DealMakers®

SOUTH AFRICA'S CORPORATE FINANCE MAGAZINE

R130.00 including VAT

Volume 14: No. 2

ISSN 1607-775X

08

9 771607 775004

2ND QUARTER 2013 M&A RANKINGS PLUS ALL CORPORATE FINANCE TRANSACTIONS

incorporating **Catalyst** & **DealMakers AFRICA** magazines

Publisher's Note

David Gleason

Corporate financiers with whom I have spoken in recent months pretty well all have the same story to tell – it's really tough out there. And that comes through quite clearly in the outturns for the industry for both the second quarter and the first half of 2013.

This is a reflection of a number of features that currently overshadow the market. The first is that the global economy remains transfixed by the events of 2007 and early 2008. I recall being asked at the time how long I thought it would be before the damage was repaired and I ventured five years. It sounded then a long way off – not long enough though. If I'd known better I'd have suggested ten years, and maybe even that won't cut it.

The Eurozone is at virtual standstill; the US is taking timorous growth steps, all dependant on easy money; now the emerging market giants are in trouble too. South Africa's economy reflects these realities – and adds another dimension: shoddy political interference in the private sector, the only one that makes money and the only one able to pull us out of the hole we've slipped into.

What is also notable is that those African countries which employ sensible investment policies are those which, admittedly off very low bases, are gathering economic speed despite the gathering storm clouds.

For example, our next door coastal neighbour, Mozambique, is making the most of two important advantages. First, it has developed a benign approach to foreign direct investment – it actually welcomes these. Second, probably more important, its natural resources encompass astonishing reserves of gas and oil, some of it offshore. In the circumstances, it's hardly surprising that more than 40% of transcontinental M&A activity over H1 took place in Mozambique.

This even extends to Tanzania, where the foolish socialist Ujamaa policies of the late Julius Nyerere have long since been abandoned, and to Kenya, a country which has always been dedicated to the rude and frequently corrupt pursuit of untrammelled wealth.

South Africa simply isn't getting its act together and this endless tinkering with the economic system and the uncertainty it creates, induces fallout across the board. The fact that international investors are so easily frightened off by the unilateral abrogation of long-term investment treaties seems hardly to have penetrated the inner workings of government.

The corporate finance industry is one of the sectors to suffer as a consequence and that's easily seen from the way in which transactions have tailed off so dramatically since 2008.

Talking to their books – just as you'd expect them to do – corporate financiers and their legal associates tell me that, with luck, the second half of 2013 will prove a lot better and that they hope deals which opened in March and April might be closed out shortly. There is, of course, a world of difference, between hope and reality and, being of a somewhat cynical turn, I'm inclined to think H2 will be more of the same.

I hope (there's that word again) I'm wrong. ■

CONTENTS

Gleason Publications

DealMakers is published by the proprietor Gleason Publications (Pty) Ltd, reg no: 1996/010505/07 from its offices at 30 Tudor Park, 61 Hillcrest Avenue, Blairgowrie, Randburg 2194.
Tel: +27 (0)11 886 6446,
Fax: +27 (0)11 886 6448.
e-mail: marylou@gleason.co.za
www.dealmakers.co.za

DealMakers is printed by Typo Colour Printing, 19 Beaufort Street Troyeville, Johannesburg.

Publisher: David Gleason
Editor: Marylou Greig
Editorial Assistant: Vanessa Aitken
Design & Layout: Janine Harms, Gleason Design Studio
Photographer: Arnold Pronto

Subscriptions may be purchased from the publisher's address at an inclusive rate of R500 per annum for four issues of DealMakers or such other amount as may be advertised from time to time. Postage to South African addresses is included. Subscriptions for delivery to addresses outside South Africa on application.

Advertising rates are available on request from Vanessa Aitken +27 (0)83 775 2995

THE OVAL TABLE

Membership of the Oval Table, which is by invitation only, comprises six of the corporate finance players and four corporate law firms; membership is held on a one-year cycle.

Representatives of the firms make up DealMakers' Editorial Advisory Board which meets half yearly.

MERGERS & ACQUISITIONS ANALYSIS Q2 2012

	Q2 2013			Q2 2012			2013 H1			2012 H1		
M&A ACTIVITY	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**
Local Deals	107	(0)	27,593,632,655	110	(5)	34,813,945,739	211	(3)	87,526,696,489	211	(7)	80,275,824,844
Foreign Deals	6	(0)	25,655,589,500	3	(0)	329,575,563	13	(0)	38,790,522,170	15	(1)	4,353,085,751
	113	(0)	53,249,222,155	113	(5)	35,143,521,302	224	(3)	126,317,218,659	226	(8)	84,628,910,595
JV ACTIVITY	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**
Local Joint venture	6	(0)	3,303,807,000	5	(0)	150,000,000	7	(0)	3,303,807,000	8	(0)	330,000,000
Foreign Joint Ventures	0	(0)	0	0	(0)	0	2	(0)	0	0	(0)	0
	6	(0)	3,303,807,000	5	(0)	150,000,000	9	(0)	3,303,807,000	8	(0)	330,000,000
TOTAL DEAL ACTIVITY	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**
Deals	113	(0)	53,249,222,155	113	(5)	35,143,521,302	224	(3)	126,317,218,659	226	(8)	84,628,910,595
Joint Ventures	6	(0)	3,303,807,000	5	(0)	150,000,000	9	(0)	3,303,807,000	8	(0)	330,000,000
	119	(0)	56,553,029,155	118	(5)	35,293,521,302	233	(3)	129,621,025,659	234	(8)	84,958,910,595

TOTAL DEAL ACTIVITY (excluding failed deals)	No.	VALUE (R)	No.	VALUE (R)	No.	VALUE (R)	No.	VALUE (R)
Local Deals	113	30,897,439,655	110	34,311,445,739	215	90,418,777,858	212	77,939,824,844
Foreign Deals	6	25,655,589,500	3	329,575,563	15	38,790,522,170	14	4,353,085,751
	119	56,553,029,155	113	34,641,021,302	230	129,209,300,028	226	82,292,910,595

	Q2 2013			Q2 2012			2013 H1			2012 H1		
BEE ANALYSIS	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**	**No.**	*****	**VALUE (R)**
M&A Activity	1	(0)	445,000,000	6	(0)	3,780,000,000	6	(0)	3,248,021,927	12	(0)	7,738,306,324
Joint Ventures	0	(0)	0	0	(0)	0	0	(0)	0	0	(0)	0
	1	(0)	445,000,000	6	(0)	3,780,000,000	6	(0)	3,248,021,927	12	(0)	7,738,306,324

* No of failed deals


KPMG
cutting through complexity
Now's your opportunity to really dazzle
The annual migration across the Serengeti and Masai Mara is described by many as the greatest show on earth. But the rapid migration of global business to Africa may outshine even this. The parallels are obvious – a purposeful journey, the need for clear guidance and support, and a life-sustaining prize.
Extraordinarily, while the wildebeest die in their tens of thousands, almost all of the zebra are successful in their crossing. As you bring your business into Africa, or expand across the continent, this is the experience that we want you to have.
Just like a group of zebras is described as a 'dazzle', we believe that Africa's' 54 countries – individually and ultimately together – are also set to dazzle. And so can you. Africa's time is now and we're very much part of it. We'd love to journey with you.
To find out more about how KPMG can help you, please contact John Geel on 011 647 7393 or e-mail john.geel@kpmg.co.za
kpmgafrica.com
© 2012 KPMG Services Proprietary Limited, a South African company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. KPMG and the KPMG logo are registered trademarks of KPMG International Cooperative ("KPMG International"), a Swiss entity. MC9003

BIGGEST DEALS H1 2013

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R
Disposal by ■	BHP Billiton to PetroChina International Investment	8,33% in East Browse JV and 20% stake in West Browse JV	$1,63bn	Jun 7 2013	16,252,893,000
Acquisition by	ARMZ from minority shareholders	remaining 48,6% stake in Uranium One	C$1,3bn	Jan 14 2013	11,830,000,000
Disposal by	Impala Platinum to indigenous entities (Zimplats Mhondoro-Ngezi Chegutu Zvimba Community Trust 10%, an employee share ownership trust 10%, National Indigenisation & Economic Empowerment Fund 31%)	51% stake in Zimbabwe Platinum Mines	$971m	Jan 14 2013	8,300,000,000
Acquisition by ■	China Resources Snow Breweries (SABMiller jv) from Kingway	brewery business	$864m	Feb 6 2013	7,675,948,800
Acquisition by	Bidvest from Adcock Ingram minority shareholders	57,46% stake (100 605 305 shares) in Adcock Ingram	R6,54bn	Mar 22 2013	6,539,344,830
Disposal by ■	BHP Billiton to Capestone Mining	Pinto Valley mining operation and the associated San Manuel Arizona Railroad Company	$650m	Apr 29 2013	5,911,880,000
Acquisition by	Cipla India from Cipla Medpro SA minorities	Cipla Medpro SA	R4,5bn	Mar 1 2013	4,450,421,941
Acquisition by	Aspen Pharmacare from MSD	API manufacturing facilities plus inventory	€336m	Jun 27 2013	4,372,000,000
Acquisition by	Redefine Properties from Fountainhead Property Trust minorities	452 442 210 Fountainhead Property Trust shares (38,9% stake)	R4,24bn	Mar 18 2013	4,239,000,000
Acquisition by ■	Intu Properties (previously Capital Shopping Centres) from Legal & General Property	Midsummer Place Shopping Centre, Central Milton Keynes, UK	£250,5m	Feb 27 2013	3,354,771,150

■ Foreign Deal - not included for ranking purposes

BIGGEST BEE DEALS H1 2013

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R
Acquisition by	Vukile Property Fund from Encha Properties	five properties (Navarre Wachthuis the Koedoe Arcade, De Bruyn Park and the Bloemfontein Fedsure Building)	R1,3bn	Mar 12 2013	1,335,000,000
Disposal by	Adcorp to BEE consortium (Employee Benefit Trust [40%], Wiphold Financial Services [35%], Simeka [25%]	16 822 849 unlisted 'B' shares	R505m	Mar 25 2013	505,021,927
Disposal by	Buildmax to Mbewu Capital (Harmoserve 40% and Inqolobane Investment Trust 60%)	10% stake in the mining services business unit	R500m	Feb 15 2013	500,000,000
Disposal by	Anglo American Platinum to Atlatsa Holdings	115 800 000 Atlatsa Resources shares	R463m	Mar 27 2013	463,000,000
Disposal by	Foodcorp (Rainbow Chicken) to Oceana and Ulwandle Fishing	fishing division (75%:25%)	R445m	Jun 4 2013	445,000,000

SECTOR ANALYSIS H1 2013

ACQUIRER	No.	%	VALUE (R)	%
Basic Materials	11	4.58%	5,987,846,540	4.50%
Oil & Gas	1	0.42%	0	0.00%
Industrials	22	9.17%	9,709,566,275	7.29%
Consumer Goods	13	5.42%	11,104,835,620	8.34%
Healthcare	3	1.25%	6,449,570,000	4.85%
Consumer Services	12	5.00%	1,522,655,500	1.14%
Telecommunications	3	1.25%	1,484,208,900	1.12%
Financials	15	6.25%	1,917,434,208	1.44%
Technology	3	1.25%	520,241,172	0.39%
Real Estate	59	24.58%	23,666,621,020	17.78%
Development Capital				
Venture Capital	1	0.42%	131,863,200	0.10%
Alternative Exchange	12	5.00%	279,360,321	0.21%
Preference Shares				
Exchange Traded Funds				
Other Securities				
not listed	56	23.33%	11,918,745,402	8.95%
Foreign	29	12.08%	58,414,535,870	43.89%

SELLER	No.	%	VALUE (R)	%
Basic Materials	16	7.31%	34,767,241,474	27.74%
Oil & Gas	2	0.91%	120,000,000	0.10%
Industrials	16	7.31%	4,300,529,423	3.43%
Consumer Goods	16	7.31%	7,087,940,260	5.66%
Healthcare	1	0.46%	0	0.00%
Consumer Services	4	1.83%	74,490,000	0.06%
Telecommunications				
Financials	10	4.57%	3,693,397,806	2.95%
Technology	2	0.91%	35,000,000	0.03%
Real Estate	11	5.02%	6,210,055,984	4.96%
Development Capital				
Venture Capital				
Alternative Exchange	9	4.11%	311,783,362	0.25%
Preference Shares				
Exchange Traded Funds				
Other Securities	1	0.46%	0	0.00%
not listed	105	47.95%	43,325,329,884	34.57%
Foreign	26	11.87%	25,385,347,835	20.26%

ASSET	No.	%	VALUE (R)	%
Basic Materials	4	1.83%	12,446,084,175	9.93%
Oil & Gas				
Industrials	4	1.83%	1,310,243,557	1.05%
Consumer Goods				
Healthcare	2	0.91%	10,989,766,771	8.77%
Consumer Services	1	0.46%	6,546,320	0.01%
Telecommunications	1	0.46%	1,788,000,000	1.43%
Financials	3	1.37%	271,142,449	0.22%
Technology	1	0.46%	237,271,572	0.19%
Real Estate	1	0.46%	4,239,000,000	3.38%
Development Capital				
Venture Capital				
Alternative Exchange	8	3.65%	2,642,233,413	2.11%
Preference Shares				
Exchange Traded Funds				
Other Securities				
not listed	157	71.69%	30,943,203,541	24.69%
Foreign	37	16.89%	60,437,624,230	48.23%

