

# COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 03/LM/Jan08

In the matter between:

**Business Venture Investments No, 1251 (Pty) Ltd**

Acquiring Firm

And

**Various Business and shares in companies controlled  
by Mantis Group (Pty) Ltd**

Target Firm

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Panel : D Lewis (Presiding Member), N Manoim (Tribunal Member),  
and Y Carrim (Tribunal Member)

Heard on : 12 March 2008

Order Issued : 12 March 2008

Reasons Issued: 28 March 2008

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## Reasons for Decision

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### Approval

[1] On 27 February 2008, the Tribunal unconditionally approved the merger between Business Venture Investments No. 1251 (Pty) Ltd and various businesses and shares in companies controlled by Mantis Group Holdings (Pty) Ltd. The reasons for approving the transaction follow.

### The parties

[2] The primary acquiring firm is Business Venture Investments 1215 (Pty) Ltd ("Business Venture"), a newly incorporated company in terms of the laws of the Republic of South Africa, which does not control any firm. Business Venture is controlled by Dubai World Holdings Limited ("Dubai World"), which is in turn, controlled by Dubai World Corporation ("DWC"). Dubai World does not control any other firm in South Africa.

[3] DWC controls various firms in South Africa.<sup>1</sup> DWC is controlled by the Government of Dubai.

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<sup>1</sup> Istihmar South Africa FZE, Lexshell 44 General Trading (Pty) Ltd, V&A Waterfront Holdings (Pty) Ltd, Leisurecorp LLC, Jumeirah Golf Estate LLC, Nkomazi Wilderness, Novelway

- [4] The primary target firms are various businesses operated by Mantis Group Holdings (Pty) Ltd (“Mantis Group”) and shares in companies controlled by the Mantis Group.
- [5] The various businesses of the Mantis Group comprise the business of game reserves operated by Shamwari Game Reserve (Pty) Ltd (“Shamwari”), Springlee Hospitality (Pty) Ltd (“Springlee”), Shamwari Game Reserve Properties (“Shamprop”), and Shayela Investments (Pty) Ltd.
- [6] The companies that are owned by Mantis Group from which the shares are going to be acquired are Sanbona Game Reserve (Pty) Ltd (“Sanbona”), Mitomeni River Lodge (Pty) Ltd (“Mitomeni”), Bayethe Hospitality (Pty) Ltd (“Bayethe”), and Frenetic Investments (Pty) Ltd (“Frenetic”).

#### **Description of the transaction**

- [7] In terms of this transaction, Business Venture intends to acquire the business of Shamwari, Springlee, Shamprop and Shayela of operating game reserves from Mantis Group. In addition, Business Venture will acquire 100% shareholding in Sanbona, 85% shareholding in Mitomeni, 50% shareholding in Bayethe and 50% shareholding in Frenetic.
- [8] On completion of the transaction, Business Venture will own the businesses of Shamwari, Springlee, Shamprop and Shayela of operating Game Reserves. It will also own 50% or more shares in Sanbona, Mitomeni, Bayethe, and Frenetic.

#### **Rationale for the transaction**

- [9] The acquiring group view the primary target firms to be a viable investment opportunities in the game reserve industry in South Africa.
- [10] The Mantis Group perceives this transaction as an opportunity to get the involvement of the acquiring group to assist in developing the game reserves expeditiously to coincide with the 2010 Soccer World Cup.

#### **The parties’ activities**

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Mauritius Limited, Novelway Investments (Pty) Ltd, V&A Waterfront Properties, V&A Waterfront Marina (Pty) Ltd, Victoria & Alfred Waterfront (Pty) Ltd, Pearl Valley Properties (Pty) Ltd, Pearl Valley Development, Pearl Valley Management (Pty) Ltd, Pearl Valley Golf Club (Pty) Ltd, Pearl Valley Golf Shop (Pty) Ltd, and Two Oceans Aquarium Trust.

## **Primary acquiring group**

### Business Venture

[11] Business Venture is a newly formed company, which has previously not traded.

### Dubai World

[12] Dubai World is an investment company that manages and supervises a portfolio of businesses and projects for the Dubai Government. It does not have business activities in South Africa.

### Istihmar South Africa

[13] Istithmar South Africa is active in the property sector through V & A Waterfront which is involved in retail, hotel, office and fishing and industrial properties. Their hotel properties comprise Table Bay Hotel, Victoria and Alfred Hotel, Portswood Hotel, Commodore Hotel, City Lodge, Breakwater Lodge and Cape Grace Hotel.

[14] They also have V&A Manco, which is a property management and development company, which provides services such as property leasing, property development, cleaning, maintenance, security and horticulture to V & A Group of companies.

