**OUTCOME OF COMPETITION TRIBUNAL HEARING 14082013**

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**Competition Tribunal approves Stefanutti Stocks / First Strut merger in record time on public interest grounds**

In its quickest turn-around time ever, today the Competition Tribunal received notice of, heard and approved the acquisition by construction firm, Stefanutti Stocks (Pty) Ltd, of Energotec, which is a division of First Strut (Pty) Ltd, within four hours of receiving the Competition Commission’s recommendation. The Tribunal approved the deal on the basis that Energotec, and ultimately First Strut, are in a precarious financial condition and currently under liquidation. If the merger had not been approved the 667 staff employed by Energotec would have lost their jobs. As a condition for the approval of the merger however the Tribunal ordered that, for a period of 2 years from the date the merger is implemented, Stefanutti Stocks must limit retrenchments resulting from the merger to 16 employees.

Stefanutti Stocks is a multi-disciplinary construction company which operates through various business units that provide, amongst others, building, mechanical, roads, pipelines and mining services. Energotec, on the other hand, is a civil engineering firm primarily operating within the petrochemical industry. First Strut, the firm within which Energotec falls, is controlled by Mr Andy Bertulis and the recently deceased Jeffrey Wiggill.

According to Stefanutti Stocks this deal will enable it to offer a more comprehensive service to its clients, making this an attractive opportunity for the construction firm.

The Competition Commission assessed the deal before referring it to the Tribunal and concluded that the transaction was unlikely to cause a substantial lessening of competition. Moreover Sasol Ltd, the only customer affected by the transaction, indicated its support for the deal and stressed the importance of the acquisition for its operations. According to the Commission, salvaging Energotec will secure the smooth execution of the scheduled September shut down of one of Sasol’s key fuel plants and, in this way, ensure the continuous supply of fuel in Gauteng. The Commission therefore recommended that the Tribunal approve the acquisition.

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