

**Weekly Media Statement**  
**For immediate release**  
**02 February 2018**

## **LATEST DECISIONS BY THE COMPETITION COMMISSION**

### **1. Key decisions on mergers and acquisitions**

#### **1.1 Industrial Partnership Investments (Pty) Ltd (IPI) v Kagiso Tiso Holdings (Pty) Ltd (KTH)**

The Commission has recommended to the Tribunal to approve the proposed transaction, without conditions, whereby IPI intends to acquire KTH.

IPI is controlled by Remgro Limited (Remgro). Remgro is an investment holding company whose investment portfolio currently includes a number of investee companies operating across a broad spectrum of industries, which includes banking, healthcare, insurance, industrial, infrastructure, media, sport, food, liquor and home care. Relevant for the proposed transaction are Remgro's activities in relation to the production and supply of baked products.

KTH is a black controlled and managed investment holding company. It currently has a portfolio of investments comprising firms across key sectors, including media, property, food, resources, infrastructure, power, financial services, investment and health.

The proposed transaction is unlikely to result in foreclosure. In addition, the proposed transaction does not raise any employment or public interest concerns.

#### **1.2 Edenvale Foodlane v Pick 'n pay Edenvale**

The Commission has approved the proposed transaction, without conditions, whereby Edenvale Foodlane intends to acquire Pick 'n pay Edenvale.

Edenvale Foodlane is a subsidiary of AJP Group Foodlane Holdings (Pty) Ltd (AJP Group Foodlane). The AJP Group currently owns and operates eight Pick 'n Pay franchise supermarket stores, which form part of the broader Pick 'n Pay multi-format, multi-channel retail offering to consumers in South Africa.

The Pick 'n Pay Edenvale store forms part of the Pick 'n Pay multi format, multi-channel retail offering to consumers in South Africa. As a corporate store, many of the goods and services which are offered by the Pick 'n Pay Edenvale store are also offered by Pick 'n Pay in its other corporate and franchise stores.

The proposed transaction is unlikely to substantially lessen or prevent competition in the market for the retail of grocery products.

The Commission found that the proposed transaction does not raise any public interest concerns. Notably, the proposed transaction will result in the creation of jobs for approximately 75 people including 13 skilled employees, 44 semi-skilled employees and 18 unskilled employees.

### **1.3 Evergreen Property Investments (Pty) Ltd (EPI) v VDV Evergreen Holdings (Pty) Ltd (VDV)**

The Commission has recommended to the Tribunal to approve the proposed transaction, without conditions, whereby EPI intends to acquire VDV.

Amdec Investments (Pty) Ltd and PSG jointly control EPI. PSG Group holds controlling and non-controlling interests in a number of public and private companies across a broad spectrum of industries, which includes banking, education, financial services and the food sector.

VDV is a subsidiary of Val de Vie Developments (Pty) Ltd (VDVD). VDV and VDVD form part of the larger Val de Vie group of companies, which offer security estate residential accommodation. The Val de Vie estate consists of luxury residential homes, vineyards, golf course, polo facilities, equestrian facilities and other lifestyle facilities.

The Commission found that the proposed transaction does not raise public interest concerns. In addition, the proposed is unlikely to have any negative effective on employment.

### **1.4 Ethos Healthcare Investments (Pty) Ltd (EHI) v Main Street 1574 (Pty) Ltd (Holdco)**

The Commission has recommended to the Tribunal to approve the proposed transaction, without conditions, whereby EHI intends to acquire Holdco.

EHI is a private equity firm that, through various private equity funds, makes investments on behalf of investors. It also facilitates the acquisition by investors of equity interests in management buyouts. Ethos Fund V and Ethos Fund VI hold interests in a number of entities in South Africa.

Holdco is owned by Amayeza Abantu Bio Medical (Pty) Ltd (Amayeza) The Amayeza business provides medical technology solutions in specialised disciplines of medicine. It distributes medical technology products in South Africa and other African countries, including Namibia, Botswana and Mozambique. Amayeza is the appointed distributor for various multinational medical technology manufacturers, including Abbott Laboratories, Terumo Corporation, K2M Incorporated, LivaNova PLC, Global Vagal Nerve Stimulation and Tricumed.

The proposed transaction is unlikely to substantially prevent or lessen competition. In addition, there are no public interest and employment concerns.

### **1.5 Main Street 1511 (Pty) Ltd (Bidco) v Roosenekal Foods Investment Holdings (Roosenekal)**

The Commission has recommended to the Tribunal to approve the proposed transaction, without conditions, whereby Bidco intends to acquire Roosenekal.