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES H1 2013

INVESTMENT ADVISERS*

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	Nedbank Capital	17,668	19.26%
2	Investec Bank	14,370	15.66%
3	Java Capital	10,010	10.91%
4	Absa/Barclays	7,900	8.61%
5	Deutsche Bank	7,864	8.57%
6	Morgan Stanley	6,575	7.17%
7	Bridge Capital	5,237	5.71%
8	Rand Merchant Bank	4,503	4.91%
9	PwC Corporate Finance	4,164	4.54%
10	Standard Bank	3,749	4.09%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	Nedbank Capital	30	22.73%	17,668
2	Investec Bank	18	13.64%	14,370
3	Java Capital	13	9.85%	10,010
4	PSG Capital	11	8.33%	1,482
5	Rand Merchant Bank	7	5.30%	4,503
6	Grant Thornton	6	4.55%	1,839
7	BDO Corporate Finance	5	3.79%	283
8	Bridge Capital	4	3.03%	5,237
	Standard Bank	4	3.03%	3,749
	Bravura	4	3.03%	516

SPONSORS

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	Absa/Barclays	30,065	22.49%
2	Investec Bank	22,786	17.05%
3	Nedbank Capital	20,050	15.00%
4	Java Capital	14,615	10.93%
5	Deutsche Securities	10,556	7.90%
6	JPMorgan	8,439	6.31%
7	Merrill Lynch	7,174	5.37%
8	Rand Merchant Bank	6,491	4.86%
9	Standard Bank	3,749	2.80%
10	Deloitte	3,296	2.47%
11	Macquarie First South Capital	2,163	1.62%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	Nedbank Capital	30	15.46%	20,050
2	Investec Bank	25	12.89%	22,786
3	Java Capital	23	11.86%	14,615
4	PSG Capital	22	11.34%	1,429
5	Rand Merchant Bank	13	6.70%	6,491
6	Sasfin Capital	10	5.15%	778
7	Exchange Sponsors	9	4.64%	157
8	Deloitte	8	4.12%	3,296
9	Merrill Lynch	6	3.09%	7,174
	Arcay Moela Sponsors	6	3.09%	239
	Grindrod Bank	6	3.09%	216

LEGAL ADVISERS

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	Cliffe Dekker Hofmeyr	25,342	26.63%
2	Edward Nathan Sonnenbergs	21,941	23.06%
3	Webber Wentzel	11,486	12.07%
4	Read Hope Phillips	6,609	6.95%
5	Van Der Merwe	5,942	6.25%
6	Norton Rose	5,785	6.08%
7	Vani Chetty	3,685	3.87%
8	Brink Cohen Le Roux	2,471	2.60%
9	Java Capital	2,300	2.42%
10	Adams & Adams	2,163	2.27%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	Cliffe Dekker Hofmeyr	46	27.71%	25,342
2	Edward Nathan Sonnenbergs	41	24.70%	21,941
3	Van Der Merwe	16	9.64%	5,942
4	Webber Wentzel	12	7.23%	11,486
	Vani Chetty	12	7.23%	3,685
6	Brink Cohen Le Roux	6	3.61%	2,471
7	Bowman Gilfillan	5	3.01%	1,663
8	Fluxmans	3	1.81%	595
	Werksmans	3	1.81%	580
	Prinsloo, Tindle & Andropoulos	3	1.81%	175

REPORTING ACCOUNTANTS

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	KPMG	7,728	53.08%
2	Grant Thornton	2,278	15.65%
3	Deloitte	1,568	10.77%
4	BDO	1,276	8.76%
5	Mazars	941	6.46%
6	Baker Tilly	474	3.25%
7	PwC	174	1.20%
8	RSM	120	0.82%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	KPMG	11	32.35%	7,728
2	Mazars	8	23.53%	941
3	Grant Thornton	5	14.71%	2,278
4	BDO	4	11.76%	1,276
5	Deloitte	2	5.88%	1,568
	PwC	2	5.88%	174
7	Baker Tilly	1	2.94%	474
	RSM	1	2.94%	120

* Investment Advisers incorporate Merchant & Investment Banks and others claiming this category

MERGERS & ACQUISITIONS Q2 2013

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES

INVESTMENT ADVISERS*

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	Investec Bank	4,014	18.53%
2	Standard Bank	3,749	17.31%
3	Nedbank Capital	2,346	10.83%
4	Rand Merchant Bank	2,213	10.22%
5	Morgan Stanley	2,125	9.81%
6	PwC Corporate Finance	1,788	8.26%
7	Deutsche Bank	1,325	6.12%
8	PSG Capital	1,008	4.65%
9	Java Capital	890	4.11%
10	Bridge Capital	781	3.61%
11	Bravura	368	1.70%
12	BDO Corporate Finance	240	1.11%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	Nedbank Capital	14	19.72%	2,346
2	Investec Bank	12	16.90%	4,014
3	PSG Capital	10	14.08%	1,008
4	Java Capital	6	8.45%	890
5	Rand Merchant Bank	4	5.63%	2,213
6	Standard Bank	3	4.23%	3,749
	Bravura	3	4.23%	368
	Grant Thornton	3	4.23%	204
9	Bridge Capital	2	2.82%	781
	Vunani Corporate Finance	2	2.82%	138
	Effortless Corporate Finance	2	2.82%	138
	DEA-RU	2	2.82%	13

SPONSORS

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	Absa/Barclays	22,165	41.14%
2	Investec Bank	11,015	20.44%
3	Java Capital	4,127	7.66%
4	Rand Merchant Bank	3,858	7.16%
5	Merrill Lynch	3,819	7.09%
6	Standard Bank	3,749	6.96%
7	Nedbank Capital	1,526	2.83%
8	Deutsche Securities	1,325	2.46%
9	PSG Capital	755	1.40%
10	Deloitte	267	0.50%
11	Sasfin Capital	264	0.49%
12	Bridge Capital	216	0.40%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	Investec Bank	15	14.71%	11,015
	PSG Capital	15	14.71%	755
3	Nedbank Capital	14	13.73%	1,526
4	Java Capital	10	9.80%	4,127
5	Rand Merchant Bank	7	6.86%	3,858
6	Sasfin Capital	6	5.88%	264
7	Merrill Lynch	5	4.90%	3,819
	Exchange Sponsors	5	4.90%	132
9	Deloitte	4	3.92%	267
10	Arcay Moela Sponsors	3	2.94%	162
	Vunani Corporate Finance	3	2.94%	162
	Merchantec Capital	3	2.94%	132

LEGAL ADVISERS

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	Edward Nathan Sonnenbergs	9,771	33.57%
2	Cliffe Dekker Hofmeyr	9,266	31.84%
3	Van Der Merwe	3,183	10.94%
4	HR Levin	1,788	6.14%
5	Webber Wentzel	1,457	5.01%
6	Brink Cohen Le Roux	1,068	3.67%
7	Tabacks	800	2.75%
8	Werksmans	580	1.99%
9	Tugendhaft Wapnick Banchetti	237	0.82%
10	Prinsloo, Tindle & Andropoulos	160	0.55%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	Edward Nathan Sonnenbergs	26	32.50%	9,771
2	Cliffe Dekker Hofmeyr	17	21.25%	9,266
3	Van Der Merwe	9	11.25%	3,183
4	Webber Wentzel	5	6.25%	1,457
5	Brink Cohen Le Roux	3	3.75%	1,068
	Werksmans	3	3.75%	580
7	Tabacks	2	2.50%	800
	Vani Chetty	2	2.50%	138
	Fluxmans	2	2.50%	122
	Bowman Gilfillan	2	2.50%	120

REPORTING ACCOUNTANTS

RANKINGS BY DEAL VALUE

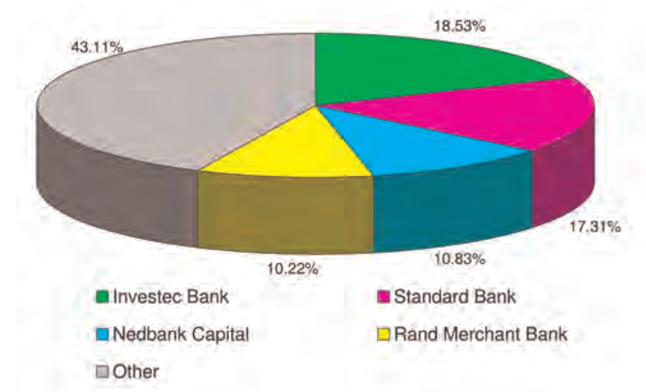
No	Company	Deal Values R'm	Market Share %
1	KPMG	1,982	49.78%
2	Mazars	907	22.77%
3	Grant Thornton	898	22.55%
4	RSM	120	3.01%
5	PwC	56	1.40%
6	BDO	19	0.48%

RANKINGS BY DEAL FLOW (ACTIVITY)

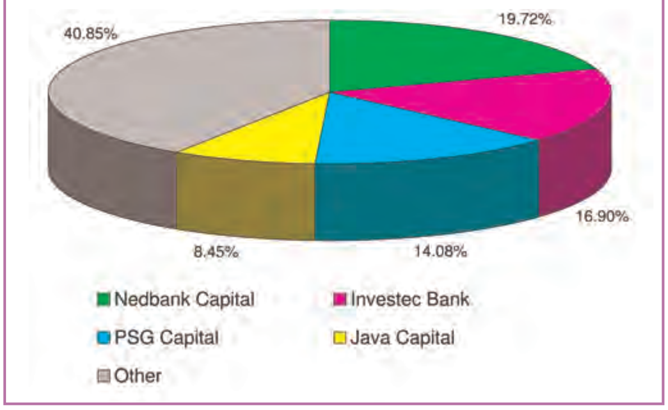
No	Company	No of Deals	Market Share %	Deal Values R'm
1	Mazars	7	41.18%	907
2	KPMG	4	23.53%	1,982
3	Grant Thornton	3	17.65%	898
4	RSM	1	5.88%	120
	PwC	1	5.88%	56
	BDO	1	5.88%	19

* Investment Advisers incorporate Merchant & Investment Banks and others claiming this category

