



## **MERGER NOTICE NO 20: 2019**

### **THE PROPOSED ACQUISITION OF 100% OF THE SHARES IN EDGARS CONSOLIDATED STORES LTD BY NEW HOLDCO.**

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% of the shares in Edgars Consolidated Stores Ltd ("ECSL") by New HoldCo.

The acquiring enterprise, New HoldCo, is a new special purpose vehicle (SPV) registered in accordance with the Laws of South Africa and established specifically for the purpose of the proposed transaction.

New HoldCo will therefore neither control nor be controlled by any enterprise/s. The anticipated shareholders of New HoldCo upon implementation of the proposed transaction are: the Public Investment Corporation SOC Limited ("PIC") which is a registered financial service provider, wholly owned by the South African Government and one of the largest investment managers in South Africa; OpCo Lenders include both South African and International banks and investment/hedge funds; Participating Landlords which include in their number property loan stock companies which own portfolio of properties comprising of offices, retail and industrial premises throughout South Africa; Employee Schemes which include the Management Incentive Plan ("MIP") and the BEE Trust. Another portion of the acquirer's entire issued share capital and convertible instruments will be offered to certain Existing Investors of parent entities of ECSL which include global asset/investment management firms.

The target enterprise, ECSL, is a limited liability company incorporated under the Laws of South Africa and it is wholly controlled by Edcon Acquisition (Pty) Ltd ["Bidco"]. ECSL wholly controls Edcon Limited ("OpCo") which in-turn, wholly controls all the South African and foreign subsidiaries that fall within the Edcon Group structure.

There are approximately 1194 Edcon Group stores across Africa including the 29 stores in Botswana. OpCo therefore operates under four distinct divisions in Botswana being the: Edgars Division; CNA Division; Jet Division; and ThankU Digital Credit and Financial Services Department ("Edcon C&FS").

Within these divisions, OpCo operates the following stores in Botswana: Edgars, Edgars Active, Jet, CNA and Edcon C&FS.

The Directors of ECSL are Grant Pattison; Richard Vaughan (both South African).

Furthermore, the directors of Jet Supermarket Botswana are: Dr. Urin Ferndale; Richard Vaughan (both South African); and Jethro Kamutsi (Zimbabwean).

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 the date of this publication to the following address:

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