **Namaqualand Bilton CC vs. Spar- Pizza Shopping Centre (Pty) Ltd** – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- c) **Complete Coast Properties CC vs. Emaire Campbell Real Estate** – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- d) **Christo Mihalitsianos vs. Santam, Hollard and Mutual & Federal Insurances** – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

Ends

For more information:

Itumeleng Lesofe, Spokesperson

012 394 3287/ 073 805 7733/ ltumelengL@compcom.co.za