



PUBLIC HEARING NOTICE

THE PROPOSED ACQUISITION OF THE OPERATION OF KENTUCKY FRIED CHICKEN FRANCHISE RESTAURANTS IN BOTSWANA, OPERATING UNDER THE BRAND NAME "KFC BOTSWANA", TOGETHER WITH ALL ASSETS RELATED TO OPERATION OF KFC FRANCHISE STORES FROM VPB PROPCO (PTY) LTD BY CALLUS (PTY) LTD.

Pursuant to section 58(1) of the Competition Act (Cap 46:09), the Competition Authority hereby invites members of the public to a hearing in relation to the proposed transaction which involves the intention by Callus (Pty) Ltd ("Callus") to acquire the operations of the Kentucky Fried Chicken franchise restaurants in Botswana, operating under the trade name "KFC Botswana", together with all assets related to the operation of the KFC franchise stores from VPB Propco (Pty) Ltd ("VPB").

The hearing will be held on **30th November, 2015**, at Plot 28, Matsitama Road, Old BEDIA Building at **14:30hrs**. The hearing will be held with each of the parties to the transaction and other interested parties, pursuant to section 58(3)(a) of the Competition Act. The hearing is intended to allow the parties to the transaction to make verbal representations to the Authority with respect to the transaction as well as allow their competitors and the general public to express their views on the acquisition.

Furthermore, other interested parties not party to the proposed transaction will be afforded an opportunity to voluntarily submit to the Authority any document, affidavit, statement or other relevant information in respect of the proposed acquisition. Though not mandatory, it would be preferable for those attending to submit copies of what they intend to present to the Authority no later than **12pm, 30th November, 2015**.

Callus, the acquiring enterprise, is a company incorporated under the Laws of the Republic of Botswana, and is a wholly owned subsidiary of Country Bird Holdings (Pty) Ltd ("CBH"). CBH is a company incorporated under the Laws of the Republic of South Africa. In addition to its interest in Callus, CBH has a 100% shareholding in Ross Africa Limited, a company duly incorporated in terms with the Laws of the Republic of Mauritius. Ross Africa Limited, in turn, has a 60%

shareholding in Master Feeds (Pty) Ltd, a company incorporated in accordance with the Laws of Botswana.

Master Feeds has three trading divisions active in Botswana, namely: Nutri Feeds (distributes feeds throughout Botswana); Ross Breeders Botswana (has hatcheries in Botswana); and Oistins (runs an abattoir as well as broiler farm in Botswana). Callus is therefore a shelf company which is intended to hold all the KFC franchise stores in Botswana and has no other business activities in the country.

VPB Propco, the target enterprise, is a company incorporated under the Laws of the Republic of Botswana. VPB trades as KFC Botswana through its three wholly owned subsidiaries: Greenax (Pty) Ltd, QSR (Pty) Ltd and Boitumelo Dijo (Pty) Ltd. Each of the aforementioned subsidiaries operates its own KFC franchise restaurants. Greenax operates Kanye, Broadhurst, Maun and Palapye KFC franchise outlets; QSR operates Kasane, Molepolole and Game City franchise outlets; and Boitumelo Dijo operates Gaborone Main Mall, Gaborone West, Francistown, Somerset, Rail Park and Airport Junction KFC franchise outlets.

Any questions on the above-mentioned hearing may be directed to:-

Director, Mergers and Monopolies, The Competition Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013

Email: magdeline.gabaraane@competitionauthority.co.bw