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13 September, 2017

**HCI and Tsogo Sun’s urgent application to Tribunal regarding Niveus transaction dismissed**

The Competition Tribunal has issued an order regarding an urgent application by Hosken Consolidated Investment Ltd (“HCI”) and Tsogo Sun Holdings Ltd (“Tsogo”) who approached the Tribunal on Friday, 8 September 2017 for a declaratory order for specific relief regarding a proposed transaction with Niveus Investment Limited (“Niveus”).

This application to the Tribunal arose out of an advisory opinion from the Competition Commission (“Commission”), who after being approached by HCI, advised, on 17 August 2017, that the proposed transaction be notified as a merger with the Commission.

In its application, HCI and Tsogo requested, by way of a declaratory order, that the transfer of gaming interests owned indirectly by Niveus, to Tsogo is not notifiable, contrary to the Commission’s advisory opinion. HCI and Tsogo argued that the proposed transaction does not constitute a merger but a consolidation of its gaming interests, other than its sports betting and lottery interests, in Niveus into Tsogo. HCI also argued that it already has a controlling shareholding in Tsogo and a controlling interest in Niveus and the transaction amounted to an internal restructuring.

The Tribunal has dismissed the application brought on 12 September 2017 and its reasons for doing so are to follow in due course.

Tsogo’s, gaming interests are held through Tsogo and Tsogo Sun Gaming (Pty) Ltd. The Tsogo Group, through subsidiary companies, operates 14 gaming and entertainment complexes in South Africa. Its non-casino hotel interests are held through Southern Sun Hotels and Southern Sun Offshore and respective subsidiaries, collectively referred to as Southern Sun Hotels.

HCI’s subsidiary, Niveus, wholly owns Niveus Invest 19 Limited (“GameCo”) and which in turn wholly owns Galaxy Gaming and Entertainment Property Limited, Vukani Gaming Corporation Proprietary Limited and Niveus Invest 1 Proprietary Limited. GameCo comprises all of the South African gaming interests in Niveus, other than its sports betting and lottery interests.

Issued by:

Chantelle Benjamin

Communications: Competition Tribunal

Tel (012)394 1383

Cell: +27 (0) 73 007 5603

Twitter: @comptrib

E-Mail: [chantelleb@comptrib.co.za](file:///C%3A%5CUsers%5CAlistairV%5CAppData%5CLocal%5CMicrosoft%5CWindows%5CTemporary%20Internet%20Files%5CContent.Outlook%5CHMBET88G%5Cchantelleb%40comptrib.co.za)

On Behalf Of:

Lerato Motaung

Registrar: Competition Tribunal

Tel: (012) 394 3355

Cell: +27 (0) 82 556 3221

E-Mail: LeratoM@comptrib.co.za