



MERGER NOTICE NO 38: 2016

THE PROPOSED ACQUISITION INVOLVING A CREATION BY BAYWA AKTIENGESELLSCHAFT AND BARLOWORLD SOUTH AFRICA (PTY) LTD OF A FULL-FUNCTION JOINT VENTURE COMPANY.

Pursuant to section 56(1) of the Competition Act (CAP 46:09), the Competition Authority has received a merger notification for the proposed creation by BayWa Aktiengesellschaft and Barloworld South Africa (Pty) Ltd of a full-function joint venture company which will operate in South Africa and, potentially in other African countries.

As part of the proposed transaction, Barloworld South Africa will contribute to the JV, its agricultural mechanisation and materials handling businesses in South Africa in consideration for an initial 100% in the JV; thereafter BayWa (through its agricultural segment) will acquire a 50% shareholding in the JV for a cash amount, to reflect the envisaged 50/50 participation of the parties to the JV.

The acquiring enterprise, BayWa, is a company incorporated and domiciled in Germany. It is traded on the Frankfurt and Munich Stock Exchanges. BayWa is the parent company of several subsidiaries that together form the BayWa Group. The BayWa Group's activities are divided into three segments: agriculture, energy and building materials. The agricultural segment trades in agricultural resources such as seeds, fertilisers and crop production as well as agricultural machinery equipment. The Group's international activities' area of focus are Europe, the United States and New Zealand; and as such does not have a presence in Botswana nor does it generate any revenue in, into or from Botswana.

The target enterprise, Barloworld South Africa, is a wholly-owned subsidiary of Barloworld Ltd, a public company incorporated in accordance with the Laws of the Republic of South Africa. Barloworld Ltd is primary listed on the Johannesburg Stock Exchange and secondary listed on the London and Namibia Stock Exchanges and it is part of the Barloworld Group. The Barloworld Group is a worldwide distributor of leading international brands providing integrated rental, fleet management, product support and logistics solutions.

The core division of the Barloworld Group comprise equipment and handling services (earthmoving, power systems, materials handlings and agricultural equipment); automotive services and logistics including car rental, fleet services and warehousing. Barloworld South Africa is operational in Botswana through its division, Barloworld Equipment (Pty) Ltd.

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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