



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 70/LM/Aug11

In the matter between:

ACTOM (PTY) LTD

PRIMARY ACQUIRING FIRM

And

SAVCIO HOLDINGS (PTY) LTD

PRIMARY TARGET FIRM

Panel : Yasmin Carrim (Presiding Member)
Andreas Wessels (Tribunal Member)
Takalani Madima (Tribunal Member)
Heard on : 07 February 2012
Order issued on : 13 February 2012
Reasons issued on : 08 May 2012

REASONS FOR DECISION

Conditional approval

1] The Competition Tribunal (“Tribunal”) on 13 February 2012, in terms of section 16(2)(b) of the Competition Act of 1998¹, conditionally approved the large merger involving Actom (Pty) Ltd (“Actom”) and Savcio Holdings (Pty) Ltd (“Savcio”).

2] This merger was approved subject to the following conditions:

¹ Act No. 89 of 1998, as amended.

A. Cross-directorships

1. All common directors between Acton Repair Services (Pty) Ltd and Actom have been removed and there shall not be any common directors between these two entities in future.
2. Condition 1 applies for as long as Actom has control over Savcio. Should Actom relinquish control over Savcio, it must inform the Competition Commission ("Commission") in writing and provide a signed copy of the sale agreement.

Monitoring

3. The merged entity must, on an annual basis, submit to the Competition Commission ("Commission") an affidavit from a senior official of the merged entity confirming compliance with condition 1 above. The first affidavit must be submitted on the 1st of April 2013.

B. Supply of commutators

4. It is recorded that Actom and Transnet Rail Engineering ("TRE") have an existing contract, contract number 4600004820 dated 16 May 2011, for the supply of commutators.

Actom will continue to supply TRE from the date of the Tribunal's order with its full range of commutators, on the same terms as agreed in the existing contract between Actom and TRE and at prices that are no higher than those in effect as at the date of conditional approval of the merger (subject to the price adjustment formula in the contract) or as determined by applying the price adjustment formula contained in contract 4600004820 to the base prices recorded in the tenders submitted by Actom in respect of tender TRE11-NAT-08H-0001 and tender TRE10-NAT-08H-0010.

The commutators will be of the same quality as are presently supplied to TRE and in the same available volumes.

To enhance transparency of TRE's demand of commutators given that it is cyclic in nature and fluctuates, TRE may, if it so desires, provide the merged entity with a six month view of its commutator demand with a rolling three month demand forecast.

The above conditions relating to commutators will apply for a period of five years from the date of the Tribunal's order.

Monitoring

5. The Commission may at any time after the merger, on ten business days written notice, require the merged entity to furnish to it the following reports in writing:

5.1.A report/s signed by a responsible person, indicating, for such period as the Commission may specify, the sales volumes of commutators, the classes of commutators and the prices at which such commutators have been supplied to:

5.1.1. Businesses within the merged entity and any of its subsidiaries or associated entities;

Any other commutator customer pursuant to these conditions.

5.2. A certificate from an independent auditor confirming the correctness of, or qualifying (as the case may be), information provided by the merged entity for any particular financial year.

C. Supply of copper wire products

6. The merged entity will continue to supply the open market from the date of the Tribunal's order with the full range of copper wire products currently supplied by Savcio through its divisions Wilec and Transwire, on the same terms as those divisions presently supply the market, and at prices that are no higher than current adjusted annually by PPI but subject to a full recovery (pass-through) of copper costs on a monthly basis (adjusted upwards or downwards).

The products will be of the same quality as are presently supplied and in the same available volumes.

The above conditions relating to copper wire products will apply for a period of two years from the date of the Tribunal's order.

Monitoring

7. The merged entity must inform its existing customers of copper wire products of the provisions in these conditions within one month of the date of the Tribunal's order. To this end the merged entity must, within one month of the date of the Tribunal's order, provide an affidavit by a senior official attesting to this and a copy of the notice sent to

customers. For the purposes hereof existing customers means active customers that have made purchases within the preceding 12 months from any of the merging parties' firms or their divisions.

In the event that the Commission receives a complaint from a customer regarding non-compliance by the merged entity with these conditions or otherwise determines that there has been an apparent breach by the merged entity of such conditions that shall be dealt with in terms of Rule 39 of the Rules for the Conduct of Proceedings in the Competition Commission.