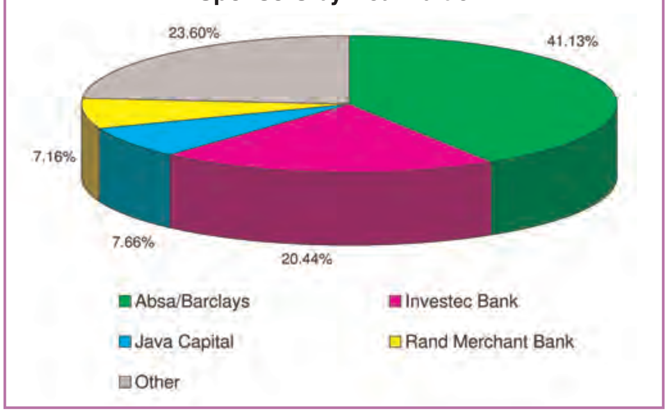
Investment Advisers by Deal Value



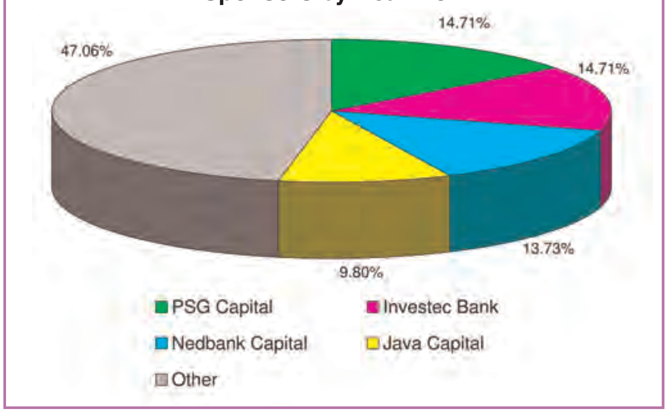
Investment Advisers by Deal Flow



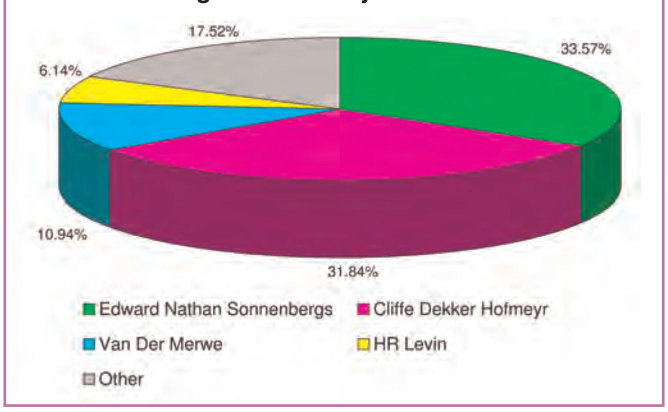
Sponsors by Deal Value



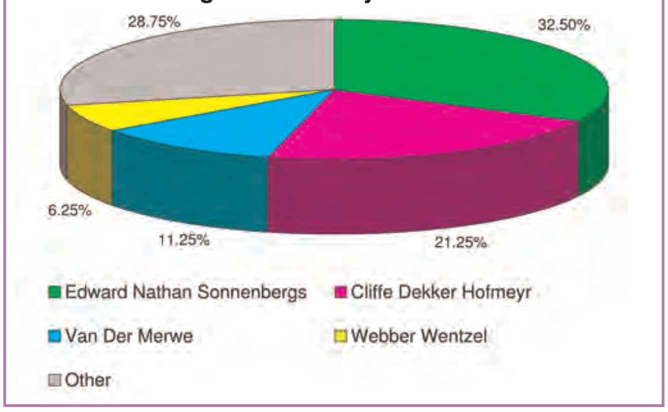
Sponsors by Deal Flow



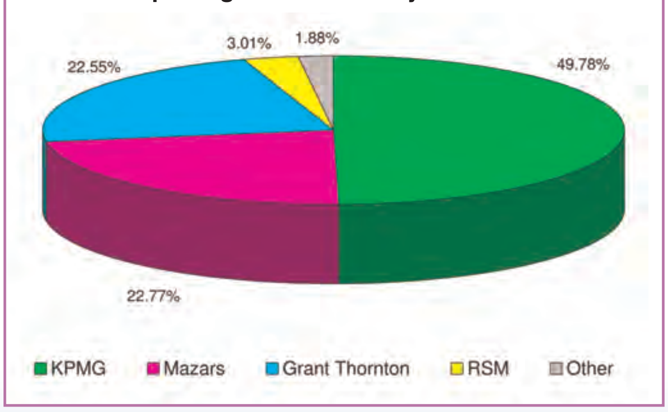
Legal Advisers by Deal Value



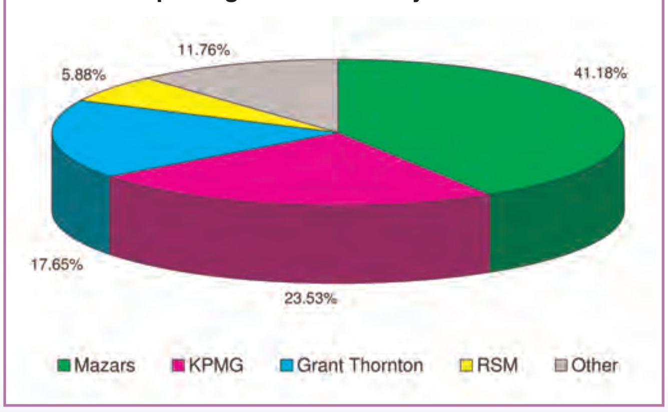
Legal Advisers by Deal Flow



Reporting Accountants by Deal Value



Reporting Accountants by Deal Flow



GENERAL CORPORATE FINANCE ANALYSIS H1 2013

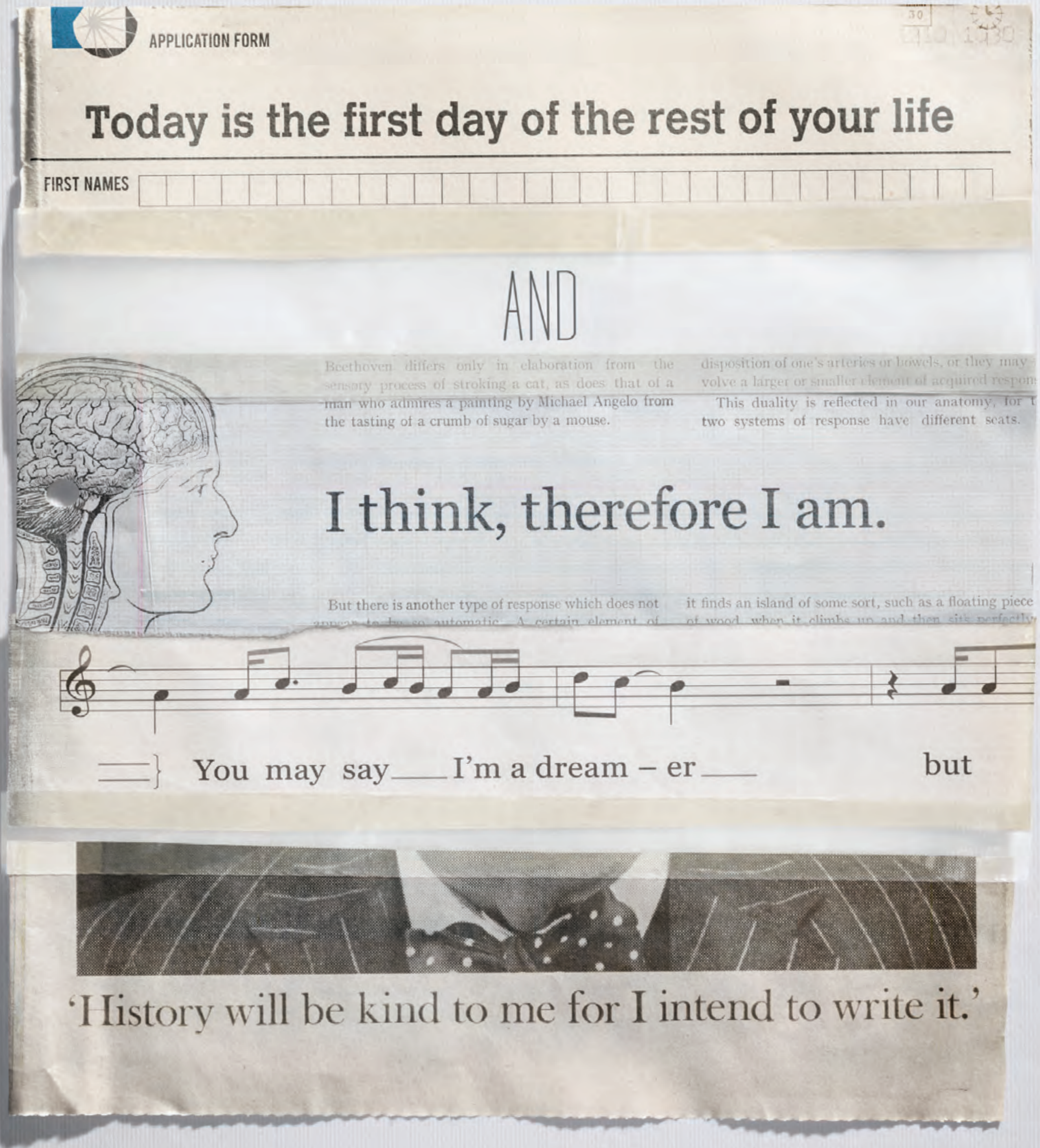
	Q2 2013		Q2 2012		2013 H1		2012 H1	
	No.	VALUE (R)	No.	VALUE (R)	No.	VALUE (R)	No.	VALUE (R)
Share Issues	44	13,115,375,610	28	6,832,209,028	76	32,751,404,058	72	21,042,304,558
Share Repurchases	14	9,560,086,625	10	5,461,727,268	24	15,390,549,166	20	8,463,008,735
Restructurings			1	12,265,000,000	3	864,077,478	2	12,271,400,000
Unbundlings	1	194,300,000	3	3,399,767,671	3	10,345,455,206	3	3,399,767,671
Capital Reductions	1	158,530,000	2	337,304,798	1	158,530,000	2	337,304,798
Open Market Transactions	2	732,548,700	2	192,775,812	6	1,654,531,921	5	822,142,057
Specialist Securities	57	5,775,477,075	25	1,379,347,861	76	6,362,518,779	37	2,011,097,981
JSE Listings	4	54,776,000	6	11,740,938,294	7	12,573,337,206	12	11,881,998,794
Total	123	29,591,094,010	77	41,609,070,732	196	80,100,403,814	153	60,229,024,594

GCF BIGGEST TRANSACTIONS H1 2013

NATURE TRANSACTION	COMPANY	DETAILS	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE (R)
Unbundling by	Gold Fields	unbundling to shareholders 731 648 614 Sibanye Gold shares	R9,92bn	Feb 11 2013	9,921,155,206
JSE Listing	Sibanye Gold	731 648 614 shares @ R13,56	R9,92bn	Feb 11 2013	9,921,155,206
Open Market Repurchase	British American Tobacco	13 980 750 shares @ ave £35,82	£497,9m	over 2nd quarter	7,232,230,556
Private Placement	Intu Properties	86 000 000 shares @ £3,25	£280m	Feb 27 2013	3,749,844,000
Specific Issue	Firestone Energy	435 820 082 shares @ A$0,73	A$318,15m	Feb 5 2013	2,945,846,295
JSE Listing (Convertible Bond)	Impala Platinum	267 200 shares @ R9530,00	R2,55bn	Apr 10 2013	2,546,416,000
Cash Issue	Growthpoint Properties	90 000 000 shares @ R28,00	R2,5bn	May 21 2013	2,520,000,000
Specific Repurchase	Sycom Property Fund	81 500 000 shares @ R28,22	R2,3bn	Mar 28 2013	2,300,000,000
Specific Issue	Kibo Mining	16 000 000 shares @ €10,06	€160,99m	Mar 6 2013	1,900,921,623
Private Placement	Rockcastle Global Real Estate	130 000 000 shares @ $1,30	$169m	Jun 5 2013	1,654,290,300

NET#WORK BBDO 8016167

Sources in descending order: Charles Dederich, René Descartes, John Lennon, Winston Churchill.



Combined thinking leads to great action.

Webber Wentzel's approach to corporate law turns collaborative thinking into focused solutions. Our strategic alliance with Linklaters extends our international reach, taking our offering to clients in Africa and beyond.

WEBBER WENTZEL

in alliance with > Linklaters

www.webberwentzel.com

RANKING THE SA TOMBSTONE PARTIES H1 2013

INVESTMENT ADVISERS*

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	Absa/Barclays	23,415	27.43%
2	JP Morgan	19,842	23.25%
3	Investec Bank	7,734	9.06%
4	Java Capital	7,318	8.57%
5	Merrill Lynch	3,750	4.39%
	Rothschild	3,750	4.39%
	UBS	3,750	4.39%
8	PwC Corporate Finance	2,546	2.98%
9	Deutsche Bank	2,520	2.95%
10	Nedbank Capital	2,025	2.37%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	Java Capital	18	21.69%	7,318
2	Investec Bank	13	15.66%	7,734
3	Absa/Barclays	7	8.43%	23,415
4	Rand Merchant Bank	6	7.23%	1,792
5	Nedbank Capital	5	6.02%	2,025
6	Afrasia Corporate Finance	4	4.82%	85
7	Macquarie First South Capital	3	3.61%	1,295
	PSG Capital	3	3.61%	1,146
	Standard Bank	3	3.61%	451
	River Group	3	3.61%	73

SPONSORS

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	JP Morgan	19,842	23.95%
2	Java Capital	12,504	15.09%
3	UBS	10,134	12.23%
4	Investec Bank	7,279	8.79%
5	Deutsche Securities	4,850	5.85%
6	Merrill Lynch	4,348	5.25%
7	Standard Bank	3,817	4.61%
8	QuestCo Sponsors	3,806	4.59%
9	Absa/Barclays	3,308	3.99%
10	River Group	3,019	3.64%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	Java Capital	30	23.62%	12,504
2	PSG Capital	16	12.60%	2,305
3	Rand Merchant Bank	13	10.24%	2,282
4	Investec Bank	12	9.45%	7,279
5	Nedbank Capital	6	4.72%	2,182
	Sasfin Capital	6	4.72%	56
7	Macquarie First South Capital	5	3.94%	1,622
8	UBS	4	3.15%	10,134
	Absa/Barclays	4	3.15%	3,308
	River Group	4	3.15%	3,019

LEGAL ADVISERS

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	Cliffe Dekker Hofmeyr	27,741	38.27%
2	Edward Nathan Sonnenbergs	25,733	35.50%
3	Webber Wentzel	3,910	5.39%
4	Java Capital	3,784	5.22%
5	Glyn Marais	2,875	3.97%
6	Tabacks	1,775	2.45%
7	Bowman Gilfillan	1,707	2.36%
8	Adams & Adams	1,213	1.67%
9	Brink Falcon Hume	994	1.37%
	Van Der Merwe	994	1.37%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	Cliffe Dekker Hofmeyr	13	24.07%	27,741
2	Edward Nathan Sonnenbergs	12	22.22%	25,733
3	Webber Wentzel	5	9.26%	3,910
	Java Capital	5	9.26%	3,784
5	Brink Falcon Hume	3	5.56%	994
6	Glyn Marais	2	3.70%	2,875
	Tabacks	2	3.70%	1,775
	Bowman Gilfillan	2	3.70%	1,707
	Adams & Adams	2	3.70%	1,213
	Van Der Merwe	2	3.70%	994

REPORTING ACCOUNTANTS

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	KPMG	26,382	73.37%
2	PwC	3,541	9.85%
3	Grant Thornton	1,909	5.31%
4	Ernst & Young	1,507	4.19%
5	BDO	1,000	2.78%
6	Deloitte	765	2.13%
7	Baker Tilly	539	1.50%
8	Mazars	170	0.47%
9	RSM	85	0.24%
10	SizweNtsaluba VSP	51	0.14%
11	Logista CA	10	0.03%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	KPMG	14	41.18%	26,382
2	RSM	4	11.76%	85
3	PwC	3	8.82%	3,541
	Grant Thornton	3	8.82%	1,909
	Deloitte	3	8.82%	765
6	Ernst & Young	2	5.88%	1,507
7	BDO	1	2.94%	1,000
	Baker Tilly	1	2.94%	539
	Mazars	1	2.94%	170
	SizweNtsaluba VSP	1	2.94%	51
	Logista CA	1	2.94%	10

* Investment Advisers incorporate Merchant & Investment Banks and others claiming this category

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES

INVESTMENT ADVISERS*

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	Investec Bank	6,099	38.70%
2	Java Capital	3,669	23.28%
3	Deutsche Bank	2,520	15.99%
4	BDO Corporate Finance	1,775	11.26%
5	Rand Merchant Bank	775	4.92%
6	Vunani Corporate Finance	455	2.89%
7	Nedbank Capital	170	1.08%
8	Afrasia Corporate Finance	85	0.54%
9	Macquarie First South Capital	82	0.52%
10	Absa/Barclays	53	0.34%
	Grindrod Bank	53	0.34%
12	One Capital	24	0.15%
13	River Group	1	n/a
14	Sasfin Capital	undisclosed	n/a

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	Java Capital	10	27.78%	3,669
2	Investec Bank	8	22.22%	6,099
3	Afrasia Corporate Finance	4	11.11%	85
4	Rand Merchant Bank	3	8.33%	775
5	BDO Corporate Finance	2	5.56%	1,775
6	Deutsche Bank	1	2.78%	2,520
	Vunani Corporate Finance	1	2.78%	455
	Nedbank Capital	1	2.78%	170
	Macquarie First South Capital	1	2.78%	82
	Absa/Barclays	1	2.78%	53
	Grindrod Bank	1	2.78%	53
	One Capital	1	2.78%	24
	River Group	1	2.78%	1
	Sasfin Capital	1	2.78%	undisclosed

