

## COMPETITION TRIBUNAL OF SOUTH AFRICA

In the matter between:

**Case No: 41/LM/Apr08**

**Dubai World Africa Conservation FZE**

**Acquiring firm**

**And**

**Business Venture**

**Investments No 1145 (Pty) Ltd**

**Target firm**

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Panel : D Lewis (Presiding Member); U Bhoola (Tribunal Member) and M Mokuena (Tribunal Member)

Heard on : 04 June 2008

Decided : 04 June 2008

Reasons Issued : 08 July 2008

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### Reasons

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#### Approval

[1] On 04 June 2008 the Competition Tribunal issued a Merger Clearance Certificate approving the merger between Dubai World Africa Conservation FZE and Business Venture No 1145 (Pty) Ltd unconditionally. The reasons appear below.

#### Parties

[2] The acquiring firm is Dubai World Africa Conservation FZE ("Dubai World Africa Conservation") formed under the perception and seal of the Jebel Ali Free Zone Authority, United Arab Emirates as an offshore company. Dubai World Africa Conservation is a wholly owned subsidiary of Dubai World Africa Holdings Ltd FZE ("Dubai World Africa").<sup>1</sup>

[3] The primary target firm is Business Venture No 1145 (Pty) Ltd ("Business Venture") a company incorporated under the laws of the Republic of South Africa. Business Venture is jointly controlled by Leisurecorp LLC ("Leisurecorp")<sup>2</sup> and Cradle of Life Investments (Pty)

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<sup>1</sup> Dubai World Africa is in turn wholly owned by Dubai World Corporation which is ultimately controlled by the Government of Dubai. Dubai World Corporation indirectly controls other firms in South Africa through its subsidiaries Istithmar World Private Joint Stock Company ("Istithmar World"), Leisurecorp LLC ("Leisurecorp") and Dubai World Holdings Ltd ("Dubai World"). For a complete list of firms indirectly controlled by Istithmar World, Leisurecorp and Dubai World Dubai please refer to page 68-70 of the record. World Africa Conservation, the primary acquiring firm is a newly formed company and currently does not control any firms.

<sup>2</sup> Leisurecorp is controlled by Istithmar World; Istithmar World is ultimately controlled by Dubai World Corporation.

Ltd (Cradle of Life").<sup>3</sup> The firms directly controlled by Leisurecorp internationally are Jumeirah Golf Estates LLC and Novelway Mauritius Ltd.<sup>4</sup> In South Africa Leisurecorp indirectly controls Novelway Investments (Pty) Ltd trading as Pearl Valley Golf Estate and Spa ("Novelway"). The only interest held by Business Venture is Nkomazi Wilderness, a non-commercial game reserve situated in Mpumalanga.<sup>5</sup>

### **Transaction**

[4] In terms of the transaction Leisurecorp intends to increase its shareholding in Business Venture from 50% to 100% by acquiring an additional 50% share. The effect of the transaction is that the acquiring group will solely control the primary target firm post the transaction.

### **Rationale of transaction**

[5] The parties have submitted that the acquiring group perceives the primary target firm to be a viable investment opportunity in the game reserve industry in South Africa. The target firm's rationale is to realise the investment potential of the shares being sold.

### **Parties Activities**

[6] The acquiring firm is a newly formed company, which has previously not traded. Dubai World Corporation is an investment company that manages and supervises a portfolio of businesses and projects for the Dubai Government. Leisurecorp is an investment and real estate development company that focuses primarily on investments in the leisure industry internationally. 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. Leisurecorp's interest in Nkomazi Wilderness is by virtue of its joint control in Business Venture. The core business of Nkomazi Wilderness is that of game conservation. In addition Nkomazi Wilderness is currently utilized for hunting, scientific research and ecotourism. In South Africa Istithmar World trades through the following firms: V&A Waterfront; V&A Marina and V&A Properties.

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<sup>3</sup> For a list of firms directly or indirectly controlling Cradle Life refer to page 50-51 of the record.

<sup>4</sup> For a list of Novelway wholly owned subsidiaries, refer to page 48 of the record.

<sup>5</sup> We approved the acquisition of Nkomazi Wilderness by Business Venture under case number 100/LM/Sep07.

[7] Business Venture's only asset is Nkomazi Wilderness. As indicated above, the core business of Nkomazi Wilderness is that of game conservation. In addition Nkomazi Wilderness is currently utilized for hunting, scientific research and ecotourism.

### **Competition Analysis**

[8] In its analysis of the proposed transaction the Commission found there is an overlap in the activities of the merging parties in as far as Leisurecorp has prior shareholding in Business Venture. The Commission however found that the overlap will not result in an increase in market share or change in market structure. We agree with the Commission. In addition there are no public interest issues.

### **Conclusion**

[9] Based on the above the transaction will not result in a substantial lessening or prevention of competition and is accordingly approved unconditionally.

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**D Lewis**  
Tribunal Member

**08 July 2008**

**Date**

U Bhoola and M Mokuena concurring

Tribunal Researcher : J Ngobeni  
For the merging parties : Hofmeyr Herbstein & Gihwala  
For the Commission : Tholoana Lejaha (Mergers and Acquisitions)