[15] Istithmar South Africa, through V & A Marina, is involved in residential property development and through Two Oceans Aquarium, it attracts tourists through exhibits, conservation and educational programs which are environmentally inclined.

### Leisurecorp LLC

[16] Leisurecorp LLC is an investment and real estate development company that focuses primarily on investments in the leisure industry internationally.

[17] In South Africa, Leisurecorp, through its subsidiaries, is involved in the development of land on which the Pearl Valley Golf Estate and Spa is situated. It is also involved in the sale of the vacant residential erven at the Pearl Valley Golf Estate, through its estate agent arm, Pearl Valley Properties.

### Nkomazi Wilderness

[18] The parties submit that Nkomazi Wilderness is a private game reserve created through the purchase and consolidation of various farms situated in Carolina District between Komati lowlands and Barberton Mountainlands in the Mpumalanga Province.

[19] They further submit that the core business of Nkomazi Wilderness is that of game conservation. It is currently utilized for hunting, scientific research and ecotourism. They also submit that Nkomazi Wilderness does not operate as a commercial game reserve with the prospect of lodges in it.

### **The primary target firm**

#### Shamwari

[20] The principal business activity of Shamwari is the operation of the Shamwari Game Reserve, the letting of leisure accommodation and game ranching at the Shamwari Game Reserve. Shamwari Game Reserve is situated in the Eastern Cape, between Port Elizabeth and Grahamstown and forms part of the scenic Garden Route.

#### Springlee

[21] Springlee is the holder of the Shamwari-related trademarks, and it is situated in the Eastern Cape

#### Shamprop

[22] Shamprop is a property investment company and owns the land on which the Shamwari Game Reserve is situated.

#### Shayela

[23] Shayela is a property investment company within the Mantis Group. It owns a property within the Shamwari Game Reserve, which is utilised as a student educational facility. Shayela is also situated in the Eastern Cape.

#### Sanbona

[24] Sanbona is an entity within the Mantis Group which owns and operates the Sanbona Wildlife Reserve and two luxury lodges on the premises of the Sanbona Wildlife Reserve. Sanbona is situated in the little Karoo in the Western Cape.

### Mitomeni

[25] Mitomeni is the operating company of the Jack Safari Lodge in the Kruger National Park. Mitomeni is situated in Mpumalanga. The Jock Safari Lodge is a privately owned lodge within a private concession on the borders of the Kruger National Park.

### Bayethe

[26] Bayethe is a company, which is in the business of letting of leisure accommodation, with traversing rights on the Shamwari Game Reserve limited to the period for which Shamwari manages the assets of Bayethe as situated on the Shamwari Game Reserve. Bayethe is also situated in the Eastern Cape.

### Frenetic

[27] Frenetic is a property investment company. The turnover of Frenetic is generated through the leasing of its property to Bayethe for the conduct of Bayethe's business. Bayethe is also situated in the Eastern Cape.

### **Competition analysis**

[28] The only area of potential overlap in the activities of the parties is in respect of the operation of game reserves in Mpumalanga. The target firm owns one game reserve in Mpumalanga namely, the Jock Safari Lodge, which is operated by Mitomeni. The acquiring firm, on the other hand, has joint control over Nkomazi Wilderness, whose core business is game farming and game conservation.

[29] The Commission submitted that Nkomazi Wilderness, which is partly owned by the primary acquiring firm, is not in competition with the target firm's Jock Safari Lodge, since it is not currently operating commercially in the game accommodation market. There is therefore no market share for Nkomazi Wilderness. The parties stated that the market share for Jock Safari Lodge is 2.22% in Mpumalanga. This market share is small and does not raise competition concerns in Mpumalanga as, post-merger, the Jock Safari Lodge will continue to face competition from approximately ninety game reserves such as Lion Sands Private Game Reserve, Leopard Hills Private Reserves, Ulusaba Private Game Reserves and Dunkeld Country Estate in Mpumalanga.<sup>2</sup> As a

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<sup>2</sup> See page 43-46 of the Competitive Report filed by the merging parties.

result, the proposed transaction is unlikely to substantially prevent or lessen competition.

**Public Interest**

[30] There are no public interest issues.

**Conclusion**

[31] The merger is approved unconditionally.

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N Manoim  
Tribunal Member

**28 March 2008**  
**DATE**

D Lewis and Y Carrim concur in the judgment of N Manoim

Tribunal Researcher : R Kariga

For the merging parties: Hofmeyr Herbstein and Gihwala Inc.

For the Commission : M Mohlala and T Lehaja (Mergers and Acquisitions)