SPONSORS

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	UBS	7,324	27.93%
2	Java Capital	7,071	26.97%
3	Investec Bank	5,644	21.52%
4	Rand Merchant Bank	1,265	4.82%
5	Deutsche Securities	1,220	4.65%
6	Standard Bank	1,220	4.65%
7	Merrill Lynch	598	2.28%
8	Grindrod Bank	508	1.94%
9	Vunani Corporate Finance	455	1.74%
10	Nedbank Capital	327	1.25%
11	PSG Capital	286	1.09%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	Java Capital	16	23.88%	7,071
2	Rand Merchant Bank	10	14.93%	1,265
3	PSG Capital	9	13.43%	286
4	Investec Bank	7	10.45%	5,644
5	Sasfin Capital	4	5.97%	21
6	UBS	2	2.99%	7,324
	Merrill Lynch	2	2.99%	598
	Grindrod Bank	2	2.99%	508
	Nedbank Capital	2	2.99%	327
	Macquarie First South Capital	2	2.99%	179
	One Capital	2	2.99%	38

LEGAL ADVISERS

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	Glyn Marais	2,875	26.61%
2	Edward Nathan Sonnenbergs	2,022	18.72%
3	Tabacks	1,775	16.44%
4	Java Capital	1,350	12.50%
5	Brink Falcon Hume	994	9.20%
6	Van Der Merwe	994	9.20%
7	Cliffe Dekker Hofmeyr	540	4.99%
8	Norton Rose	157	1.45%
9	Prinsloo, Tindle & Andropoulos	96	0.89%
10	Werksmans	undisclosed	0.00%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	Edward Nathan Sonnenbergs	5	20.83%	2,022
	Cliffe Dekker Hofmeyr	5	20.83%	540
3	Brink Falcon Hume	3	12.50%	994
4	Glyn Marais	2	8.33%	2,875
	Tabacks	2	8.33%	1,775
	Java Capital	2	8.33%	1,350
	Van Der Merwe	2	8.33%	994
8	Norton Rose	1	4.17%	157
	Prinsloo, Tindle & Andropoulos	1	4.17%	96
	Werksmans	1	4.17%	undisclosed

REPORTING ACCOUNTANTS

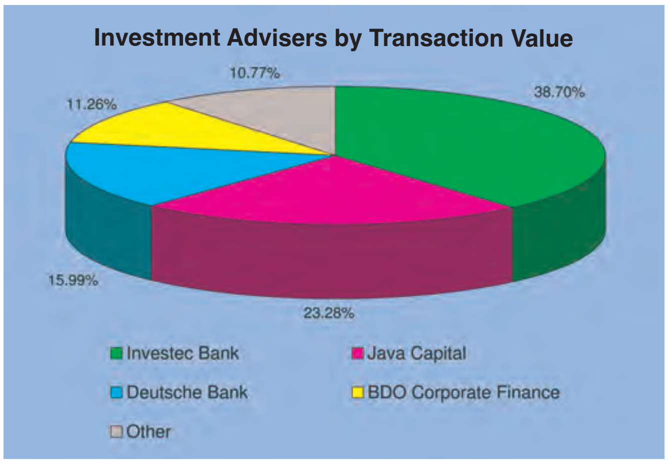
RANKINGS BY TRANSACTION VALUE

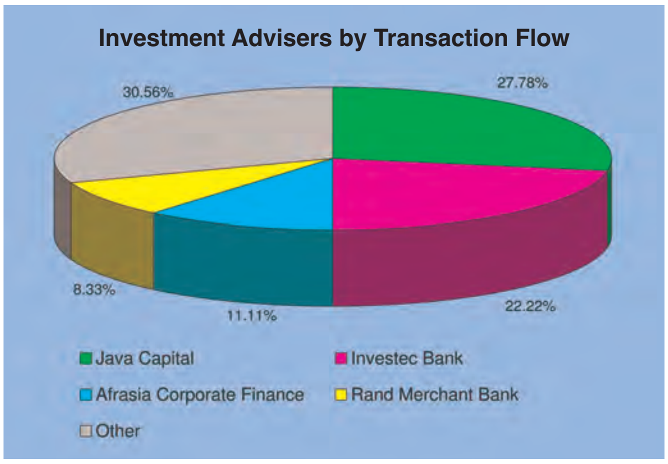
No	Company	Transaction Values R'm	Market Share %
1	KPMG	1,881	28.58%
2	Grant Thornton	1,775	26.98%
3	Ernst & Young	1,507	22.90%
4	PwC	994	15.11%
5	Mazars	170	2.58%
6	Deloitte	159	2.41%
7	RSM	85	1.28%
8	Logista CA	10	0.15%

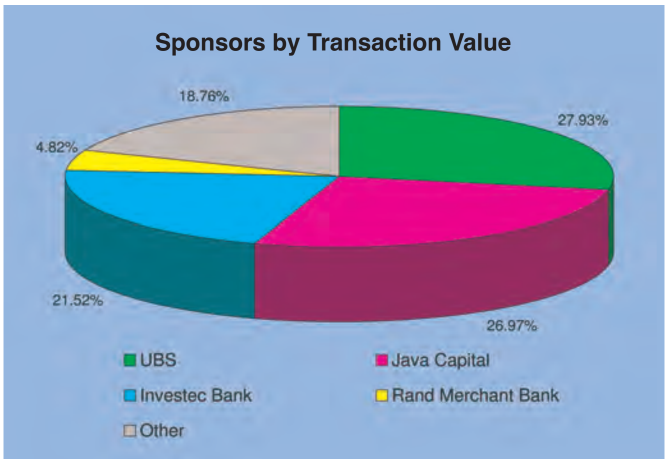
RANKINGS BY TRANSACTION FLOW (ACTIVITY)

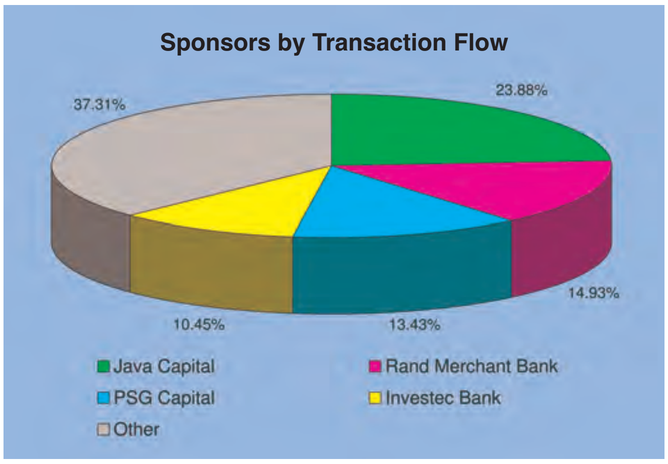
No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	KPMG	6	31.58%	1,881
2	RSM	4	21.05%	85
3	Grant Thornton	2	10.53%	1,775
	Ernst & Young	2	10.53%	1,507
	PwC	2	10.53%	994
6	Mazars	1	5.26%	170
	Deloitte	1	5.26%	159
	Logista CA	1	5.26%	10

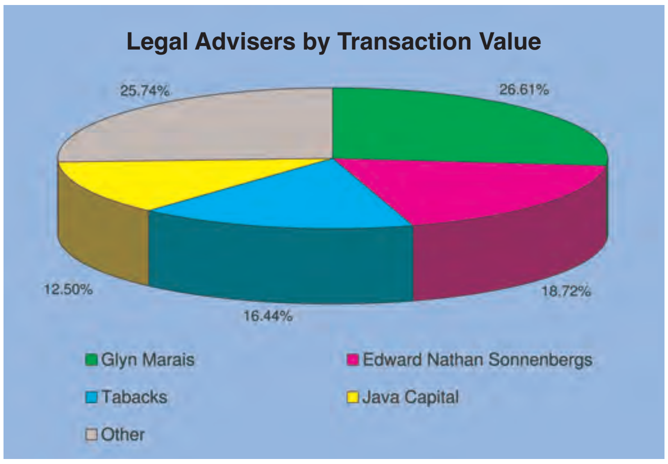
* Investment Advisers incorporate Merchant & Investment Banks and others claiming this category

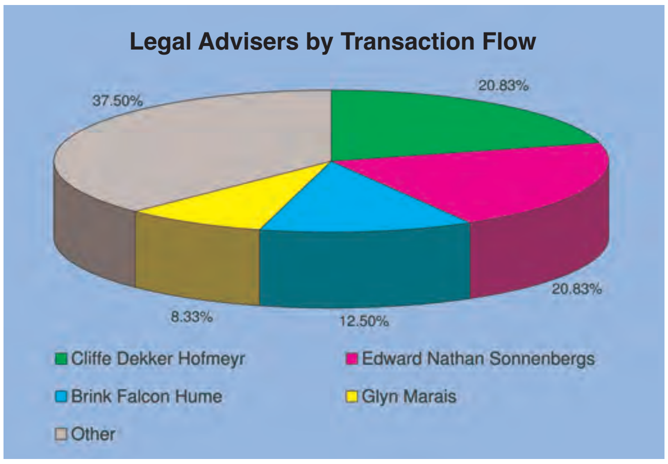

Investment Advisers by Transaction Value
10.77%
38.70%
11.26%
15.99%
23.28%
Investec Bank
Java Capital
Deutsche Bank
BDO Corporate Finance
Other

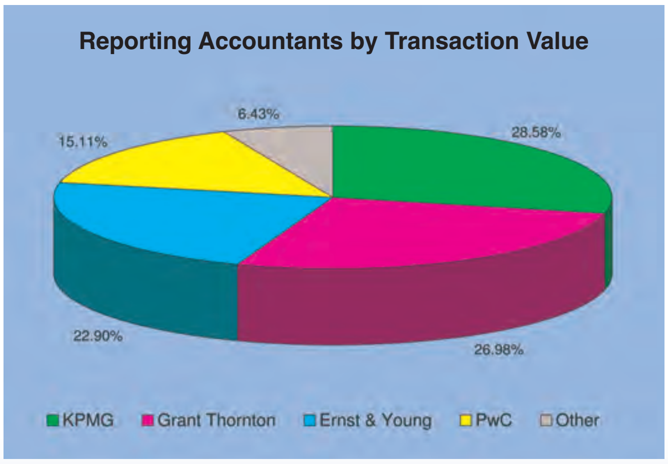

Investment Advisers by Transaction Flow
30.56%
27.78%
8.33%
11.11%
22.22%
Java Capital
Investec Bank
Afrasia Corporate Finance
Rand Merchant Bank
Other

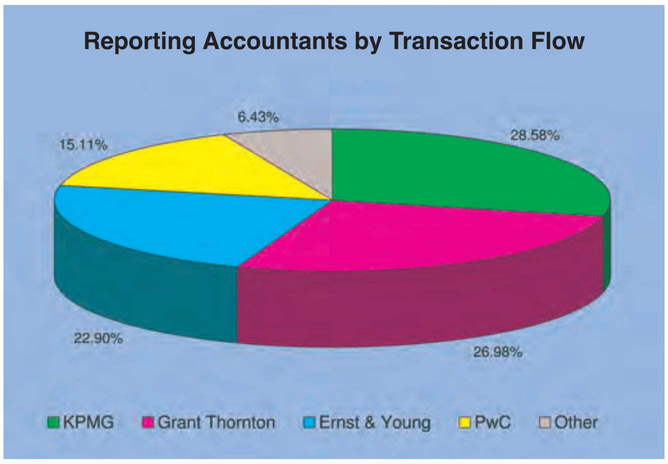

Sponsors by Transaction Value
18.76%
27.93%
4.82%
21.52%
26.97%
UBS
Java Capital
Investec Bank
Rand Merchant Bank
Other


Sponsors by Transaction Flow
37.31%
23.88%
14.93%
10.45%
13.43%
Java Capital
Rand Merchant Bank
PSG Capital
Investec Bank
Other


Legal Advisers by Transaction Value
25.74%
26.61%
12.50%
16.44%
18.72%
Glyn Marais
Edward Nathan Sonnenbergs
Tabacks
Java Capital
Other


Legal Advisers by Transaction Flow
37.50%
20.83%
20.83%
8.33%
12.50%
Cliffe Dekker Hofmeyr
Edward Nathan Sonnenbergs
Brink Falcon Hume
Glyn Marais
Other


Reporting Accountants by Transaction Value
6.43%
15.11%
28.58%
22.90%
26.98%
KPMG
Grant Thornton
Ernst & Young
PwC
Other


Reporting Accountants by Transaction Flow
6.43%
15.11%
28.58%
22.90%
26.98%
KPMG
Grant Thornton
Ernst & Young
PwC
Other

