

## Statement on the decisions of the Competition Commission

To: All Media

Date: 21 January 2016

### 1. Key decisions on Mergers and Acquisitions

#### 1.1 Large Mergers

##### **Proposed merger between Unitrans Automotive (Unitrans Automotive) and Automall Proprietary Limited (Automall)**

The Competition Commission (Commission) has recommended to the Competition Tribunal (Tribunal) that the large merger whereby Unitrans automotive intends to acquire Automall be approved, without conditions. Post-merger, Unitrans Automotive will control Automall. The Commission found that the merger is unlikely to substantially lessen or prevent competition.

Unitrans Automotive's key service offerings are the sale of new and preowned vehicles, parts and accessories and after-market service.

Automall operates various vehicle dealerships in East London, Eastern Cape and trades in six brands of new vehicles and also trades in assorted pre-owned vehicles.

##### **Proposed merger between Al Noor Hospitals Group Plc (Al Noor) and Mediclinic International Limited (Mediclinic)**

The Commission has recommended to the Tribunal that the large merger whereby Al Noor intends to acquire Mediclinic, be approved without conditions. Post-merger, Al Noor will have control over Mediclinic and will change its name to Mediclinic International.

Given that Al Noor does not have a presence in South Africa, this transaction will not change the structure of the market. Thus, the Commission has taken a view that the proposed merger is unlikely to substantially prevent or lessen competition.

Al Noor operates 3 hospitals, 17 medical centres and clinics, primarily located in the Emirate of Abu Dhabi in the UAE, with 1 further clinic in Muscat, Oman, offering a wide spectrum of healthcare services within the primary, secondary and tertiary care sectors.

The principal business of Mediclinic is the provision of multidisciplinary private hospital services, providing a range of general and specialised medical care facilities and services.

## 1.2 Intermediate Mergers

### **Proposed merger between Stellar Capital Partners Limited (Stellar Capital) and Friedshelf 1678 LTD (Friedshelf)**

The Commission has approved without conditions, the intermediate merger whereby Stellar Capital intends to acquire Friedshelf. Post-merger, Stellar Capital will control Friedshelf. The Commission found that there is no overlap in the activities of the merging entities, and concluded that the proposed merger is unlikely to substantially prevent or lessen competition.

Stellar Capital is an investment holding company and provides financial services and strategic direction to its investee companies.

Friedshelf specialises in asset management services.

### **Proposed merger between Louvre Acquisitionco Inc. (Louvre) and UTi Worldwide Inc. (UTiW)**

The Commission has approved with conditions, the intermediate merger whereby Louvre intends to acquire UTiW. Post-merger, Louvre will directly control UTiW and DSV A/S will exercise indirect control over UTiW.

The Commission found that the proposed transaction raises a public interest concern in that it will result in the retrenchment of employees. In order to remedy this negative impact, the Commission has imposed a condition that the merging parties shall not retrench any non-management employees for a period of two years from the implementation date as a result of the merger.

Louvre is a newly incorporated company for purposes of the proposed transaction. DSV A/S, which controls Louvre, is a global non-asset based freight forwarding and logistics company active in land, air and sea freight forwarding services as well as logistics services.

UTiW is an international non-asset based supply chain services and solutions company that provides services through a global network of freight forwarding offices and contract logistics and distribution centres in approximately 60 countries.

### **Proposed merger between Masimong BCCM Proprietary Limited (Masimong) and Liviero Group Proprietary Limited (Liviero Group)**

The Commission has approved without conditions, the intermediate merger whereby Masimong intends to acquire the Liviero Group. Post-merger, Masimong will have control over the Liviero Group. The Commission found that this transaction is unlikely to substantially prevent or lessen competition.

Masimong is a shelf company wholly owned by Masimong Group Holdings Proprietary Limited, which is active in agriculture, media chemicals and related services; financial and human resource support services, investment services, mining and related services; and the manufacture of environmental pollution control products.

The Liviero Group is active in the construction of property; design, construction, and maintenance of infrastructure (i.e. bridges, concrete, infrastructure, heavy civil structures, stadia, water treatment and pipelines); material handling, open cast mining and mine rehabilitation.

**Proposed merger between Thorburn Security Solutions (Southern Region) (Pty) Ltd (Thorburn) and Mandela Security Services (Pty) Ltd (Mandela)**

The Commission has approved without conditions, the intermediate merger whereby Thorburn intends to acquire Mandela. Post-merger, Thorburn will control Mandela. The Commission found that the merger is unlikely to substantially prevent or lessen competition as the merging parties are small entities and face competition from large competitors.

Thorburn is involved in the business of providing outsourced catering, cleaning, facilities management solutions and guarding services.

Mandela provides the following services in KwaZulu-Natal: guarding services, electronic security services, personal security management, events management security and emergency services.