D. Correspondence

8. The merged entity must send all correspondence with the Commission in relation to any of these conditions to the following Commission email address:

mergerconditions@compcom.co.za mergerconditions@compcom.co.za

E. Right to approach the Tribunal to revise conditions

9. Either the merged entity or the Commission may, for so long as any of the above merger conditions remain in force, approach the Tribunal to revise that condition on the basis that changes in market, economic or regulatory conditions justify such revision.

Background

- 3] Following its investigation and assessment of the proposed merger, the Commission on 29 November 2011 filed its recommendation with the Tribunal recommending a conditional approval of the merger based on a set of behavioural conditions. The merging parties agreed to these conditions.

Of relevance is that the Commission during its investigation consulted with Transnet Rail Engineering ("TRE"), a customer and competitor of the merging parties, and that TRE raised certain concerns in regard to the proposed merger. TRE alleged that the merged entity would have substantial market power to control prices since it would control the majority of the input components needed by customers and competitors in certain upstream and downstream markets. TRE sought to intervene in the Tribunal proceedings of this merger; the Tribunal heard TRE's intervention application on 13 January 2012.

The merging parties had no objection to TRE being recognised as a participant in the merger proceedings² and the Tribunal indicated that it would like to gain insight into TRE's objection to the proposed merger, specifically in relation to the likely impact of the merger on TRE as well as to TRE's views of the Commission's proposed behavioural conditions.³

Consequently TRE participated in the hearing and called Mr Maganthiren Govender ("Mr Govender"), the General Manager: Locomotives within the Transnet Rail Engineering Division, as a witness.

- 4] The merging parties called Mr. Mervyn Naidoo, a Director of Savcio, as a witness.

Parties to the transaction

Actom

- 5] The primary acquiring firm is Actom, a private company incorporated under the laws of the Republic of South Africa. Actom formerly traded under the name Alstom SA and re-branded to Actom in September 2009. Actom is owned and controlled by Actom SA (Pty) Ltd, which in turn is owned and controlled by Actom Investment Holdings (Pty) Ltd. Actom is the main operating subsidiary of the Actom Group of companies.

Actom manufactures and distributes electrical equipment throughout South Africa. It carries out its business in South Africa through the following business units: (i) a transmission and distribution unit; (ii) a power conversion unit; (iii) an engineering, projects and contracts unit; (iv) an electrical equipment unit; and (v) a power unit. Of particular relevance to the competition assessment of this transaction is the Actom business known as Contact Engineering⁴, a local manufacturer and refurbisher of commutators for use in the repair of DC and traction motors.

Acton Repair Services

- 6] The Commission found that post-merger there will be a common shareholder between the merged entity and Acton Repair Services (ARS), a competitor of the merged entity (as explained in paragraph 12 below), in that Kagiso Tiso Holdings ("KTH") is the third largest

² See page 12 of the transcript of the intervention hearing of 13 January 2012.

³ See pages 35 and 36 of the transcript of the intervention hearing of 13 January 2012.

⁴ Part of Actom's power conversion unit.

shareholder in Actom. KTH has a non-controlling 19% shareholding in Actom, which entitles it to representation on the Actom board, as well as a 59.8% shareholding in ARS. This common shareholding in ARS however existed pre-merger.

ARS is a repairer of traction equipment (DC motors) and AC electric motors, including the repair of traction motors for rail equipment. Whilst ARS's core business is the repair of electric motors, it does manufacture certain components, such as commutators and armature coils, for its repair business. The Commission concluded that there are horizontal overlaps between the activities of the merged entity and ARS in (i) the manufacture and supply of commutators; (ii) the repair of large traction and general DC motors and large AC motors; and (iii) the supply of armature coils.

Although the Commission found that KTH would not have (some form of) post-merger control over the merged entity, it nevertheless was concerned about cross directorships between the merged entity and ARS as a potential forum for information exchange and collusion between these two competitors. The Commission was however satisfied with a formal undertaking given by the merging parties that, going forward, all common directors have been removed and that no common directors will in future be appointed to Actom and ARS. We have made this a condition for the approval of this merger (see section A of the imposed conditions). We are satisfied that this condition addresses the concern of potential post-merger information exchange/collusion between the merged entity and ARS and we do not deal with this issue in any further detail in these reasons.⁵

Savcio

7] The primary target firm is Savcio, a private company incorporated in terms of the laws of the Republic of South Africa. Savcio was incorporated in 2005 when a private equity-led consortium acquired the Repairs & Services and Replacement Parts division of Delta Electrical Industries Limited. Savcio has no active subsidiaries in South Africa.