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING			TOMBSTONE PARTIES				ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			ACQUIRER	SELLER	ASSET	INVESTMENT ADVISER*	SPONSOR	ATTORNEY/LEGAL ADVISER	REPORTING ACCOUNTANT		
Disposal by	Sasol Olefins & Surfactants (Sasol) to Anichem FZC	GD Portbury (Sasol Gulf)	Foreign - UAE	Oil & gas - integrated oil & gas	Foreign - UAE					undisclosed	Apr 4
Acquisition by	Torre Industrial from Mateba, Tractor and Grader Supplies, Tractor and Grader Supplies Swaziland, Tsinidi Investments No15, B Cunningham and MR Scott	100% stake in TGS, 100% stake in Tsindi, 50% stake in TGS Swaziland, 50% stake in TGS Zimbabwe, 75% stake in TGS Copperbelt Zambia	AltX	not listed	not listed	Afrasia Corporate Finance; Grant Thornton	PSG Capital	Cliffe Dekker Hofmeyr; Bernadt Vukic Potash & Getz	RSM	R120m	Apr 5
Joint Venture	MICROmega Securities (MICROmega) amd GFI Securities	comprehensive international service to the local market	Industrials - business support services; Foreign - UK				Java Capital			undisclosed	Apr 5
Acquisition by	Capital Property Fund from Property Fund Managers (Resilient Property Income Fund)	management of Capital Property Fund	Financials - real estate investment trusts	Financials - real estate holding & development	not listed		Java Capital			R750m	Apr 5
Acquisition by	Ingenuity Property Investments from The Century City Property Investments	portfolio of three properties (Estuaries No1 , Ox Bow Cresecent, Century City CT; Intaba 25 Protea rd, Claremont CT; Virgin, Centuary Boulevard, Century City CT)	Financials - real estate holding & development	not listed	not listed	Nedbank Capital; PSG Capital	Nedbank Capital	Edward Nathan Sonnenbergs	Mazars	R203,6m	Apr 8
Acquisition by	Ingenuity Property Investments from The Century City Property Investments (65%) and Victus (35%)	Aurecon Building, 1 Century Dr, Waterford Precinct, Century City CT	Financials - real estate holding & development	not listed	not listed	Nedbank Capital; PSG Capital	Nedbank Capital	Edward Nathan Sonnenbergs	Mazars	R189,9m	Apr 8
Acquisition by	Ingenuity Property Investments from The Century City Property Investments (80%) and CPI (20%)	Gateway, crn Boulevard & Century Way, Century City CT	Financials - real estate holding & development	not listed	not listed	Nedbank Capital; PSG Capital	Nedbank Capital	Edward Nathan Sonnenbergs	Mazars	R204m	Apr 8
Acquisition by	Ingenuity Property Investments from The Century City Property Investments (45%) and Crystal Towers (55%)	Mazars House, crn Rialto Road & Century City Boulevard, Century City CT	Financials - real estate holding & development	not listed	not listed	Nedbank Capital; PSG Capital	Nedbank Capital	Edward Nathan Sonnenbergs	Mazars	R166,7m	Apr 8
Acquisition by	Ingenuity Property Investments from Tokai Main and Tokai Village	Tokai on Main Office Park and Tokai on Main Retail, Main rd Tokai CT	Financials - real estate holding & development	not listed	not listed	Nedbank Capital; PSG Capital	Nedbank Capital	Edward Nathan Sonnenbergs	Mazars	R53,9m	Apr 8
Acquisition by	Ingenuity Property Investments from Centry City Property Investment Trust	67% stake in Insight Property Developers	Financials - real estate holding & development	not listed	not listed	Nedbank Capital; PSG Capital	Nedbank Capital	Edward Nathan Sonnenbergs	Mazars	R43,3m	Apr 8
Acquisition by	Fairvest Property from SA Corporate Real Estate	Gingindlovu Property	Financials - real estate holding & development	Financials - real estate investment trusts	not listed	PSG Capital	PSG Capital	Corporate Law Alliance	BDO	R5m	Apr 10
Acquisition by	Sable Platinum from A Makgekgenene	4% stake in Global	Basic materials - platinum & precious metals	Foreign - Botswana	Foreign - Botswana	Java Capital	Java Capital			$4m	Apr 11
Disposal by	Kelly to SolomonEdwards Group	M Squared Consulting	Foreign - US	Industrials - business training & employment agencies	Foreign - US	PSG Capital	PSG Capital		Grant Thornton	$11m	Apr 12
Disposal by	Vunani to Vunani Property Investment Fund	60% stake in Greenstone Hill Office Park, Gauteng	Financials - real estate investment trusts	AltX	not listed	Vunani Corporate Finance; Investec Bank; Effortless Corporate Finance	Grindrod Bank; Vunani Corporate Finance	Cliffe Dekker Hofmeyr; Vani Chetty	KPMG	R86,2m	Apr 12
Acquisition by	Vunani Property Investment Fund from Barrow Properties and the Trustees of the Task Trust	remaining 40% stake in Greenstone Hill Office Park, Gauteng plus the Barrow Rental Enterprise	Financials - real estate investment trusts	not listed	not listed	Vunani Corporate Finance; Investec Bank; Effortless Corporate Finance	Grindrod Bank; Vunani Corporate Finance	Cliffe Dekker Hofmeyr; Vani Chetty	KPMG	R51,76m	Apr 12
Acquisition by	Distell from CL World Brands and Angostura	Burn Stewart Distillers	Consumer goods - distillers & vintners	Foreign - UK	Foreign - UK	Morgan Stanley (SA); Winchester Capital	Rand Merchant Bank	Cliffe Dekker Hofmeyr; DLA Piper Scotland		£229m	Apr 15
Acquisition by	Avusa (Times Media) from Pearson Overseas Holdings	remaining 50% stake in BDFM Publishers	Consumer services - publishing	Foreign - UK	not listed		PSG Capital	Edward Nathan Sonnenbergs; Webber Wentzel		undisclosed	Apr 15
Acquisition by	Raubex from Sasol Oil (Sasol)	100% of Tosas	Industrials - heavy construction	Oil & gas - integrated oil & gas	Foreign - Botswana	Investec Bank	Investec Bank	Bowman Gilfillan; Webber Wentzel		R120m	Apr 15
Disposal by	Rockwell Diamonds	Klipdam Mine	not listed	Basic materials - diamonds & gemstones	not listed		Sasfin Capital			R23m	Apr 15
Acquisition by	RBA Developments (Raubex) from Clayville Garden City Housing Company	nine properties in Clayville Extension 28 Township	Industrials - heavy construction	not listed	not listed		Exchange Sponsors			R14,5m	Apr 15
Acquisition by	Horizon Investments & Financial Services from Muvoni Technology minority shareholders	15,4% stake in Muvoni Technology	not listed	not listed	AltX	DEA-RU	PSG Capital	Edward Nathan Sonnenbergs		R6,23m	Apr 15
Disposal by	Business Connexion to Atio	Learning Solutions business unit (in exchange for a 50% stake plus one share in Netcampus division to form a 50%:50% joint venture)	not listed	Technology - computer services	not listed			Cliffe Dekker Hofmeyr		R35m	Apr 16
Acquisition by	Super Group	75% stake in Safika Logistics	Industrials - transportation services	not listed	not listed					undisclosed	Apr 17
Acquisition by	Zeder Financial Services (Zeder Investments) from Total Produce Plc	25,3% stake Capespan Group	Financials - speciality finance	Foreign - UK	not listed		PSG Capital			€22m	Apr 17
Acquisition by	HPF Properties (Hospitality Property Fund) from Savana Property	Radisson Blu Gautrain Hotel	Financials - real estate holding & development	not listed	not listed	Rand Merchant Bank	Rand Merchant Bank			R443,4m	Apr 17
Acquisition by	Aspen Pharmacare from Nestle SA	certain rights to intellectual property licenses, net assets and shares in its infant nutrition unit which distributes a portfolio of products in Australia and Southern Africa	Healthcare - pharmaceuticals	not listed	not listed		Investec Bank	Cliffe Dekker Hofmeyr		$215m	Apr 18
Disposal by	Absa to Standard Chartered Bank	custody and trustee services business	Foreign - UK	Financials - banks	not listed			Bowman Gilfillan		undisclosed	Apr 19

* Investment Advisers include Merchant & Investment Banks and others claiming this category
■ Foreign transaction - not included for rankings purposes (except sponsors)
═ Failed deal – excluded for ranking purposes

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING: ACQUIRER	JSE LISTING: SELLER	JSE LISTING: ASSET	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: ATTORNEY/LEGAL ADVISER	TOMBSTONE PARTIES: REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Acquisition by	Famous Brands	51% stake in The Bread Basket	Consumer services - resturants & bars	not listed	not listed					undisclosed	Apr 19
Acquisition by	Sherbourne Capital from 1886 Holdings	Applemint Properties	AltX	not listed	not listed		Bridge Capital			R3,7m	Apr 22
Disposal by ■	BHP Billiton to Capestone Mining	Pinto Valley mining operation and the associated San Manuel Arizona Railroad Company	Foreign - Canada	Basic materials - general mining	Foreign - US		Absa/Barclays			$650m	Apr 29
Disposal by	Winhold to consortium of investors	21 Chenik Street, Chamdor, West Rand	not listed	Industrials - industrial suppliers	not listed		Arcay Moela Sponsors	Fluxmans	BDO	R19m	Apr 29
Disposal by	Gold Fields to management	Biox division	not listed	Basic materials - gold mining	not listed					undisclosed	Apr 30
Acquisition by	Halls Technolgies from RGT Smart Market Intelligence minorities	remaining 25,1% stake in RGT Smart Market Intelligence	not listed	not listed	AltX	PSG Capital	PSG Capital; Arcay Moela Sponsors			R11,1m	Apr 30
Disposal by	RBA to Jika Properties	Erf 4610, Braamfontein	not listed	AltX	not listed		Exchange Sponsors			R16,75m	Apr 30
Disposal by	Aldabi 53 (BioScience Brands) to Akacia Health	Muscle Science Brand and related sub-brands and trade-marks	not listed	AltX	not listed		Exchange Sponsors			to be advised	Apr 30
Disposal by	GroCapital Financial Services (Afgri) to the Land and Agricultural Development Bank of SA	farmer lending book (17th tranche)	not listed	Consumer goods - farming & fishing	not listed	Nedbank Capital	Investec Bank	Brink Cohen Le Roux; Van Der Merwe; Edward Nathan Sonnenbergs		R327m	not announced
Disposal by	GroCapital Financial Services (Afgri) to the Land and Agricultural Development Bank of SA	corporate lending book (11th tranche)	not listed	Consumer goods - farming & fishing	not listed			Van Der Merwe		R579m	not announced
Disposal by	Arbitrage Property Fund (Trematon Capital Investments) to Interurban Property Fund	Bougainville Shopping Centre	not listed	Financials - equity investment instruments	not listed		Sasfin Capital			R68m	May 2
Disposal by ■	Great Basin Gold by way of auction	Hollister mine	Foreign - Canada	Basic materials - gold mining	Foreign - Canada					$15m	May 2
Disposal by	Business Connexion to Arinso SA	QDD business (in exchange for a 49,96% stake in Arinso)	not listed	Technology - computer services	not listed		One Capital	Webber Wentzel		undisclosed	May 3
Acquisition by	Nedbank	36% stake in Banco Unico	Financials - banks	Foreign - Mozambique	Foreign - Mozambique		Nedbank Capital; Merrill Lynch (SA); Old Mutual Investment Services (Namibia)	Werksmans		$24,4m	May 3
Acquisition by	Harmony Gold Mining from AngloGold Ashanti	a further 7,2% stake in the Rand Refinery	Basic materials - gold mining	Basic materials - gold mining	not listed					R33m	May 6
Acquisition by	Hudaco Industries	Three-D	Industrials - industrial machinery	not listed	not listed		Nedbank Capital	Edward Nathan Sonnenbergs		R28,5m	May 9
Acquisition by	Sun International from Purple Capital	Powerbelt Gaming	Consumer services - gambling	Financials - investment services	not listed	Investec Bank	Deloitte; Investec Bank	Cliffe Dekker Hofmeyr		R30m	May 10
Acquisition by	Imperial Mobility International (Imperial) from UAC of Nigeria	49% stake in MDS	Industrials - transportation services	Foreign - Nigeria	Foreign - Nigeria		Merrill Lynch (SA)			$26,68m	May 13
Acquisition by	Bidvest from Mvelaphanda Holdings	25 009 438 shares in Mvelaserve (17,67% stake)	Industrials - diversified	not listed	Industrials - business support services	Investec Bank; Bridge Capital	Investec Bank; Rand Merchant Bank; Bridge Capital	Edward Nathan Sonnenbergs; Cliffe Dekker Hofmeyr		R212,58m	May 13
Acquisition by	Bidvest from Mvelaserve minority shareholders	remaining 66 898 989 Mvelaserve shares (47,58%)	Industrials - diversified	not listed	Industrials - business support services	Investec Bank; Bridge Capital	Investec Bank; Rand Merchant Bank	Edward Nathan Sonnenbergs; Cliffe Dekker Hofmeyr		R568,64m	May 13
Disposal by	PSV to LA Albert and LJ Mtolo	Mitech	not listed	AltX	not listed		Merchantec Capital			R7m	May 13
Acquisition by	Annuity Properties from Salestalk 406	1156 Leader Ave, Stormill, Jhb	Financials - real estate holding & development	not listed	not listed	Investec Bank; Sasfin Capital	Investec Bank; Rand Merchant Bank	Glyn Marais		R63,66m	May 14
Acquisition by	FS Africa from Lonrho minority shareholders	Lonrho	Foreign - UK	not listed	AltX	Investec Bank plc; Jefferies	Java Capital; Investec Bank plc; Jefferies	Cliffe Dekker Hofmeyr; Edward Nathan Sonnenbergs; Slaughter and May		£174,5m	May 15
Acquisition by	PAKAfrica Aviation from liquidators	1time	Foreign - Pakistan	not listed	AltX					R15m	May 15
Joint Venture	Holdsport and Redefine Properties	land in Philippi, CT to develop a new distribution centre	Consumer services - apparel retailers; Financials - real estate holding & development							undisclosed	May 15
Acquisition by	Synergy Income Fund	Atlantis City Shopping Centre, Western Cape	Financials - real estate holding & development	not listed	not listed	Java Capital	Java Capital	Cliffe Dekker Hofmeyr		R334m	May 17
Acquisition by	Redefine Hotels (Redefine Properties)	BDL Management (to create a merged Redefine BDL Hotels)	Financials - real estate holding & development	Foreign - UK	Foreign - UK					undisclosed	May 17
Acquisition by	Altron Finance (Allied Electronics) from Allied Technologies minorities	remaining shares in Allied Technologies	Industrials - electrical components & equipment	not listed	Telecommunications - mobile	Investec Bank; PwC Corporate Finance	Investec Bank	Edward Nathan Sonnenbergs; HR Levin	KPMG	R1,79bn	May 17
Disposal by	Hosken Consolidated Investments to Seardel Investment	70% stake in HCI Invest 3 which holds a 63,9% stake in Sabido	Consumer goods - personal	Financials - equity investment instruments	not listed	Investec Bank	Investec Bank	Edward Nathan Sonnenbergs; Tabacks	Grant Thornton	R560m	May 20
Disposal by	Hosken Consolidated Investments to Sactwu	30% stake in HCI Invest 3 which holds a 63,9% stake in Sabido	not listed	Financials - equity investment instruments	not listed	Investec Bank; BDO Corporate Finance	Investec Bank	Edward Nathan Sonnenbergs; Tabacks	Grant Thornton	R240m	May 20
Acquisition by	Pinnacle Technology	Precision ICT and Modrac	Technology - computer hardware	not listed	not listed		Deloitte			undisclosed	May 21
Disposal by	Arbitrage Property Fund (Trematon Capital Investments) to Heriot Properties	Shoprite Centre, Erf 2460, Rustenburg	not listed	Financials - equity investment instruments	not listed		Sasfin Capital			R77,4m	May 21

