



MERGER NOTICE NO 29: 2016

THE PROPOSED ACQUISITION OF 100% SHAREHOLDING IN EDCON ACQUISITION (PTY) LTD BY PARENTCO

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% issued shares in Edcon Acquisition (Pty) Ltd ("Bidco") by Parentco.

Parentco, the acquiring enterprise, is wholly owned by New Holdco1, which is in turn wholly owned by New Holdco 2. Each of Parentco, New Holdco1 and New Holdco 2 are special purpose vehicles (SPVs), to be established specifically for the purposes of this transaction. All these companies are to be incorporated under the Laws of the Republic of South Africa ("RSA"). Some of the shareholders of these SPVs are Harvard University; Franklin Templeton; Alliance Bernstein; and Brigade Capital Management LP.

Bidco, the target enterprise, is a company incorporated in accordance with the Laws of South Africa and it is wholly owned by Edcon Holdings Ltd. Bidco wholly owns Edgars Consolidated Stores Limited ("ESCL") which in turn wholly owns Edcon Limited ("Edcon"). Edcon wholly controls all the foreign and RSA subsidiaries that fall within the Edcon Holdings Ltd structure; and operates under four distinct divisions in Botswana being the: Edgars Division; Speciality Division; Discount Division; and the Edcon Credit and Financial Services Department (Edcon C&FS Department).

The Edgars Division has four Edgars department stores, trading in clothing; footwear; textiles and accessories; cosmetics; cellphones; and insurance products. The Speciality Division comprises of three Edgars Active stores, one Boardman store, three Legit Stores and three CNA stores across Botswana. The Discount Division includes Jet which has eighteen stores and Jet Mart which has two stores across Botswana. The Edcon C&FS Department primarily offers credit facilities and sells insurance products to account-holders.

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:

Director, Mergers and Monopolies
Competition Authority
Private Bag 00101
Plot 28, Matsitama Road, Main Mall
Gaborone
Tel: +267 3934278 Fax: +267 3121013
Email: CA@competitionauthority.co.bw