Bidco is a special purpose vehicle company. Abraaj Holdings manages a private equity funds which directly and indirectly control LBidco and Libstar Holdings (Pty) Ltd (Libstar). Libstar manufactures, imports and

distributes fast moving consumer goods in the food and beverage, household and personal care segments of the market. It focuses on supplying the food service industry, private label segments of larger retailers, and on the manufacturing of products for brand owners as well as branded products.

Roosenekal is controlled by the trustees for the time being of the Elaine and Selwyn Schaffer Family Trust (Schaffer Family Trust). The Schaffer Family Trust in turn controls Roosenekal which owns and operates 45 KFC stores.

The proposed transaction is unlikely to substantially prevent or lessen competition in any of the affected markets. In addition, the proposed transaction does not raise any public interest concerns.

#### **1.6 Sanlam Life Insurance (Pty) Ltd (Sanlam Life) v Absa Consultants and Actuaries (Pty) Ltd (ACA)**

The Commission has recommended to the Tribunal to approve the proposed transaction, with conditions, whereby Sanlam Life intends to acquire ACA.

Sanlam Life is a public company and is controlled by Sanlam Ltd (Sanlam). The Sanlam Group is a financial service group in South Africa. It provides long term insurance, financial planning, retirement planning, retirement fund administration, trusts, wills, short-term insurance, asset management, risk management and capital activities, investment services, lending services and wealth creation to individuals and institutional clients.

ACA administers pension and provident funds, as well as providing consulting and actuarial services. Its main business offerings are administration and support services, consulting, actuarial and advisory services and healthcare services.

The proposed transaction is unlikely to substantially prevent or lessen competition in any market. The Commission found that the potential integration of the merging parties' businesses post-merger is likely to have a negative impact on employment that could possibly result in job losses at the ACA. The Commission recommends that the Tribunal approves the transaction subject to this condition. The merging parties shall not retrench any ACA Employees for a period of two years from the implementation date as a result of the merger.

#### **1.7 DRDGOLD Ltd (DRDGOLD) v Sibanye Gold Limited, trading as Sibanye-Stillwater in respect of certain assets of the tailing retreatment business under the West Rand Tailing Retreatment Project (Selected Assets)**

The Commission has recommended to the Tribunal to approve the proposed transaction, with conditions, whereby DRDGOLD intends to acquire Selected Assets controlled by Sibanye-Stillwater. The proposed transaction takes place through various steps which involves a call option to buy additional shares in future.

DRDGOLD through its various subsidiaries is a mid-tier, unhedged gold producer involved in the recovery of gold through the retreatment of surface tailing. The retreatment process involves the extraction of minute particles of gold from past mining 'waste'. As part of its gold mining process, DRDGOLD also produces limited amounts of silver.

The Selected Assets are surface gold processing assets, tailing storage facilities, land and licences to operate the assets. It is important to note that the Selected Assets are not currently active in the production of gold.

The Commission recommends that the Tribunal approves the transaction subject to a condition that should Sibanye-Stillwater elect to exercise the Call Option to buy additional shares within the specified time period, Sibanye-Stillwater shall inform the Commission of its decision within twenty business days of exercising the call option. Sibanye-Stillwater shall inform the Commission of this election by submitting an affidavit.

### **1.8 Firmenich (Pty) Ltd (Firmenich) v Flavourome (Pty) Ltd (Flavourome)**

The Commission has approved the proposed transaction, without conditions, whereby Firmenich intends to acquire Flavourome.

The Firmenich Group is involved in the distribution and marketing of flavours. These flavours include sweet goods, beverages and savoury. Flavourome's main activity is to distribute flavours on behalf of Firmenich. Flavourome offers flavours obtained from Firmenich in its current specifications or modified version of the flavours such as dilution of concentrate to the specifications necessary for the client's production environment. Flavourome also manufactures and supplies seasoning dust for chip manufactures and non-flavour products such as vitamin pre-mixes and colourants.

The Commission found that the proposed transaction will not have a negative effect on employment. In addition, the proposed transaction is unlikely to substantially prevent or lessen competition in the relevant market.

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

### **2.1 Eleanor Xaso v Easy Park Johannesburg station**

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

### **2.2 Bongani Daka v Body Coporates**

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

### **2.3 Lance Van Driel & Associates CC, Financial Advisory v Sanlam Life Insurance**

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

### **2.4 Adam Rhode v JW Auto CC Dealership & Cradock**

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

### **2.5 Gaba Qhele v Omnia Fertilizer**

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

[ENDS]

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