* Investment Advisers include Merchant & Investment Banks and others claiming this category

■ Foreign transaction - not included for rankings purposes (except sponsors)

═ Failed deal – excluded for ranking purposes

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING: ACQUIRER	JSE LISTING: SELLER	JSE LISTING: ASSET	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: ATTORNEY/LEGAL ADVISER	TOMBSTONE PARTIES: REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Acquisition by	Labat Africa from Amicitia	Palantina Petroleum	Venture capital	Foreign - Namibia	Foreign - Namibia		Arcay Moela Sponsors			$14m	May 21
Disposal by	Barloworld	Belgian handling business	Foreign - Belgium	Industrials - diversified	Foreign - Belgium					€7,5m	May 21
Acquisition by	Sable from minority shareholders	remaining 1 607 143 Sable shares	AltX	not listed	AltX	Java Capital; Grant Thornton	Java Capital		Mazars	R45m	May 21
Acquisition by	Ansys from Tedaka Investments	Tedaka Technologies	AltX	not listed	not listed		Exchange Sponsors			R22m	May 22
Disposal by	The Isaac Kirsh Family Trust No 2 and the William Kirsh Family Trust to Caxton and CTP Printers & Publishers	32,7% stake in FoneWorx	Consumer services - publishing	not listed	AltX		Merchantec Capital	Fluxmans		R102,5m	May 27
Acquisition by	Afgri Operations (Afgri) from MGK	Grain Management business conducted at the silos in Pretoria West, Brits, Northam and Battery	Consumer goods - farming & fishing	not listed	not listed		Investec Bank			R12m	May 27
Disposal by	Jubilee Platinum to Global Renewal Energy	65% stake in JSR and 40% stake in PowerAlt	Foreign - UK	Basic materials - platinum & precious metals	not listed		Sasfin Capital; finnCap; Shore Capital Stockbrokers			$9,07m	May 29
Acquisition by	IFA Hotels & Resorts KSCC from IFA Hotels & Resorts minority shareholders	remaining 15% stake (32 731 602 shares) in IFA Hotels & Resorts not held	Foreign - Kuwait	not listed	Consumer services - hotels	DEA-RU	PSG Capital	Larson Falconer Hassan Parsee		R6,55m	May 30
Disposal by	Primeserv to Ultimate Income Investments 107	Stanford Business and Computer College	not listed	Industrials - business training & employment agencies	not listed		Deloitte			R 1	May 30
Acquisition by ■	Capital & Counties Properties from Land Securities Group plc	remaining 50% stake in Empress State Building	Financials - real estate holding & development	Foreign - UK	Foreign - UK		Merrill Lynch (SA)			£117m	May 30
Joint Venture	Rainbow Chicken and Zambeef	Zamhatch (51%:49%)	Consumer goods - farming & fishing	Foreign - Zambia	Foreign - Zambia	Rand Merchant Bank	Rand Merchant Bank			undisclosed	May 30
Disposal by	BK One	stake in Cash Connect Management Services	not listed	Other securities	not listed	Nedbank Capital	Nedbank Capital			undisclosed	May 30
Acquisition by	Bytes Technology (Allied Electronics)	Brand New Technologies (BNTech)	Industrials - electrical components & equipment	not listed	not listed					undisclosed	May 31
Disposal by	GroCapital Financial Services (Afgri) to the Land and Agricultural Development Bank of SA	farmer lending book (18th tranche)	not listed	Consumer goods - farming & fishing	not listed	Nedbank Capital	Investec Bank	Brink Cohen Le Roux; Van Der Merwe; Edward Nathan Sonnenbergs		R379,4m	not announced
Disposal by	GroCapital Financial Services (Afgri) to the Land and Agricultural Development Bank of SA	corporate lending book (12th tranche)	not listed	Consumer goods - farming & fishing	not listed			Van Der Merwe		R968,87m	not announced
Acquisition by ■	Old Mutual	majority stake in Provident Life Assurance	Financials - life insurance	Foreign - Ghana	Foreign - Ghana	IC Securities Ghana	Merrill Lynch (SA); Nedbank Capital			undisclosed	Jun 3
Acquisition by	Betakilo Garage (Afgri) from Agri Sizwe Empowerment Trust (AST)	26,77% stake in Afgri International	Consumer goods - farming & fishing	not listed	not listed	Investec Bank; KPMG	Investec Bank	Brink Falcon Hume; Van Der Merwe	PwC; KPMG	R55,7m	Jun 4
Disposal by	Foodcorp (Rainbow Chicken) to Oceana and Ulwandle Fishing	fishing division (75%:25%)	Consumer goods - farming & fishing	Consumer goods - farming & fishing	not listed	Rand Merchant Bank; Standard Bank	Rand Merchant Bank; Standard Bank; Old Mutual Investment Services (Namibia)	Edward Nathan Sonnenbergs; Cliffe Dekker Hofmeyr		R445m	Jun 4
Acquisition by	Barloworld	TCS Logistics	Industrials - diversified	not listed	not listed					undisclosed	Jun 5
Acquisition by	Ascension Properties from Coffee Break Investments	River View 1 and 2, Mpumulanga	Financials - real estate holding & development	not listed	not listed	Java Capital	Java Capital			R72,5m	Jun 6
Acquisition by	Ascension Properties from Koejaweldorp Beleggings CC	River Park 1 and 2, Mpumulanga	Financials - real estate holding & development	not listed	not listed	Java Capital	Java Capital			R62m	Jun 6
Acquisition by	Delta Property Fund from Schaeffer Technologies Trust	Sars Bellville, crn Teddington and De Lange Road, Bellville, CT	Financials - real estate holding & development	not listed	not listed	Nedbank Capital	Nedbank Capital	Cliffe Dekker Hofmeyr		R185m	Jun 6
Acquisition by	Pinnacle Technology from Co-ordinated Network Investments and Hoolican Investments	29,79% stake (61 152 467 shares) in Datacentrix	Technology - computer hardware	not listed	Technology - computer services	Investec Bank	Deloitte	Tugendhaft Wapnick Banchetti		R237,27m	Jun 6
Disposal by	New Holland Publishing (Times Media) to TomTom Africa	51% stake in MAP Integration Technologies	not listed	Consumer services - publishing	not listed	PSG Capital	PSG Capital			R37,49m	Jun 7
Disposal by ■	BHP Billiton to PetroChina International Investment	8,33% in East Browse JV and 20% stake in West Browse JV	Foreign - China	Basic materials - general mining	Foreign - Australia		Absa/Barclays			$1,63bn	Jun 7
Disposal by	IPSA to Rurelec plc	two remaining Siemens Westinghouse 701 DU gas turbines	Foreign - UK	AltX	not listed		PSG Capital			£11,9m	Jun 10
Joint Venture	Sasol and PetroSA	a technical co-operation permit agreement to explore Block 3A/4A offshore located within the Orange Basin along the western margin of SA	Oil & gas - integrated oil & gas; not listed							undisclosed	Jun 10
Disposal by	Juta (Kagiso Media) to Van Schaik Booksellers (Times Media)	retail operation of Juta Bookshops	Consumer services - publishing	Consumer services - broadcasting & entertainment	not listed			Cliffe Dekker Hofmeyr; Werksmans		undisclosed	Jun 11
Acquisition by	Ascension Properties from Atterbury Investment	Shell House and Ovenstone House, Cape Town	Financials - real estate holding & development	not listed	not listed	Java Capital	Java Capital	Cliffe Dekker Hofmeyr		R341m	Jun 12
Acquisition by	Chandler Coal (Wescoal)	coal trading business	Basic materials - coal	not listed	not listed	Exchange Sponsors	Exchange Sponsors			R79m	Jun 13
Joint Venture	Assmang (Assore and African Rainbow Minerals jv) and China Steel and Sumitomo Corporation	to establish a manganese alloy smelting facility in Sarawak State, Malaysia	Basic materials - general mining; Foreign - Malaysia			Standard Bank	Standard Bank			R3,3bn	Jun 19

* Investment Advisers include Merchant & Investment Banks and others claiming this category
■ Foreign transaction - not included for rankings purposes (except sponsors)
═ Failed deal – excluded for ranking purposes

SECOND QUARTER'S DEALS

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING			TOMBSTONE PARTIES				ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			ACQUIRER	SELLER	ASSET	INVESTMENT ADVISER*	SPONSOR	ATTORNEY/LEGAL ADVISER	REPORTING ACCOUNTANT		
Disposal by	KAP Industrial to Rhodes Food Group	Bull Brand Foods	not listed	Industrials - diversified	not listed	Standard Bank	PSG Capital	Edward Nathan Sonnenbergs		undisclosed	Jun 21
Disposal by	KAP Industrial to management	Brenner Mills	not listed	Industrials - diversified	not listed		PSG Capital			undisclosed	Jun 21
Acquisition by	M&S from BDM Holdings	BDM	AltX	not listed	not listed	PSG Capital	PSG Capital; Sasfin Capital			undisclosed	Jun 21
Acquisition by	Ibibo (Naspers and Tencent jv) from founding shareholders	RedBus	Consumer services - broadcasting & entertainment	Foreign - India	Foreign - India	Avendus Capital				$135m	Jun 24
Acquisition by	Esorfranki Broad Base Ownership Scheme and the BEE Investments Consortium from various institutional shareholders	10 800 000 and 5 200 000 Esorfranki shares respectively	not listed	not listed	Industrials - heavy construction		Vunani Corporate Finance			R24m	Jun 24
Disposal by	Sentula Mining to Miniandante	the Schoongezicht Prospecting Right	not listed	Basic materials - general mining	not listed		Merchantec Capital	Edward Nathan Sonnenbergs		R22m	Jun 24
Disposal by	Metmar Trading (Metmar) to West African International	West African Group	not listed	Basic materials - non-ferrous metals	not listed		One Capital	Read Hope Phillips		R70m	Jun 26
Disposal by	Avusa Entertainment Investments (Times Media) to Tsogo Sun Casinos (Tsogo), Nu Metro Filmed Entertainment and Monte Cinemas	51% stake in Monte Cinemas	Consumer services - gambling	Consumer services - publishing	not listed		PSG Capital	Edward Nathan Sonnenbergs		R20m	Jun 26
Disposal by	Avusa Entertainment Investments (Times Media) to Whitehorse Investments and Avalon Three Groups Investments	50% stake in Three Groups Cinemas (Suncoast Cinemas)	not listed	Consumer services - publishing	not listed		PSG Capital	Edward Nathan Sonnenbergs		R17m	Jun 26
Disposal by ■	Great Capital Partnership (Capital & Counties jv) to PCW Property	Park Crescent West	Foreign - UK	Financials - real estate holding & development	Foreign - UK	Amiri Capital	Merrill Lynch (SA)			£105m	Jun 26
Acquisition by	Evraz Highveld Steel & Vanadium from Arkein Industrial	20% stake in Nyanza	Basic materials - steel	not listed	not listed		JPMorgan (SA)			undisclosed	Jun 26
Acquisition by	Steinhoff Europe (Steinhoff International)	kika-Leiner Group	Consumer goods - household goods	Foreign - Austria	Foreign - Austria		PSG Capital			undisclosed	Jun 26
Acquisition by	Trustco from Real People	rights to various leased premises and staff	Financials - speciality finance	not listed	not listed	Bravura	Sasfin Capital; IJG Securities			R8,2m	Jun 26
Acquisition by	Aspen Pharmacare from MSD	API manufacturing facilities plus inventory	Healthcare - pharmaceuticals	Foreign - US	Foreign - Netherlands		Investec Bank			€336m	Jun 27
Acquisition by	Ellies from Vegtu Investments	ERFs 319,194 and 196 Village Deep, Gauteng	Industrials - electrical components & equipment	not listed	not listed	Grant Thornton	Java Capital			R39m	Jun 27
Disposal by	Murray & Roberts to consortiums comprising Capitalworks and certain senior management and executives of Much Asphalt and RMB Ventures and senior management of Ocon Brick	Construction Products Africa businesses	not listed	Industrials - heavy construction	not listed	Deutsche Bank; Rand Merchant Bank	Deutsche Securities (SA)	Webber Wentzel; Edward Nathan Sonnenbergs		R1,33bn	Jun 28
Disposal by	GroCapital Financial Services (Afgri) to the Land and Agricultural Development Bank of SA	farmer lending book (19th tranche)	not listed	Consumer goods - farming & fishing	not listed	Nedbank Capital	Investec Bank	Brink Cohen Le Roux; Van Der Merwe; Edward Nathan Sonnenbergs		R361,9m	not announced
Disposal by	GroCapital Financial Services (Afgri) to the Land and Agricultural Development Bank of SA	corporate lending book (12th tranche)	not listed	Consumer goods - farming & fishing	not listed			Van Der Merwe		R498m	not announced
Acquisition by	ArcelorMittal SA subsidiary from Extell Investments	25% stake in Coza Mining	Basic materials - steel	not listed	not listed	Bravura				not publicly disclosed	not announced
Acquisition by	Santam from Innovation Group	Travel Insurance Consultants	Financials - property & casualty insurance	Foreign - UK	not listed	Bravura		Prinsloo, Tindle & Andropoulos; Edward Nathan Sonnenbergs		not publicly disclosed	not announced
Acquisition by	Bidvest from shareholders	Academy Brushware	Industrials - diversified	not listed	not listed			Baker & McKenzie		not publicly disclosed	not announced
Acquisition by	Investec from OMIC	49,9% stake in Universal Storage solutions	Financials - investment services	not listed	not listed			Webber Wentzel		not publicly disclosed	not announced
Disposal by	Supaswift (Bidvest) to FedEx	courier service and freight transportation business in SA, Malawi, Mozambique, Swaziland and Zambia	Foreign - US	Industrials - diversified	Foreign - Africa			Werksmans; Cliffe Dekker Hofmeyr		not publicly disclosed	not announced
Joint Venture	WesBank (FirstRand) and Volkswagen	Volkswagen Financial Services South Africa	Financials - banks; not listed					Edward Nathan Sonnenbergs; Cliffe Dekker Hofmeyr		undisclosed	not announced
Acquisition by	Afgri Operations (Afgri) from various shareholders	shares in Mentor	Consumer goods - farming & fishing	not listed	not listed			Van Der Merwe		R6,8m	not announced
Disposal by	Afgri Operations (Afgri) Agrienvirolab World	the business of importing branded and well known electronic laboratory equipment and providing after sale support services	not listed	Consumer goods - farming & fishing	not listed			Van Der Merwe		R5,95m	not announced
Acquisition by	Delta Property Fund from Atterbury Investment Managers	Commission House, Erf 1159 Pretoria	Financials - real estate holding & development	not listed	not listed	Nedbank Capital	Nedbank Capital			not publicly disclosed	not announced
Acquisition by	Delta Property Fund from Top Trailers	Top Trailers Trucking, Erf 550 Wadeville	Financials - real estate holding & development	not listed	not listed	Nedbank Capital	Nedbank Capital			not publicly disclosed	not announced
Acquisition by	Delta Property Fund from Glenadrienne Properties	Eskom Sunninghill, Stand 1480	Financials - real estate holding & development	not listed	not listed	Nedbank Capital	Nedbank Capital			not publicly disclosed	not announced

