



competition commission
south africa

Statement on the decisions of the Competition Commission

Date: 20 July 2016

1. Key decisions on Mergers and Acquisitions

Proposed merger between Martin and Martin (Pty) Ltd (Martin & Martin) and The Pet food business (the Target Business) of Nestle South Africa (Pty) Ltd (Nestlé)

The Commission has approved without conditions the intermediate merger whereby Martin & Martin intends to acquire the Target Business of Nestlé.

Martin & Martin manufactures dry dog and cat food that is sold under its Bob Martin, Epol and Vitagen brands. The Target Business manufactures wet dog and cat food exclusively for Nestlé.

The Commission found that the proposed merger is unlikely to substantially lessen or prevent competition in any market. The transaction is mainly a replacement of one market participant (i.e. the Target Business) by another (i.e. Martin & Martin) in markets affected by the transaction. The Commission also found that the proposed transaction is unlikely to raise any public interest concerns.

Proposed merger between EOH Mthombo (Pty) Ltd (EOH) Apronics (Pty) Ltd (Apronics)

The Commission has recommended to the Competition Tribunal (Tribunal) that the large merger whereby EOH intends to acquire Apronics be approved without conditions.

EOH provides services and products in three major areas, namely, consulting, technology (software and infrastructure) and outsourcing. Apronics provides integrated IT hardware solutions in high-end data centres and end-user computing to customers in South Africa.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the supply of IT hardware and IT services, as the merged entity's market share remains low post-merger. Further, the proposed transaction does not raise any public interest concerns.

Proposed merger between Intelichem (Pty) Ltd (Intelichem), Meridian Agrochemical Company (Pty) Ltd (Meridian) and Synovatech (Pty) Ltd (Synovatech)

The Commission has approved without conditions the intermediate merger whereby Intelichem intends to acquire Meridian and Synovatech.

Intelichem is active in the provision of property, the distribution of crop protection products or agrochemicals, the distribution of seeds and related products. Meridian is involved in the wholesale supply of crop protection or agrochemicals products. It sells such products to a variety of customers, including the Intelichem Group.

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

Proposed merger between Bayport Securitisation (RF) Ltd (Baysec) and Zenthyme Investments (Pty) Ltd (Zenthyme)

The Commission has approved without conditions the intermediate merger whereby Baysec intends to acquire Zenthyme.

Baysec is a securitisation company and Zenthyme is not engaged in any business activities.

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

Proposed merger between Cubisol Investments 3 (Pty) Ltd (Cubisol Investments 3), Investec Property (Pty) Ltd (Investec Property) and Spanish Ice Properties CC (Spanish Ice Properties) in respect of the property letting enterprise known as Mayfield Square (the Target Property)

The Commission has approved without conditions the intermediate merger whereby Cubisol Investments 3 intends to acquire the Target Property from Investec Property and Spanish Ice Properties.

Cubisol Investments 3 is a property investment company with a diversified portfolio of commercial and retail properties throughout South Africa. The Target Property is a community centre with rentable retail space.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the provision of rentable space in convenience centres as there is no geographic overlap between the merging parties. The proposed transaction does not raise any public interest concerns.

Proposed merger between Chronos Logistics Services (Pty) Ltd (Chronos) and the business and the properties of Ambot Fuel Agencies Close Corporation (Ambot)

The Commission has approved without conditions the intermediate merger whereby Chronos intends to acquire the business of Ambot.

Chronos is a newly established firm and does not provide any products and services. Ambot is a distributor of petroleum products.

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 merger does not raise any other public interest issues.

Proposed merger between BoE Private Equity Investments (Pty) Ltd (BoE) and Comsol Networks (Pty) Ltd (Comsol Networks)

The Commission has approved without conditions the intermediate merger whereby BoE intends to acquire Comsol Networks.

BoE invests equity capital in acquisitions, buyouts and the expansion of mid-market unlisted companies. Comsol Networks specialises in the designing and building of customised terrestrial wireless access infrastructure (fixed wireless networks) for customers in the private and public sectors.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market as there is no overlap in the activities of the merging parties. Further, 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 cases:

- a) **Dr DG Harris v FNB and Pay Pal INC** - *The Commission found that the conduct complained of does not contravene the Competition Act.*
- b) **Sunshine Bakery v Pick 'n Pay and major bread brands** - *The Commission found that the conduct complained of does not contravene the Competition Act.*

Ends

For more information:

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