Savcio is an electro-mechanical provider of maintenance and repair services for rotating electrical equipment and transformers. The equipment maintained and repaired includes motors, generators and related mechanical equipment, transformers, static equipment, electrical systems integration and hydraulic systems. The industries in which Savcio is active include mining, power generation and distribution, general manufacturing (steel, petrochemicals and paper), rail transportation, marine, oil and gas.

Savcio carries out its business in South Africa through three business

⁵ For further details, see pages 14 to 16 of the Commission's recommendation.

units namely (i) Wilec, a supplier of magnet wire and covered copper conductors, insulation products and bearings, as well as quality tapes and abrasives; (ii) Transwire, a manufacturer of magnet wire and bare and covered conductors; and (iii) a maintenance and repairs unit. The businesses in the maintenance and repairs unit which are of relevance to the competition assessment of this transaction are: (i) LH Marthinusen, which offers electro-mechanical repair and maintenance services for medium and large sized motors and transformers; (ii) Marthinusen & Coutts, which offers repair services for rotating electrical equipment and medium voltage motors; and (iii) Reid & Mitchell, which offers maintenance and repair services with expertise in motors for open cast mining and diesel electric locomotives. Savcio further locally assembles commutators which it then supplies to third parties such as TRE (also see paragraph 25 below).

Proposed transaction and rationale

- 8] Actom intends to acquire all the issued shares in Savcio. Upon completion of the proposed transaction Actom thus will own and have sole control of Savcio for competition law purposes.

Actom submitted that the proposed transaction is an attractive investment because the Savcio business is a complementary fit to its business. Through Savcio's activities in the repair sector combined with Actom's manufacturing operations, the merged entity will be able to provide a 'one-stop shop' ensuring the continued viability and growth of both businesses.

- 9] From the perspective of Savcio, the proposed sale offers a return on investment for the Savcio shareholders who wish to realise the value of their investment.

Activities of merging parties

- 10] From the above-mentioned description of the activities of the merging parties it is evident that Actom is predominantly involved in the manufacturing of electrical equipment and related products whilst Savcio is mainly involved in the repair of these products. There is however a horizontal overlap between the merging parties' activities, as explained below.

Horizontal overlap

- 11] The activities of the merging parties horizontally overlap since they both

manufacture/assemble and supply commutators, a particular component of a DC motor.⁶ A commutator, in simple terms, comprises of copper segments arranged in a circular form (i.e. the so-called “copper pack”) which is attached to the steel work. The commutator is attached to the armature of the motor (i.e. the rotating part) and uses the electrical current to rotate the armature.

Actom (through Contact Engineering) is a manufacturer of commutators; it produces bulk volumes of the copper pack (the essential and most complex aspect of the commutator to manufacture) and steel casings for commutators. It imports copper in individual pieces and manufactures the copper pack from scratch. It supplies commutators primarily to the rail industry, which represents the dominant source of demand, and it is an approved supplier of TRE, the largest traction motor repairer (also see paragraph 33 below). Instead of manufacturing the commutator from raw materials like Actom, Savcio predominately assembles commutators by importing the complete copper pack and assembling it by attaching the copper pack to the steel work. The merging parties submitted that in most cases the steel work does not need to be replaced and therefore it is less costly to import only the copper pack and reuse the existing steel casing than import the complete set.

Vertical dimension

12] There are vertical relationships between the merging parties by virtue of the fact that they buy and sell certain products from each other in the ordinary course of business. The most significant of these products are copper wire and insulation products. We note that commutators, armature coils, copper wire and insulation are inputs in the manufacture and maintenance and repair of electrical motors and transformers.

Commission’s assessment

Commutators

13] The Commission found likely competition concerns as a result of the proposed deal only in the market for the supply of commutators. We therefore focus on this market in our analysis below. Section B of the imposed conditions relates to this market.

⁶ There is no commutator in an AC motor.

Copper wire products, armature coils and laminations

14]In regard to the market(s) for the supply of copper wire products the merging parties are in a vertical relationship since Actom purchases copper wire from Savcio's Transwire and Wilec divisions in order to manufacture electric motors. The Commission however found that the proposed transaction raises no competition concerns in the markets for the supply of copper products. The merging parties nevertheless voluntarily gave undertakings in this regard (see section C of the imposed conditions).

