

MERGER NOTICE NO 18 OF 2017: THE PROPOSED ACQUISITION OF 100% SHARES IN BUILDING SUPPLY GROUP (PTY) LTD BY STEINHOFF DOORS AND BUILDING MATERIALS (PTY) LTD.

Pursuant to section 56(1) of the Competition Act [CAP 46:09], the Competition Authority has received a merger notification for the proposed acquisition of 100% shares in Building Supply Group (Pty) Ltd ("**BSG**") by Steinhoff Doors and Building Materials (Pty) Ltd ("**SDBM**").

The acquiring enterprise, SDBM, is a company incorporated under the Laws of the Republic of South Africa and is controlled by JD Group Ltd; which is in turn ultimately controlled by Steinhoff International Holdings N.V ("**SIH**"). SIH, a public company listed on the Johannesburg Stock Exchange, also wholly controls Pepkor, a South African investment holding company, with retail interests in Africa, Australia and Eastern Europe. Pepkor has subsidiaries that operate in the retail industry, supplying clothing apparel; footwear; financial services; homeware; as well as mobile phones and related products. Pepkor operates through the following brands in Botswana: PEP; Ackermans; Shoe City; and Dunns. Furthermore, SIH has 25% interest in PSG Group Ltd, a South African based financial services company; and 43% interest in KAP Industrial Holdings Ltd ("**KAP**"), a South African based diversified industrial company. SDBM operates a general building materials division and a specialised building materials division, using various different brand names. In Botswana, SDBM, as part of its specialised building materials division, is a wholesaler distributing small volumes of plumbing (taps, basins, baths, bath and shower fittings); hardware and ironmongery products. The directors of SDBM are: Theodore Le Roux De Klerk; Wayne D. Opperman; Eugene Beneke; and Andries B. La Grange, all South Africans.

The target enterprise, BSG, is a company incorporated under the Laws of the Republic of South Africa, and is controlled by Invicta South Africa Holdings ("**ISAH**"); (which is in turn owned 75% by Invicta Holdings Ltd, a company listed on the Johannesburg Stock Exchange). In Botswana, BSG, supplies various hardware and building supply products through: **i) Tiletoria**, a wholesale supplier of tiles, flooring and other related products to retailers and other wholesalers; **ii) MacNeil**, involved in the importing, packaging, distributing and wholesaling of a wide range of sanitary- ware (baths, taps, toilets seats, cisterns, shower doors and other accessories) as well as plumbing focused building supplies (piping and tubes), glass bricks, vinyl and laminated flooring, electrical fittings, gutters and locksets through distribution centres in South Africa; **iii) Doors Closures Locks South Africa**, an ironmongery business involved in importing, parking, distributing and wholesaling a full range of locks, handles, hinges and door closure systems to the hardware retail trade; and **iv) Brands 4 Africa**, a holding company for One Owl Enterprises, an entity that exports building supplies and hardware (broad and timber related products; plumbing

and sanitary-ware, steel, abrasive, adhesives, fasteners, welding and related consumables, tiles and tile adhesives, general builders and hardware products as well as mining consumables) for its customers; tailor-making logistics solutions to meet their unique requirements. The core industries serviced by One Owl Enterprises include hardware, construction, automotive, agriculture and mining. The directors of BSG are Neil S. Malherbe; Arnold Goldstone; and Craig Barnard, all South Africans.

According to section 57(3) of the Competition Act, "any person, including a third party not a party to the proposed merger, may voluntarily submit to the inspector or the Authority any document, affidavit, statement or other relevant information in respect of a proposed merger". The Competition Authority therefore seeks any stakeholder views for or against the proposed merger, which may be sent within 10 days from date of this publication to the following address:

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