

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 100/LM/Sep07

In the matter between:

BUSINESS VENTURE INVESTMENTS NO.1145 (PTY) LTD Acquiring Firm

And

NKOMAZI WILDERNESS Target Firm

Panel : D Lewis (Presiding Member), N Manoim (Tribunal
Member), and U Bhoola (Tribunal Member)

Heard on : 7 November 2007
Decided on : 7 November 2007

Reasons issued on : 8 November 2007

REASONS FOR DECISION

APPROVAL

[1] On 7 November 2007, the Tribunal approved the merger between Business Venture Investments NO.1145 (Pty) Ltd (“**Business Venture**”) and Nkomazi Wilderness (“**Nkomazi**”).

THE TRANSACTION

[2] Business Venture, the primary acquiring firm, is a company newly incorporated for

purposes of the instant transaction. It is jointly controlled by Leisurecorp LCC¹ (“**Leisurecorp**”) - (50%); and Cradle of Life Investments (Pty) Ltd² (“**Cradle of Life**”) - (50%). Leisurecorp is controlled by Istithmar Private Joint Stock Company (99%) and Dubai World Holdings Limited (1%).³

[3] Nkomazi, the primary target firm, is a privately owned game reserve located in Mpumalanga comprising various pieces of land, in total approximately 15 990.8937.4 Nkomazi does not control any firm. It is controlled by Grand Valley Estates (Pty) Ltd (“**Grand Valley**”) - (84.74%), which is in turn controlled by Cradle of Life – a company that will post merger jointly control the acquiring firm with Leisurecorp.

[4] In terms of the Sale Agreement, Business Venture is acquiring the land comprising the Nkomazi game reserve together with its ancillary businesses from Cradle of Life Investments (Pty) Ltd and others.⁵

RATIONALE FOR THE TRANSACTION

[5] Envisioning increasing customer and tourist activity in the Mpumalanga area at large, Leisurecorp wishes to enter the South African game reserve industry and considers Nkomazi a viable long term investment that has development potential. The current owners of Nkomazi envisioned developing it into a game reserve that would compete with the best in Africa and for this reason an investor was required. Leisurecorp matched the requirements of such anticipated investor.

1 A company incorporated in accordance with the laws of the United Arab Emirates.

2 A company incorporated in accordance with the laws of South Africa.

3 Dubai World Holdings Limited, a company incorporated in accordance with the laws of the United Arab Emirates, is the ultimate controller of Istithmar Private Joint Stock Company, a company incorporated in accordance with the laws of South Africa.

4 These pieces of lands are owned by the following entities as follows: Grand Valley Estates (Pty) Ltd (84.74%); Edge to Edge (9%); Mountview Properties (1.8%); Nkomazi Nature Reserve (3.56%); and Motif Properties CC (0.9%).

5 These are Motif Properties CC; Mountain View Investments; Mountain View Properties; Edge to Edge and Trustees of the Clover Bank Development Trust.

THE PARTIES' ACTIVITIES

[6] The Leisurecorp group of companies is active in the real estate market, with focus on leisure internationally. In South Africa,⁶ Leisurecorp renders services in the property development and management sector, and has property investments in the retail, office, industrial and residential property markets. It is also active in the golf estate development market.⁷ Leisurecorp does not own any game reserve in South Africa.

[7] Nkomazi is currently run as a non-commercial privately owned game reserve, and its core business is game farming, with focus on game conservation. In addition it is utilised for hunting, scientific research and ecotourism. Nkomazi currently has five lodges, an office complex and workshop facilities. These facilities are utilised, the parties submitted, by the staff of Nkomazi in the ordinary course of the game's operation as well as scientists and hunters that occasionally visit the game reserve.

THE RELEVANT MARKET

[8] As it appear in paragraphs 6 and 7 above, the parties participate in different markets. In the absence of any overlap in the parties' activities, the Commission considered it unnecessary to define the market.

COMPETITION ANALYSIS

[9] There is no overlap in the parties' activities as Leisurecorp and its group of companies do not have any interest in the game reserve business in South Africa. The effect of the transaction is that Nkomazi once solely controlled by Cradle of Life Investments, will now be jointly controlled by Leisurecorp and Cradle of Life Investments.

⁶ As a result of its acquisition of V&A Waterfront Holdings (Pty) Ltd.

⁷ As a result of its acquisition of Novelway Mauritius Limited, Leisurecorp indirectly acquired an interest in its South African subsidiaries i.e. Novelway Investments (Pty) Ltd which through its subsidiaries is active in the golf estate development.

[10] Given the above, it is our view that this transaction is unlikely to lead to a substantial lessening or prevention of competition in any market.

CONCLUSION

[11] We find that the transaction does not raise any significant public interest issues and accordingly approve the merger without conditions.

N Manoim

8 November 2007

Date

D Lewis and U Bhoola concurring.

Tribunal Researcher : P S Munyai

For the Acquiring firm : Hofmeyr Herbstein & Gihwala Inc

For the Target firm : Jowell Glyn and Marais

For the Competition Commission : I Selaledi
(Mergers & Acquisitions)