* Investment Advisers include Merchant & Investment Banks and others claiming this category

■ Foreign transaction - not included for rankings purposes (except sponsors)

═ Failed deal - excluded for ranking purposes

UNLISTED DEALS

NATURE OF DEAL	PARTIES	ASSET	TOMBSTONE PARTIES			ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			INVESTMENT ADVISER*	ATTORNEY/LEGAL ADVISER	REPORTING ACCOUNTANT		
Acquisition by	Wantitall.co.za	stake in Citymob.co.za				undisclosed	Apr 4
Disposal by	Bonitas Medical Fund	Bonitas Marketing Company				undisclosed	Apr 10
Disposal by	NWK to Africum (Suidwes Investments)	shares in Agrinet		Cliffe Dekker Hofmeyr		R65m	Apr 17
Acquisition by	GoGlobal Properties	6 600 shares in Alstria Office Reit	Java Capital			€60 245	Apr 22
Acquisition by	GoGlobal Properties	9 000 shares in British Land Co	Java Capital			£52 338	Apr 22
Acquisition by	GoGlobal Properties	20 000 shares in Segro Plc	Java Capital			£52 082	Apr 22
Acquisition by	GoGlobal Properties	10 400 shares in Hammerson Plc	Java Capital			£52 721	Apr 22
Acquisition by	StarTimes	Top TV		Edward Nathan Sonnenbergs		undisclosed	Apr 30
Disposal by	Bayer to Lanxess	Rustenburg Chrome Mine		Webber Wentzel		not publicly disclosed	May 1
Acquisition by	African Procurement Agencies	Meltz Stores				undisclosed	May 2
Acquisition by	Edelman Europe	74.9% of Baird's Renaissance		Baker & McKenzie		not publicly disclosed	May 6
Merger of	Grant Thornton and PKF Johannesburg	Grant Thornton				undisclosed	May 7
Acquisition by	Dimension Data	AccessKenya				Ksh3,052bn	May 7
Acquisition by ■	Shandong Qixing Iron Tower	Stonewall Mining				$140m	May 8
Merger of	Search Partners International and Adcorp Search Partners	to be advised				undisclosed	May 8
Acquisition by	Marley Pipe Systems	assets of Petzetakis Africa		Edward Nathan Sonnenbergs		R100m	May 20
Acquisition by	Hollard Insurance	shares not already owned in Etana		Edward Nathan Sonnenbergs		undisclosed	May 23
Acquisition by	Ascendis Health	Nimue Skin Technology and and Scientific Sports Nutrition				R120m	May 30
Acquisition by	Holdco	50% of Lanseria Airport and 100% of Execujet Airline Investments		Werksmans		not publicly disclosed	May 30
Acquisition by	Paramount Group	Advanced Technology and Engineering Company South Africa (ATE South Africa)				undisclosed	Jun 7
Acquisition by	Public Investment Corporation from Dangote Industries	1.5% of it's stake in Dangote Cement				$289,3m	Jun 10
Acquisition by	CA Sales	40% stake in Pack 'n Stack Investment		Cliffe Dekker Hofmeyr		undisclosed	Jun 12
Joint Venture	Willowton Group and Louis Dreyfus Commodities	Allsome Brands				undisclosed	Jun 14
Acquisition by	Seek International	25% stake in One Africa Media		Cliffe Dekker Hofmeyr; Shepstone & Wylie		$20m	Jun 20
Acquisition by	CUMI International from RHI AG	RHI Isithebe	Deloitte			undisclosed	Jun 21
Disposal by	Shareholders	Generator Logic Group	Bravura Equity Services			undisclosed	not announced
Acquisition by	Roeland Street Investments from Harlequin Duck Properties 95 cc, Infoteam Investments 87 cc, D&M Padaanleg Transvaal cc, Superstrike Investments 77 (Pty) Ltd, Polfin cc and Friedcorp 192 cc	8 property letting enterprises		Van Chetty		not publicly disclosed	not announced
Acquisition by	VAG Holding GmbH	Klamflex Pipe Couplings		Baker & McKenzie		R45m	not announced
Acquisition by	Bilfinger Passavant Water Technologies from Weatherford International	Screenex Manufacturing		Baker & McKenzie		not publicly disclosed	not announced
Disposal by	Launchchange to K2013060356	4.9% of Automated Fuel Systems Group		Baker & McKenzie		not publicly disclosed	not announced
Acquisition by	Management and MIC Capital Partners from RMB Ventures	Stake in Puregas		Webber Wentzel		not publicly disclosed	not announced
Acquisition by	Zico Capital and PSG Private Equity	additional 18.8% stake in Precrete		Cliffe Dekker Hofmeyr		undisclosed	not announced
Joint Venture	Calulo Newco and Conceptum Logistics	Conceptum Logistics Africa		Cliffe Dekker Hofmeyr		undisclosed	not announced
Acquisition by	The LR Management Group from Norman Auerbach, Deborah Farquharson, Kgosi P Mpuang and Learn2Think	shareholding in Turquoise Moon Trading		Cliffe Dekker Hofmeyr		undisclosed	not announced
Acquisition by	Ascendis Health	Pharmachem Pharmaceuticals, Pharmadyne Healthcare and Dezzo Trading 392		Cliffe Dekker Hofmeyr		undisclosed	not announced
Acquisition by	Gumlink from Natela Importers	50% stake in Beechies SA		Cliffe Dekker Hofmeyr		R5m	not announced
Acquisition by	Wasteman	Four Arrows Investment	Marlow			undisclosed	not announced
Acquisition by	Management and BEE investors	Southey Holdings	Standard Bank			R1,4bn	not announced
Acquisition by	Paradise Falls Timber	timberlands		Webber Wentzel		undisclosed	not announced
Acquisition by	Manco	50.1% of Universal Storage Solutions		Webber Wentzel		not publicly disclosed	not announced

■ Foreign transaction - not included for legal rankings

LEGAL ADVISERS RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	Edward Nathan Sonnenbergs	2,360	34.25%
2	Werksmans	1,155	16.75%
3	Baker & McKenzie	905	13.13%
4	Vani Chetty	591	8.58%
5	Norton Rose	562	8.15%
6	Webber Wentzel	450	6.54%
7	Cliffe Dekker Hofmeyr	385	5.59%
8	Shepstone & Wylie	204	2.96%
9	Van Zijl	169	2.45%
10	Bowman Gilfillan	110	1.60%
11	Glyn Marais	undisclosed	0.00%

LEGAL ADVISERS RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	Cliffe Dekker Hofmeyr	19	33.33%	385
2	Werksmans	8	14.04%	1,155
3	Baker & McKenzie	7	12.28%	905
4	Edward Nathan Sonnenbergs	6	10.53%	2,360
	Norton Rose	6	10.53%	562
6	Webber Wentzel	4	7.02%	450
7	Vani Chetty	2	3.51%	591
	Van Zijl	2	3.51%	169
9	Shepstone & Wylie	1	1.75%	204
	Bowman Gilfillan	1	1.75%	110
	Glyn Marais	1	1.75%	undisclosed

THE UNLISTED RANKING RULES

Ranking the unlisted deals applies, at this stage, to Legal Advisers only.

1. For a deal to qualify for ranking it must involve at least one SA entity.
2. Legal Advisers that seek credit for involvement in such deals must be able to demonstrate unequivocally their involvement, if necessary by reference to one or several of the principals.
3. The full value of each deal must be confirmed by the client or appear on documentation provided. If confidential, the value will be treated as such and used only for ranking purposes.
4. So as to achieve fairness, rankings are recorded in two fields:
   Deal Value
   Deal Flow (activity, or the number of deals)
5. Where discrepancies occur in the deal values claimed, **DealMakers** reserves the right to challenge these, if necessary by requesting clarity from the principals where this is appropriate. Changes in the prices at which deals are transacted will be adjusted when the annual rankings are computed.
6. Deals that are subsequently cancelled, withdrawn or which are deemed to have failed will not be included for ranking purposes. They will be recorded, nevertheless, for record purposes.
7. All deals are checked by **DealMakers**; any discrepancies that arise will be queried.
8. All entities involved in deal-making are asked to sign off a summary document prepared by **DealMakers** to ensure that no clerical errors have occurred.
9. When there is a merger between two service providers, the merged entity may elect to include as part of the annual rankings one or the other party's transactions prior to the merger (but not both).
10. Deals/transactions executed in the normal course of business: Activity undertaken by companies in the normal course of their business will not be recognised by **DealMakers** for inclusion in the ranking tables.
11. **Complaints/queries/objections:**

    These must be lodged with **DealMakers** not later than the end of the next following quarter, so in respect of Q1 by the end of Q2. In respect of Q4, these must be lodged by the close of business at the end of the third week of January, i.e. by Jan 21 or the closest business day.
12. **DealMakers** does not accept responsibility for any errors or omissions.

