



17 January 2018

Lewis Store merger with United Furniture Outlet approved with conditions

The Competition Tribunal has approved with conditions the merger between Lewis Stores (Pty) Ltd (Lewis) and United Furniture Outlets (Pty) Ltd (UFO). The matter was heard on 10 January 2018 where it was stood down to allow for further submissions to be made by the merging parties following representations made by the South African Commercial Catering and Allied Workers Union's (SACCAWU).

The Lewis Group is a furniture, appliance and electronics retailer focussed on the lower-middle income market. It has stores across South Africa, Botswana, Lesotho, Swaziland and Namibia with a focus mainly in rural areas. Sales are facilitated predominantly by in-house credit facilities, with further support provided by the Lewis Group's financial services arm.

UFO was established in 2004 by Phillip Glick and is an independent cash furniture store with a retail footprint of 30 stores. It sells a variety of furniture including lounge, bedroom and dining room products from various retail outlets within South Africa. UFO offers luxury brands with a value offering to the upper consumer spectrum.

Although the merging parties emphasized that there would be no merger specific retrenchments driven by any integration of the UFO model into Lewis, in order to ensure that there are no merger specific job losses following the merger, it was made a condition of the merger that the merging parties not make any merger related retrenchments for a period of 2 years post-implementation.

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