



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No:18/LM/Feb12

In the matter between:

Kagiso Media Limited

Acquiring Firm

And

Juta & Company Ltd, Imfundo Investments

(Pty) Ltd and Juta Investments (Pty) Ltd

Target Firm

Panel	:	Norman Manoim (Presiding Member), Yasmin Carrim (Tribunal Member) and Andreas Wessels (Tribunal Member)
Heard on	:	15 May 2012
Reasons issued on	:	25 June 2012

Reasons for Decision

Approval

[1] On 15 May 2012 the Competition Tribunal ("Tribunal") unconditionally approved the merger between Kagiso Media Limited and Juta and Company Limited, Imfundo Investments (Pty) Ltd and Juta Investments (Pty) Ltd. The reasons for approval follow below.

The Transaction

[2] The primary acquiring firm is Kagiso Media Limited (“Kagiso”), a company listed on the Johannesburg Stock Exchange having its principal place of business in Johannesburg. Kagiso is directly controlled by Kagiso Tiso Holdings (Pty) Ltd (“KTH”) through a 51% shareholding interest in Kagiso. KTH is not directly or indirectly controlled by any firm.

[3] The primary target firms are Juta and Company Limited (“Juta&Co”), Imfundo Investments (Pty) Ltd (“Imfundo”) and Juta Investments (Pty) Ltd (“Juta Investments”) hereinafter referred to collectively as the “target firms.” The transaction has been considered by the merging parties as one indivisible transaction as there is, amongst other factors, a common shareholding between Juta&Co, Imfundo and Juta Investments.

The Rationale

[4] Kagiso’s rationale for this transaction is that Juta&Co is a strategic investment in line with its growth and profitability objectives and that this transaction will therefore offer opportunities in South Africa and in other African countries.

[5] The target firms are of the view that this transaction will consolidate the shareholding in Juta&Co which will enable the merged firm to have better access to funding for its growth projects and be better placed to expand its product capabilities and services into countries outside South Africa.

The relevant market and the impact on competition

[6] Kagiso is active in the provision of entertainment and broadcasting services, including but not limited to, operating radio stations in South Africa. Imfundo and Juta Investments are investment holding companies that do not conduct any activities. Their only assets are the shares in Juta&Co.

[7] Juta&Co is active in the legal and educational publications, academic and professional development, adult learning and retail academic markets. One of its competitors is Van Schaik Bookstores which is a subsidiary of Avusa Limited (Avusa). Kagiso holds minor stake in Avusa of less than one percent and is not represented on its board of directors. It thus cannot anyway be considered to be able to control, influence of exchange information in respect of Van Schaik and hence we can conclude that no horizontal overlap exists.

[8] Kagiso was previously a joint controller of the Butterworths business (now Lexis Nexis) a rival book publisher to Juta&Co but has since sold this stake and is no longer subject to any restraint of trade in respect of that business.

[9] This transaction is therefore unlikely to substantially change the market dynamics in which Juta&Co and Kagiso operates.

[10] The Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in South Africa, a conclusion we agree with.

CONCLUSION

[11] There are no significant public interest issues and we accordingly approve the transaction without conditions.

N Manoim

25 June 2012
DATE

Y Carrim and A Wessels concurring.

Tribunal Researcher: Thabo Ngilande

For the merging parties: Werksmans Attorneys

For the Commission: Lebohang Molefe