COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 98/LM/Nov06

In the matter between:

Titan Premier Investments (Pty) Ltd Acquiring Firm

And

Jeke Trading (Pty) Ltd Target Firm

Panel : D.H Lewis (Tribunal Member) N Manoim (Tribunal

Member), and M Mokuena (Tribunal Member)

Heard on : 20 December 2006 Decided on : 20 December 2006

Reasons Issued: 09 January 2007

REASONS FOR DECISION

Approval

[1] On 20 December 2006, the Tribunal issued a merger clearance certificate unconditionally approving the merger between the abovementioned parties. The reasons for the decision follow.

Parties

[2] The acquiring firm is Titan Premier Investments (Pty) Ltd ("Titan"). Titan directly or indirectly controls Pepkor Holdings Ltd ("Pepkor") including its all subsidiaries and Shoprite Holdings Ltd ("Shoprite") including all its subsidiaries. 1 The primary target firm is Jeke Trading (Pty) Ltd ("Jeke"). Jeke does not control any other entity.2

Transaction

[3] In terms of a sale of shares agreement concluded between Trate, Titan and Jeke, Titan acquires the entire issued share capital of Jeke.

 $^{1\} Titan$ is controlled by the Titan Group Investment (Pty) Ltd ("Titan Group") and the Christo Wiesse Family Trust

² Jeke is controlled by Trate Investment (Pty) Ltd ("Trate"). Trate also controls Witt Trading (Pty) Ltd

Rationale of the Transaction

[4] Trate has a loan obligation to Jeke and with the sale of its shareholding in Jeke it obtains cash with which to repay its obligation. The acquiring firm has submitted in its filing that as an investment firm it, from time to time, it finances investment opportunities with the issuance of preference shares to third party investors. The terms relating to the issuance of the said shares is an obligation imposed on the investors to declare dividends to the preference shareholders. The dividends in question can only be paid from distributable reserves.

Parties' Activities

[5] Titan is an investment entity. Through its various subsidiaries it has investment in property, hotel management, farming, events organising, property leasing, wine making, general trading, game farming other general investment, share speculation, retail and mining. Jeke is a dormant firm and does not sell any products or render any services in or into South Africa.

Public Interest Issues

[6] The transaction will have no effect on employment and no other public interest issues arise.

Conclusion

[7]. Based on the above the transaction will not result in a substantial lessening or prevention of competition in the identified markets and is accordingly approved unconditionally.

D. Lewis Date

Tribunal Member

N Manoim and M Mokuena concurring.

Tribunal Researcher : J Ngobeni

For the merging parties : Coreen Fouche (Jan. S De Villiers Attorneys)

Advisers)

For the Commission : Skhumbuzo Maphumulo

Mergers and Acquisitions