



MERGER DECISION NO 5: 2017

DECISION ON THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL IN BUILDEZEE ADHESIVES BOTSWANA (PTY) LTD BY SAINT-GOBAIN DEVELOPMENT SUB-SAHARAN AFRICA LTD.

PURSUANT to section 60(4)(a)(ii) of the Competition Act (Cap 46:09), notice is hereby given on the decision made by the Competition Authority in respect of the proposed acquisition of 100% of the issued share capital in Buildezee Adhesives Botswana (Pty) Ltd by Saint-Gobain Development Sub-Saharan Africa Ltd.

The Authority determined through the analysis of the facts of the merger, that the acquisition of 100% of the issued share capital in Buildezee Adhesives Botswana is not expected to result in a reduction in the number of players in any of the markets that the merging parties are active in due to absence of overlap in the activities of the parties, hence the market structure will not be altered. Furthermore, there are no public interest concerns that arise as a result of the proposed transaction.

The Authority takes into consideration the commitment that:

- a) Saint-Gobain Development sub-Saharan Africa Ltd commits that Buildezee Adhesives Botswana will remain a Botswana based manufacturer;
- b) Saint-Gobain will create new employment opportunities for positions that do not currently exist within Buildezee Adhesives Botswana;
- c) Saint-Gobain will consider manufacturing and selling in Botswana new products for the building industry that are not yet manufactured by Buildezee Adhesives Botswana;
- d) Buildezee Adhesives Botswana is also expected to benefit from the Technical Expertise and Innovation Strategy of Saint-Gobain Group; and
- e) Saint-Gobain commits to make additional investment, capital expenditures as well as Research and Development initiatives that would be required to grow Buildezee Adhesives Botswana.

Subject to these commitments and pursuant to the provision of section 60 of the Competition Act, the Authority has unconditionally approved the proposed acquisition of 100% of the issued share capital in Bildezee Adhesives Botswana (Pty) Ltd by Saint-Gobain Development Sub-Saharan Africa Ltd.

However, as stated under section 66 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone, this 20th day of January 2017.

Tebelelo Pule, Acting Chief Executive Officer, Competition Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013