The Commission further found no likely substantial prevention or lessening of competition as a result of the proposed transaction in the markets for the supply of armature coils and laminations. There is no horizontal overlap between the activities of the merging parties in both these markets.

The Tribunal has no reason to doubt the Commission's findings that no likely competition concerns arise as a result of the proposed deal in any relevant copper wire product market as well as the markets for the supply of armature coils and laminations. We have no evidence of any likely substantial prevention or lessening of competition as a result of the proposed transaction in these markets and therefore no justification for imposing any conditions on the merging parties in relation to these markets. We therefore do not deal with these markets in any further detail below.

Horizontal overlap: Supply of commutators

15]In regard to the manufacture/assembly and supply of commutators, we focus on the use of commutators in locomotives due to the fact that the merging parties' activities overlap in commutators used in the DC traction motors found in locomotives. Mr. Govender explained the function of a commutator in the overall system as follows: *"[t]he commutator is part of the whole system, it fits into a traction motor, a traction motor fits into a locomotive and a locomotive is in total infrastructure that it works in, or it has to work between the overhead and the rail ...".*⁷

The Commission's market investigation revealed that the participants in this market include Contact Engineering (Actom), Savcio, Commutator Engineering, YNF, Morgan Carbon and Armtec. ARS is only an in-

⁷ Transcript page 116.

house supplier of commutators and does not currently supply commutators to the open market. Post-merger the merged entity will be the largest player in the supply of commutators in South Africa, with Contact Engineering (Actom) having the lion's share of this market. Savcio however currently is not a particularly large player in this market; Mr. Govender confirmed that Savcio at present is only accredited by TRE to supply a single type of commutator model, namely the 6E1MA model.

The Commission further found that TRE and the Passenger Rail Agency of South Africa (PRASA) are the predominant commutator customers since the majority of DC motors in South Africa are in the rail locomotives operated by them. Mr Govender testified that TRE has an active fleet size of more than 2 000 locomotives; whilst PRASA has a fleet size of more than 1 000 motor coaches.⁸ He further testified that a single locomotive may require a configuration of four to six traction motors.⁹ He confirmed that TRE is able to source parts for (only) approximately 900 of its locomotives from the original equipment manufacturers (OEMs).¹⁰ He further confirmed that TRE's concerns in regard to the proposed transaction relate to some 1 200 electrical locomotives in respect of which there are no OEMs from which TRE can order parts.¹¹

TRE issues tenders for the supply of commutators to be used in motor repair and PRASA outsources repair work. The Commission found that these bids are issued every two to three years. It is important to note that the merging parties and TRE thus are competitors for PRASA's traction motor repair work.

TRE currently does not manufacture or import any commutator classes and Mr. Govender further testified that although TRE currently repairs commutators at its facilities this is done only to a very limited extent.¹² Whilst PRASA raised no concerns regarding the proposed merger, TRE indicated that the proposed merger would reduce the number of players in the commutator supply market making it more difficult to split tenders between suppliers and to post-merger switch to an alternative supplier should one of the contracted suppliers not deliver.

The Commission contacted certain foreign companies such as Sahney (based in India) and Morgan Carbon (based in France) who indicated that they would be able to supply even small volumes of niche class commutators to the South African market. Sahney currently supplies a number of South African companies with certain mainstream commutators and further indicated that it could build a prototype if it was given drawings and plans for other commutator sizes. Morgan Carbon indicated to the Commission that it intends increasing its supply into South Africa once it has completed a project to increase capacity in its factories.¹³

8 Transcript pages 13 and 14.

9 Transcript page 14.

10 Transcript page 15.

11 Transcript page 16.

12 Transcript page 21.

13 Commission's recommendation page 64.

TRE however advised the Commission that it currently has no structures in place to backward integrate in the self-supply of commutators, although it is a possibility for the future but a long-term investment that may take four to five years to achieve.

The Commission concluded that proposed merger is likely to substantially prevent or lessen competition in the market for the supply of commutators unless a condition is put in place to ensure that the merging parties continue to supply TRE at market related prices for the next five years. The merging parties indicated their willingness post-merger to extend TRE's commutator supply contract for a further five years, which contract is subject to base prices and an inflationary increase. The Commission was of the view that such a condition would legitimately address TRE's concerns and ensure it the time needed to set up alternatives such as imports/backward integration.

