



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM199Oct17

In the large merger between:

GoldenTree Asset Management LP
MIC Leisure (Pty) Limited

Primary Acquiring Firms

And

Peermont Holdings (Pty) Limited

Primary Target Firm

Panel	: Norman Manoim (Presiding Member)
	: Mondo Mazwai (Tribunal Member)
	: Fiona Tregenna (Tribunal Member)
Heard on	: 25 October 2017
Order Issued on	: 25 October 2017
Reasons Issued on	: 21 November 2017

Reasons for Decision

Approval

- [1] On 25 October 2017, the Competition Tribunal ("Tribunal") unconditionally approved the proposed transaction between the primary acquiring firms GoldenTree Asset Management LP ("**GoldenTree**") and MIC Leisure (Pty) Limited ("MIC Leisure") and the target firm Peermont Holdings (Pty) Limited ("**Peermont**").
- [2] The reasons for approving the proposed transaction follow.

Parties to the Proposed Transaction

Primary Acquiring Firm

- [3] The primary acquiring firm GoldenTree is a private investment company which operates as the manager for Golden Tree Asset Management Lux S.ar.l. The primary acquiring firm already holds 49.9% in Peermont, pre-transaction.

- [4] The second primary acquiring firm, MIC Leisure is wholly owned by Mineworkers Investment Company (RF) (Pty) Limited ("MIT") a trade union investment company. MIC Leisure already holds 15.4% in Peermont, pre-transaction.

Primary Target Firms

- [5] The target is Peermont which is the ultimate controlling shareholder of Peermont Global (Pty) Limited. Peermont was not controlled by any firm but its largest shareholders were GoldenTree and MIC Leisure.
- [6] Peermont is a casino and hotel operator in South Africa which controls, amongst others, Emperor's Palace, a casino located in Gauteng.

Proposed Transaction and Rationale

- [7] The proposed transaction entails GoldenTree and MIC Leisure acquiring joint control over Peermont. As part of this restructure, MIC Leisure will participate in a BEE transaction aimed at maintaining its total BEE ordinary shareholding in Peermont to at least 25%.
- [8] According to Peermont, the proposed transaction is part of a debt-refinance and equity restructure of Peermont. GoldenTree, as a major investor in Peermont, intends to support this restructure, while MIC Leisure has indicated that its inclusion in the transaction allows Peermont to maintain its BEE requirements. .

Relevant Market and Impact on Competition

- [9] The Commission considered the activities of the merging parties and found that there was no overlap as both GoldenTree and MIC Leisure do not control any firms that compete with Peermont.
- [10] Based on the above, we concurred with the Commission's finding that the proposed transaction is unlikely to substantially prevent or lessen competition in the relevant market as there is no horizontal overlap.

Public Interest

- [11] The Commission found that proposed transaction will have no negative effect on employment as no employees are likely to be retrenched as a result of the proposed transaction.¹ The merging parties further submitted that from an operational perspective Peermont will continue to conduct its business as it usually does.² Further, the

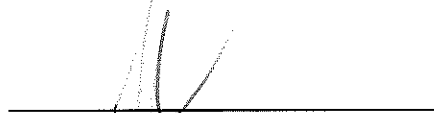
¹ Merger Record page 8.

² Merger Record page 653.

Commission was of the view that the merger is unlikely to raise concerns on any other public interest grounds.

Conclusion

[12] In light of the above, we concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market or raise any adverse public interest issues. Accordingly, we approved the proposed transaction unconditionally.



Mr Norman Manoim

21 November 2017

DATE

Ms Mondo Mazwai and Ms Fiona Tregenna concurring

Tribunal Researcher: Aneesa Ravat.

For the merging parties: Judd Lurie and Sarah Jackson of Bowmans.

For the Commission: Nolubabalo Myoli and Thabelo Masithulela.