

**NOTE: There is no ongoing case against Pioneer Foods with respect to the maize and wheat milling complaints – copy below is amended to reflect this.**



**OUTCOME OF HEARINGS FOR WEDNESDAY, 1 NOVEMBER, 2017**

Type of matter	Parties involved	Competition Commission's recommendation to Tribunal	Tribunal decision
Settlement agreement	Competition Commission and Godrich Flour Mills (Pty) Ltd	Approve settlement agreement	Approved settlement agreement
Large merger	MIH Ecommerce Holdings (Pty) Ltd And the Car Trader (Pty) Ltd	Approve without conditions	Approved with condition
Large merger	Gallus Holdings Limited and Sovereign Food Investments Limited	Approve without conditions	Approved with condition

**Godrich Flour Mills pays R4, 4 million settlement for price fixing**

The Tribunal on Wednesday confirmed a settlement agreement involving Godrich Flour Mills for price fixing in the market for milled wheat and white maize products. Godrich Flour Mills has agreed to pay R4 354 467 for taking part in a cartel that colluded with other maize milling firms to fix the price of milled white maize and the dates when the new pricing would be implemented.

Godrich Flour Mills did not implement the cartel decisions but admitted to taking part in taking part in practices to directly or indirectly fixing a purchase price or selling and price. It also made an admission not made by other parties who have settled, namely that it admits to taking part in dividing markets.

In March 2007, the Commission initiated a complaint against Tiger Brands, Pioneer Foods, Foodcorp, Pride Milling and Progress Milling. The initiation was later amended to include other players in the milling industry including Blinkwater Mills and Godrich.

The investigation was extended after the Commission received a corporate leniency application from Premier Foods in 2007, which was corroborated by a further leniency application filed by Tiger Brands in the same year.

The following respondents have concluded settlement agreements:

- Pioneer Foods paid an administrative penalty of R500 000 000
- Brenner Mills was fined R12 000 872
- Pride Milling paid an administrative penalty R10 624 959
- Blinkwater paid R10 112 504.20
- Keystone Milling paid R6 730 349
- Carolina Rollermeule agreed to pay R4 417 546
- Bothaville Milling paid R4 211 385.90

Tiger Brands Limited and Premier Food (Pty) Ltd are leniency applicants.

#### **MIH eCommerce Holdings merger with AutoTrader conditionally approved**

MIH eCommerce ultimately owned by Naspers Limited (Naspers). MIH eCommerce is the holding company of all Naspers' ecommerce interest in South Africa (excluding certain divisions of Media24).

Relevant to the proposed transaction are the activities of MIH eCommerce, through online classified advertising platform OLX, which connects buyers and sellers of goods and services through the publication of individual product advertisements (classifieds) on its online platform.

AutoTrader is a specialised classified online and print advertiser. It offers advertising of vehicles and ancillary products and consulting services and software products for the SA automotive industry.

The Tribunal approved the merger with a public interest condition that the merging parties shall not retrench anyone for a period of two years from the approval date.

#### **Merger between Gallus Holdings and Sovereign Food conditionally approved**

The merger involving Gallus Holdings Limited (Gallus) and the target company, poultry producer, Sovereign Food Investments Limited (Sovereign Food) has been approved by the Tribunal. Post-merger Gallus will control Sovereign Foods.

Gallus is a newly incorporated entity and does not conduct any business activities and is ultimately controlled by Capitalworks Private Equity Advisor. The Acquiring Group manages private equity funds under its management from leading international and domestic investors. Investors include domestic and international institutional investors,

commercial banks, insurance companies, pension funds, family offices and high net worth individuals.

Sovereign Food is a fully integrated poultry business in South Africa with business units including breeding, hatchery, broiler operation, feed mill, processing plant and a sales and marketing unit. Sovereign Food supplies both fresh and frozen chicken portions and has a number of brands including Country Range, Chicken 'Tizers, Cater Chicken and Chef's Choice MCP.

The Tribunal approved the merger with a public interest condition that the merging parties shall not retrench anyone for a period of two years from the approval date.

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