TRE's submissions

16] During the Tribunal hearing TRE abandoned its original stance that the proposed merger should be prohibited and ventured certain counter-conditions to that proposed by the Commission and the merging parties. In Mr Govender's words: *"I can't think we're saying we're not opposing the merger we're saying that there must be conditions that we have that will be met"*.¹⁴

Following a Tribunal directive¹⁵, TRE filed written submissions in regard to its proposed conditions. In short, TRE submitted that enhanced conditions should be imposed on the markets for commutators and copper wire products and furthermore that conditions should be imposed on the merged entity in relation to the markets for armature coils and laminations.

We have pointed out in paragraphs 28 to 30 above that no evidence exists of a likely substantial prevention or lessening of competition in the markets for copper wire products, armature coils and laminations. Therefore we below only deal with TRE's concerns relating to the market for the manufacture/assembly and supply of commutators. TRE's main criticism of the Commission's proposed conditions in relation to commutator supply related to the time period of application thereof, which the Commission felt should be five years from the date of the Tribunal's order. Mr. Govender during his testimony contended that *"the five year timeframe is very, very limited given the experience that we have currently with overseas suppliers and primarily manufacturers"*.¹⁶ Mr. Govender further explained that in order for TRE to purchase a commutator from an overseas manufacturer TRE *"would have to give them the drawings, the specifications, the operating*

14 Transcript page 45.

15 Transcript page 120.

16 Transcript page 35.

conditions, and also send them a traction motor, so they can simulate the whole fitment of the commutator onto the traction motor".¹⁷

Whilst Mr. Govender at the hearing contended that the period of application of these conditions should be "ten" years, TRE in its consequent written submissions following the hearing stated that this period should be "seven" years. The rationale for this period, according to TRE, was "*the vicissitudes involved in having components for traction engines, which are obsolete, redesigned and manufactured, and the alternative evidence relating to the Capex required to set up a plant of the sophistication required by Transnet in order to manufacture such commutators ... in-house*".¹⁸

TRE further submitted that "*the volumes of components required by Transnet were cyclical in nature ...*" and that the conditions should cater for this.¹⁹ It suggested a tightening of the lead times in TRE's existing commutator supply contract, which obliges delivery within 8 to 14 weeks, to post-merger delivery by the merged entity between 8 to 12 weeks to ensure that "*mission critical*" services are not interrupted.²⁰ This would be subject to TRE providing the merged entity with a "*rolling three month forecast*" of its demand of commutators.²¹ We below deal first with the period of application of the conditions, and second with commutator volumes/delivery.

Period of application of commutator conditions

17]The Commission, in reaction to TRE's submissions in relation to the period of application of the conditions relating to commutators, maintained that a five year period of application of the proposed conditions from the date of the Tribunal's order is sufficient for TRE to set up alternative commutator supply.²² The Commission further submitted that in order to constrain the merged entity TRE would not need to itself produce every single commutator that it requires.²³

We have found TRE's ultimate submission of a period of seven years of application of the conditions relating to commutators to be arbitrary and without factual justification. In particular we found Mr. Govender's equation of the time period required to redesign and commission and entire traction motor to that required for a commutator to be wholly unjustified.

Mr Govender provided the following background information and

¹⁷ Transcript page 117.

¹⁸ Paragraph 2.3.1 of TRE's written submissions in support of its proposed conditions.

¹⁹ Paragraph 3 of TRE's written submissions in support of its proposed conditions.

²⁰ Paragraph 4 of TRE's written submissions in support of its proposed conditions.

²¹ Paragraph 5 of TRE's written submissions in support of its proposed conditions.

²² Paragraph 3 of the Commission's written submissions in relation to TRE's proposed conditions.

²³ Paragraph 5 of the Commission's written submissions in relation to TRE's proposed conditions.

explanation of the problems associated with TRE's current sourcing of a entire traction motor from China: TRE "*started a process because the fleet required a new traction motor because of its unreliability in terms of design of that traction model so we copied the design of the 73/71 combination traction motor that we have and we went to suppliers to develop it and this was during 2007. In 2010 we placed the orders and deliveries started taking place but we've had, normally we have one type test but we've had two type tests and we've chosen Yungji²⁴ but we've had numerous defects with the supply of the traction motor in terms of design and it was copied*".²⁵ He further confirmed that this related not to a single element of the motor, such as a commutator (which forms an integral part of a traction motor²⁶), but to "*a complete traction motor ...*"²⁷; a "*whole function of the motor ... [b]ecause the motor operates in a system*".²⁸ Mr. Govender further confirmed that TRE at present has no specific problems with the commutator in the Yungji motor.²⁹ In Mr. Govender's words the problems with the traction motor supplied by Yungji relate to "*the design of the interpoles, the wrong size of copper wire that was used, or copper, strand copper that was used in the design of the interpoles, which caused malfunction in the locomotive, then we had fatigue of the shaft and now we have cooling problems, so we don't normally do it, we are going back for a second prototype and a type test*".³⁰