**Proposed merger between Industrielle Beteiligung S.A (Industrielle Beteiligung) and Fata S.p.A (Fata)**

The Commission has approved without conditions, the intermediate merger whereby Industrielle Beteiligung intends to acquire Fata. Post-merger, Industrielle Beteiligung will control Fata. The Commission found that the proposed merger is unlikely to substantially prevent or lessen competition as there is no overlap in the activities of the merging parties.

Industrielle Beteiligung supplies spare parts (such as spare components for steel rolling mills) to steel producers in South Africa.

Fata's activities in South Africa are currently limited to the installation of power generation plants.

### **Proposed merger between Melrose Arch Investment Holdings (Pty) Ltd (Melrose Arch Investment Holdings) and Corlett Drive Property Partnership**

The Commission has approved without conditions, the intermediate merger whereby Melrose Arch Investment Holdings intends to acquire the property letting enterprise situated on Erf 109 Birnam, Johannesburg (109 Birnam) as a going concern from Corlett Drive Property Partnership. Post-merger, Melrose Arch Investment Holdings will control 109 Birnam.

The Commission found that the merging parties are small entities and their combined market share is insignificant to raise competition concerns. Thus, the proposed transaction is unlikely to substantially prevent or lessen competition.

Melrose Arch Investment Holdings is engaged in the business of investing directly in properties for the purpose of achieving long term rental income.

109 Birnam, is a building comprising of rentable specialised retail (motor related) space.

### **Proposed merger between Growthpoint Properties Limited (Growthpoint) and Pin Mill Share Block Proprietary Limited (Pin Mill Share Block)**

The Commission has approved without conditions, the intermediate merger whereby Growthpoint intends to acquire control over Pin Mill Share Block. Post-merger, Growthpoint will control Pinmill Share Block. The Commission found that the merger is unlikely to substantially prevent or lessen competition.

Growthpoint is a property investment company with a property portfolio consisting of rentable retail, office and industrial space.

Pin Mill Share Block operates as a vehicle for the shared ownership of Pinmill Farm Office Block situated in Sandown, Gauteng Province.

### **Proposed merger between KKR & Co. L.P. (KKR) and LGC Science Group Limited (LGC)**

The Commission has approved without conditions, the intermediate merger whereby KKR intends to acquire LGC. Post-merger, KKR will exercise control over LGC. The Commission found that there is no overlap in the activities of the merging entities. This merger is therefore unlikely to substantially prevent or lessen competition.

KKR is a global investment firm which offers a broad range of alternative asset funds and other investment products to investors.

LGC provides reference materials, geonomics solutions and analytical testing products and services.

**Proposed merger between Rain Merger Sub LLC (Merger Sub) and Cameron International Corporation (Cameron)**

The Commission has approved without conditions, the intermediate merger whereby Merger Sub intends to acquire Cameron as a going concern. Post-merger, Schlumberger Holdings, which controls Merger Sub, will control Cameron. The Commission found that this merger is unlikely to substantially prevent or lessen competition.

Merger Sub is a newly formed entity which has been formed for the purpose of acquiring the target firm.

Cameron is a global provider of flow equipment products and services used by the oil, gas and process industries.

**Proposed merger between Stella Capital Partners Limited (Stella Capital) and Tellumat Proprietary Limited (Tellumat)**

The Commission has approved with conditions, the merger in terms of which Stella Capital seeks to acquire Tellumat. Post-merger, Stella Capital will have control over Tellumat. The Commission found that the merging entities operate in different markets, thus there is no overlap in their activities. The proposed transaction is therefore unlikely to substantially prevent or lessen competition.

Stella Capital is an investment holding company and does not provide any products or services.

**Proposed merger between Ingenuity Property Investments Limited (Ingenuity Properties) and Section 1 and 2 of the sectional-title scheme known as Greater Westerford (Target Property)**

The Commission has approved without conditions, the intermediate merger whereby Ingenuity Properties intends to acquire Greater Westerford as a going concern. Post-merger, Ingenuity Properties will control the Target Property. The Commission found that this transaction is unlikely to substantially prevent or lessen competition.

Ingenuity Properties is a property investment group with a property portfolio comprising of office, retail, light industrial space, gymnasiums and parking lots situated in the Western Cape and Gauteng Provinces.

The Target Property is a rentable office space.

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

- a) Skywise Airlines v Airports Company South Africa – The Commission found that the conduct complained of does not amount to a contravention of the Competition Act but that it is a contractual dispute.
- b) Nicoline Meyer vs Leloko Home Owners Association – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- c) Ngoako William Modi vs Miway Insurance & SMD Auctioneers – *The Commission found that the complaint does not raise competition concerns.*

Ends

**For more information:**

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