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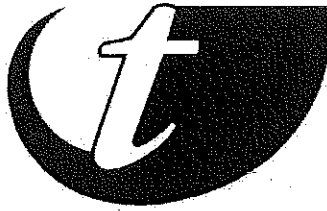
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Attached please find the Tribunal's reasons for the decision in the above matter.

Regards

Abigail Mashigo

CC: Bheki Masilela - 44582



competitiontribunal
south africa

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COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 76/LM/Sep11

In the matter between:

Business Venture Investments

Acquiring Firm

And

Vox Telecom Limited

Target Firm

Panel : Norman Manoim (Presiding Member)
Yasmin Carrim (Tribunal Member)
Andreas Wessels (Tribunal Member)
Heard on : 12/10/2011
Order issued on : 12/10/2011
Reasons issued on : 18/10/2011

Reasons for Decision

APPROVAL

[1] On 12 October 2011 the Competition Tribunal ("Tribunal") unconditionally approved the proposed transaction between Business Venture Investments ("Bidco") and Vox Telecom Limited ("Vox"). The reasons for approval of the proposed transaction follows below.

THE TRANSACTION

[2] This deal is essentially a private equity transaction in terms of which Bidco, the primary acquiring firm, intends to acquire the entire issued share capital in Vox, the primary target firm. This will result in Bidco controlling Vox post merger.

[3] Bidco is a newly formed entity which is jointly controlled by Lereko Metier Trustees which through its subsidiaries provides a number of services including, electronics,

property investment and letting, fast moving consumer goods, as well as import and distribution of medical equipment to the medical industry, and Investec Bank, an international specialist bank and asset manager which provides a range of financial products and services.

[4] Vox controls a number of companies that are active in the telecommunications industry, and is a telecom operator that provides internet, voice and data services.

THE RATIONALE

[5] For the acquiring group, this transaction is an ideal move to grow its investment in a company which is perceived to have a good future prospect. For the target firm, this is an opportunity to realise its investment.

COMPETITION ASSESSMENT

[6] The Commission found that there is no horizontal overlap in the activities of the merging parties as they do not provide the same services and are not actual or potential competitors. However given Investec's shareholding in Glocell, we inquired about the potential competitive overlap between Glocell and Vox. Murray Steyn from Vox stated that Vox purchases some services from Glocell, but nevertheless confirmed that there is no competition between the two as they do not provide the same services since Glocell sells SIMs to the consumer market while Vox provides SIMs to the corporate market.

[7] In respect to the vertical relationship between the merging parties, the Commission took into account the fact that Vox provides some services to Investec.¹ Additionally, the Commission said that Vox provided services to firms controlled by Lereko Metier.² However, the Commission found that the vertical overlap is minimal as it accounts for only about 0.0027% of Vox's annual turnover. Furthermore, the Commission also said that the telecommunications sector is constantly changing which makes it unlikely for the merging parties to control the market.

¹ Investec has 25% stake in MSG Africa which is involved in email security, web security, email hosting and email archiving, and also has 20% stake in Tsiya Group which is in the process of acquiring MB Technologies which is involved in sale of IT equipment, particularly PCs.

² i.e. Inhep Electronics for data line and Orley Foods for ADSL interconnectivity, managed voice and call manager.

[8] Given that the vertical integration is very minimal, it makes it unlikely for the merging parties to engage in any foreclosure strategy.

PUBLIC INTEREST

[9] This deal does not give rise to any public interest issues.

CONCLUSION

[10] We therefore conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any of the relevant identified markets as there is no horizontal overlap and the vertical integration is negligible.



N Mandim

18/10/2011
Date

Y Carrim and A Wessels concurring

Tribunal Researcher:	Londiwe Senona
For the merging parties:	Cliffe Dekker Hofmeyr for the Acquiring Firm and Webber Wentzel for the Target Firm
For the Commission:	Bheki Masilela