Furthermore, from a customer countervailing power perspective we note that the threat is present and is real of TRE in future self-supplying in all or some of its commutator needs by commissioning commutators from an overseas supplier. In the context of such an existing credible threat the precise timing of actual self-supply is less important. Should the merged entity engage in post-merger anti-competitive conduct (for example by significantly increasing commutator prices after the merger) and TRE initiate a process of self-supply, then the merged entity would risk losing its commutator sales to TRE for the duration of this "declining"³¹ market.

We conclude that there is no factual justification for deviation from the five year period of application of the conditions relating to commutators as proposed by the Commission and accepted by the merging parties.

Commutator volumes and delivery

18]In respect of commutator volumes, the Commission submitted *inter alia* that it would be inappropriate to base TRE's needs on historical volumes given the recent change in the market from TRE being a

24 Yungji is part of the China North railroads, with Global Engineering as its local agent, see transcript page 24.

25 Transcript page 24.

26 Transcript pages 64 and 67.

27 Transcript page 26.

28 Transcript page 63.

29 Transcript page 112.

30 Transcript pages 111 and 112.

31 DC motors are slowly being phased out in the next 15 to 20 years.

monopolist to TRE being a competitor alongside other maintenance and service firms.³²

In relation to commutator delivery, the merging parties raised objections to TRE's proposed conditions since TRE allegedly regularly failed to take delivery of commutators when this was tendered by Savcio. They argued that TRE's proposed condition would oblige the merging parties to make delivery within a specified time, without obliging TRE to take delivery.³³

In regard to the lead time of delivery of commutators to TRE the Tribunal had regard to the existing contractual terms of agreement between Actom and TRE. We conclude that since a lead time of 8 to 14 weeks was acceptable under normal commercial contractual conditions such lead time provided for in the conditions should be sufficient (see section B of the imposed conditions).

However, in order to enhance transparency of TRE's demand of commutators given that it is cyclic in nature and fluctuates, the Tribunal has included a condition that states that TRE may, if it so desires, provide the merged entity with a six month view of its commutator demand with a rolling three month demand forecast.

Monitoring of conditions

19] In regard to the Commission's post-merger monitoring of the proposed conditions the Tribunal raised concerns during the hearing in regard to the adequacy of the Commission's originally proposed monitoring. The Commission then enhanced the proposed monitoring relating to the common shareholding conditions and the supply of copper wire conditions.³⁴ The merging parties had no objection to the Commission's ultimate proposed monitoring clauses.³⁵ The Tribunal included these monitoring clauses in its final order.

Public interest issues

20] The merging parties confirmed that the proposed transaction will have no adverse effect on employment, more specifically that no retrenchments are envisaged as a result of the proposed deal.³⁶ Furthermore, the conditional approval of the proposed transaction raises no other

32 See reason for this in paragraph 4 of the Commission's written submissions on TRE's proposed conditions.

33 Paragraph 2.13 of the merging parties' submission of 09 February 2012 on conditions.

34 See Commission's written submissions of 09 February 2012 on conditions.

35 Paragraph 7 of the merging parties' submission of 09 February 2012 on conditions.

36 See pages 10 and 53 of the record.

concerns from a public interest perspective.

Conclusion

21] For the above reasons we approved the proposed transaction with the conditions as set out in paragraph 2 above. For the sake of completeness, a copy of the Tribunal's order, including the imposed conditions, is attached hereto as "**Annexure A**".

ANDREAS WESSELS

08 May 2012
DATE

Yasmin Carrim and Takalani Madima concurring

Tribunal researcher: Thabo Ngilande

For the merging parties: Adv A Rafik Bhana SC and M A Wesley instructed by
Norton Rose and Webber Wentzel

For TRE: Adv C E Puckrin SC and H Gani
For the Commission: Lameez Vania