GENERAL CORPORATE FINANCE

SHARE ISSUES

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: REPORTING ACCOUNTANT	TRANSACTION VALUE	ANNOUNCEMENT DATE
Specific Issue	Resource Generation	Coal	21 352 350	R0,40	Macquarie First South Capital	Macquarie First South Capital			A$8,54m	Apr 2
Rights Issue	RBA Holdings	AltX	125 000 000	R0,08		Exchange Sponsors		Logista CA	R10m	Apr 2
Private Placement	Torre Industrial	AltX	72 727 272	R1,10	Afrasia Corporate Finance	PSG Capital	Cliffe Dekker Hofmeyr	RSM	R80m	Apr 5
Specific Issue	Torre Industrial	AltX	4 082 645	R1,10	Afrasia Corporate Finance	PSG Capital	Cliffe Dekker Hofmeyr	RSM	R4,49m	Apr 5
Private Placement	Lonrho	AltX	40 311 060	£0,062		Java Capital			£2,5m	Apr 5
Specific Issue	Capital Property Fund	Real Estate Investment Trusts	70 754 717	R10,60		Java Capital			R750m	Apr 5
Specific Issue (Cap Award)	Standard Bank	Banks	10 281 204	R118,64		Standard Bank; Deutsche Securities (SA); Simonis Storm Securities			R1,22bn	Apr 8
Specific Issue	Ingenuity Property Investments	Real Estate Holding & Development	200 000 000	R0,85	Nedbank Capital	Nedbank Capital	Edward Nathan Sonnenbergs	Mazars	R170m	Apr 8
Private Placement	Delrand Resources	Diamonds & Gemstones	6 000 000	C$0,045		Arcay Moela Sponsors			C$270 000	Apr 9
Specific Issue (Debt Conversion)	SacOil	Integrated Oil & Gas	488 804 476	R0,32037		Nedbank Capital; finnCap; First Energy Capital; GMP Securities Europe	Norton Rose	Ernst & Young	R156,6m	Apr 10
Specific Issue	Datatec	Computer Services	113 868	£3,63		Rand Merchant Bank			£413 341	Apr 11
Specific Issue	Fortress Income Fund	Real Estate Holding & Development	'A and 'B'	R14,75 and R7,90	Java Capital	Java Capital			R250m	Apr 11
Rights Issue	New Europe Property Investments	Real Estate Holding & Development	11 290 323	R62,00	Java Capital	Java Capital			R700m	Apr 15
Vendor Placement	Hospitality Property Fund	Real Estate Holding & Development	12 476 139 'A' and 12 476 139 'B'	R16,65 and R5,39	Rand Merchant Bank	Rand Merchant Bank			R274,97m	Apr 18
Specific Issue	DiamondCorp	AltX	1 500 000	£0,03		PSG Capital			£45 000	Apr 19
Specific Issue	Sherbourne Capital	AltX	70 000 000	R0,01		Bridge Capital			R700 000	Apr 22
Private Placement (IPO)	GoGlobal Properties	AltX	250 000	R14,09	Java Capital	Java Capital			R3,52m	Apr 22
Cash Issue	Redefine Properties	Real Estate Holding & Development	78 431 373	R10,20	Java Capital	Java Capital			R800m	Apr 23
Private Placement (IPO)	NewGold Platinum	Exchange Traded Funds	400 000	R132,00	Absa/Barclays	Absa/Barclays	Edward Nathan Sonnenbergs		R52,8m	Apr 23
Specific Issue	Kibo Mining	AltX	1 067 174	£0,0507	River Group	River Group			£54 138	Apr 26
Specific Issue	Vukile Property Fund	Real Estate Holding & Development	20 512 821	R19,50	Java Capital	Java Capital; IJG Securities			R400m	May 7
Vendor Placement	Fairvest Property	Real Estate Holding & Development	70 714 286	R1,40	Java Capital	PSG Capital			R99m	May 8
Cash Issue	Consolidated Infrastructure	Electrical Components & Equipment	15 000 000	R17,20		Java Capital			R258m	May 9
Cash Issue	Growthpoint Properties	Real Estate Holding & Development	90 000 000	R28,00	Deutsche Bank (SA); Investec Bank	Investec Bank	Glyn Marais		R2,5bn	May 21
Specific Issue	Lonrho	AltX	10 000 000	£0,062		Java Capital			£3,96m	May 22
Rights Issue	Vunani Property Investment Fund	Real Estate Holding & Development	47 894 737	R9,50	Vunani Corporate Finance; Investec Bank	Grindrod Bank; Vunani Corporate Finance	Cliffe Dekker Hofmeyr	KPMG	R455m	May 29
Specific Issue (Warrants Conversion)	Lonrho	AltX	10 000 000	£0,10		Java Capital			£1m	May 29
Specific Issue	Jubilee Platinum	Platinum & Precious Metals	8 838 449	£0,0658		Sasfin Capital; finnCap			£581 570	May 30
Specific Issue (Scrip Shares)	Intu Properties	Real Estate Investment Trusts	10 693 407	£3,416		Merrill Lynch (SA)			£36,53m	May 31
Specific Issue (Cap Award)	African Bank Investments	Consumer Finance	5 579 420	R17,16		Rand Merchant Bank	Prinsloo, Tindle & Andropoulos		R95,78m	May 31
Specific Issue	Datatec	Computer Services	752 606	£3,68		Rand Merchant Bank			£2,77m	Jun 3
Specific Issue (Scrip Shares)	Oasis Crescent Property Fund	AltX	1 119 069	R13,40		PSG Capital			R14,9m	Jun 3
Private Placement	Rockcastle Global Real Estate	AltX	130 000 000	$1,30		Java Capital			$169m	Jun 5
Specific Issue (Cap Award)	Brait SE	Investment Services	3 850 863	R35,29		Rand Merchant Bank			R135,9m	Jun 6
Share Placement (IPO)	Interwaste	AltX	66 666 667	R0,794	Grindrod Bank	Grindrod Bank		KPMG	R52,9m	Jun 11
Rights Issue	New Europe Property Investments	Real Estate Holding & Development	20 833 328	R64,80	Java Capital; Smith Williamson Corporate Finance; SSIF Intercapital Invest SA	Java Capital	Java Capital; Reff & Associatii; Consilium; McDermott Will & Emery UK	Ernst & Young	R1,35bn	Jun 13
Cash Issue	Ububele	AltX	26 762 673	R0,60		PSG Capital			R72,95m	Jun 14
Specific Issue (Cap Award)	Capital & Counties Properties	Real Estate Holding & Development	1 130 749	£3,14		Merrill Lynch (SA)			£3,55m	Jun 19
Specific Issue (Cap Award)	Crookes Brothers	Farming & Fishing	161 817	R55,00		Sasfin Capital			R8,89m	Jun 20
Specific Issue (Cap Award)	Vukile Property Fund	Real Estate Investment Trusts	3 961 200	R16,77	Java Capital	Java Capital; IJG Securities			R66,4m	Jun 24
Private Placement (IPO)	Brait SE	Preference Shares	5 000 000	R100,00	Rand Merchant Bank	Rand Merchant Bank	Maitland		R500m	Jun 24
Specific Issue (Cap Award)	Niveus Investments	Equity Investment Instruments	to be advised	to be advised	Investec Bank	Investec Bank			to be advised	Jun 26
Rights Issue	Resource Generation	Coal	47 536 602	A$0,22		Macquarie First South Capital; BBY			A$10,46m	Jun 28
Specific Issue (Cap Award)	Mas Real Estate	AltX	846 714	R15,31					R12,96m	Jun 28

* Investment Advisers include Merchant & Investment Banks and others claiming this category

GENERAL CORPORATE FINANCE

SHARE REPURCHASES

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: REPORTING ACCOUNTANT	TRANSACTION VALUE	ANNOUNCEMENT DATE
Odd-Lot Repurchase	Torre Industrial	AltX	833	R 1,328	Afrasia Corporate Finance	PSG Capital	Cliffe Dekker Hofmeyr	RSM	R1 106	Apr 5
Specific Repurchase	Torre Industrial	AltX	10 709	R 1,328	Afrasia Corporate Finance	PSG Capital	Cliffe Dekker Hofmeyr	RSM	R14 221	Apr 5
Odd-Lot Repurchase	Vukile Property Fund	Real Estate Holding & Development	1 192	R19,79	Java Capital	Java Capital; IJG Securities			R23 590	May 14
Open Market Repurchase	Eqstra	Diversified Industrials	7 985 504	undisclosed		Rand Merchant Bank			R49,8m	May 17
Specific Repurchase	Hosken Consolidated Investments	Equity Investment Instruments	14 024 300	R112,00	Investec Bank; BDO Corporate Finance	Investec Bank	Edward Nathan Sonnenbergs; Tabacks	Grant Thornton	R1,57bn	May 20
Specific Repurchase	Hosken Consolidated Investments	Equity Investment Instruments	1 827 643	R112,00	Investec Bank; BDO Corporate Finance	Investec Bank	Edward Nathan Sonnenbergs; Tabacks	Grant Thornton	R204,7m	May 20
Open Market Repurchase	Blackstar	AltX	1 250 000	£0,79		PSG Capital; Liberum Capital			£987 500	May 24
Odd-Lot Repurchase	Mondi	Forestry and Paper	658 951	€11,22		UBS (SA)			€7,39m	May 24
Open Market Repurchase	Morvest Business	Business Support Services	20 374 758	ave R0,18		Sasfin Capital			R3,72m	May 31
Specific Repurchase	Reunert	Electrical Components & Equipment	350 000	R2,10		Deloitte; Rand Merchant Bank			R735 000	Jun 5
Specific Repurchase	Business Connexion	Computer Services	25 033 334 'A'	R0,95	One Capital	One Capital	Edward Nathan Sonnenbergs	KPMG	23,78m	Jun 6
Open Market Repurchase	Sovereign Food Investments	Farming & Fishing	2 870 118	ave R4,63		One Capital			R14,1m	Jun 18
Specific Repurchase	Growthpoint Properties	Real Estate Holding & Development	16 500 000	R21,50	Investec Bank	Investec Bank	Glyn Marais	KPMG	R354,8m	Jun 28
Open Market Repurchase	British American Tobacco	Tobacco	13 980 750	ave £35,82		UBS (SA)			£497,9m	over 2nd quarter

MAJOR OPEN MARKET TRANSACTIONS

DESCRIPTION	COMPANY	SECTOR	DEATILS	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: REPORTING ACCOUNTANT	TRANSACTION VALUE	ANNOUNCEMENT DATE
Open Market Disposal by	Redefine Properties International	Real Estate Holding & Development	84,5m shares (5,79% stake) in Cromwell Property at prices at A$0,90-A$0,9653		Java Capital			A$76,2m	Apr 3
Open Market Disposal by	Hyprop Investments	Real Estate Holding & Development	11 189 543 Sycom Property Fund renounceable letters of allocation	Java Capital	Java Capital	Java Capital		undisclosed	May 9

COMPANY LISTINGS

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: REPORTING ACCOUNTANT	TRANSACTION VALUE	ANNOUNCEMENT DATE
JSE Listing (Specialist Securities)	NewGold Platinum	Exchange Traded Funds	400 000	R136,94	Absa/Barclays	Absa/Barclays	Edward Nathan Sonnenbergs		R54,8m	Apr 26
JSE Listing (Secondary)	GoGlobal Properties	AltX	250 000	no trade as at 29/7/13	Java Capital	Java Capital	Edward Nathan Sonnenbergs		no trade	Apr 29
JSE Listing (Secondary)	Giyani Gold	AltX	54 728 578	no trade as at 29/7/13	Sasfin Capital	Sasfin Capital	Brink Falcon Hume		no trade	Jun 26
JSE Listing (Convertible Bond)	Soapstone Investments	AltX	4 000	no trade as at 29/7/13	Rand Merchant Bank	Rand Merchant Bank	Werksmans		no trade	Jun 26

CAPITAL REDUCTIONS

COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: REPORTING ACCOUNTANT	TRANSACTION VALUE	ANNOUNCEMENT DATE
Datatec	Computer Services	191 000 000	R0,83		Rand Merchant Bank		Deloitte	R158,53m	May 15

UNBUNDLING

COMPANY	SECTOR	ASSET UNBUNDLED	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: REPORTING ACCOUNTANT	TRANSACTION VALUE	ANNOUNCEMENT DATE
Afgri	Farming & Fishing	special distribution to BEE consortium as a result of disolution of partnership and a special cash dividend	Investec Bank	Investec Bank	Brink Falcon Hume; Van Der Merwe	PwC; KPMG	R100m + R94,3m	Jun 4

* Investment Advisers include Merchant & Investment Banks and others claiming this category

SPECIALIST SECURITIES ISSUES (excluded for ranking purposes)

COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: REPORTING ACCOUNTANT	TRANSACTION VALUE	LISTING DATE
PropTrax SAPY	Exchange Traded Funds	100 000	R52,73		Java Capital			R5,27m	Apr 3
DB X-trackers MSCI USA	Exchange Traded Funds	6 000 000	R13,80		Vunani Corporate Finance			R82,8m	Apr 11
Zshares GOVI	Exchange Traded Funds	777 248	R11,43		Investec Bank			R8,88m	Apr 11
Prefex Securities	Exchange Traded Funds	300 000	R10,53		Grindrod Bank			R3,16m	Apr 18
Satrix Indi	Exchange Traded Funds	1 000 000	R41,81		Vunani Corporate Finance			R41,81m	Apr 18
RMB Government Inflation Linked Bond Fund	Exchange Traded Funds	1 600 000	R19,28		Bridge Capital			R30,85m	Apr 18
Satrix SWIX Top 40	Exchange Traded Funds	2 000 000	R7,45		Vunani Corporate Finance			R14,9m	Apr 19
NewGold Issuer	Exchange Traded Funds	2 000 000	R122,50		Absa/Barclays			R245m	Apr 22
Satrix RESI	Exchange Traded Funds	2 000 000	R43,56		Vunani Corporate Finance			R87,12m	Apr 23
NewGold Issuer	Exchange Traded Funds	2 800 000	R122,60		Absa/Barclays			R343,28m	Apr 23
NewGold Issuer	Exchange Traded Funds	2 400 000	R122,70		Absa/Barclays			R294,5m	Apr 24
NewGold Issuer	Exchange Traded Funds	1 200 000	R124,00		Absa/Barclays			R148,8m	Apr 25
Proptrax Ten	Exchange Traded Funds	200 000	R15,72		Java Capital			R3,14m	May 2
NewGold Platinum	Exchange Traded Funds	12 000 000	R136,00		Absa/Barclays			R1,63m	May 3
NewGold Platinum	Exchange Traded Funds	2 800 000	R136,10		Absa/Barclays			R381m	May 6
NewGold Platinum	Exchange Traded Funds	2 000 000	R136,20		Absa/Barclays			R272,4m	May 7
Proptrax Ten	Exchange Traded Funds	100 000	R16,24		Java Capital			R1,62m	May 7
NewGold Platinum	Exchange Traded Funds	2 000 000	R134,00		Absa/Barclays			R268m	May 8
Proptrax Ten	Exchange Traded Funds	500 000	R16,50		Java Capital			R8,25m	May 9
NewGold Platinum	Exchange Traded Funds	1 600 000	R133,50		Absa/Barclays			R213,6m	May 9
Db X-Trackers MSCI World	Exchange Traded Funds	3 000 000	R13,18		Vunani Corporate Finance			R39,54m	May 9
RMB Government Inflation Linked Bond Fund	Exchange Traded Funds	1 000 000	R19,65		Bridge Capital			R19,65m	May 10
Proptrax Ten	Exchange Traded Funds	200 000	R16,51		Java Capital			R3,3m	May 10
NewGold Platinum	Exchange Traded Funds	800 000	R134,50		Absa/Barclays			R107,6m	May 10
NewGold Platinum	Exchange Traded Funds	4 000 000	R134,25		Absa/Barclays			R537m	May 13
Satrix Indi	Exchange Traded Funds	1 000 000	R44,26		Vunani Corporate Finance			R44,26m	May 15
Satrix Rafi 40	Exchange Traded Funds	3 000 000	R9,15		Vunani Corporate Finance			R27,45m	May 15
NewGold Platinum	Exchange Traded Funds	800 000	R138,85		Absa/Barclays			R108,7m	May 15
NewGold Platinum	Exchange Traded Funds	1 200 000	R135,00		Absa/Barclays			R162m	May 16
Proptrax Ten	Exchange Traded Funds	100 000	R16,60		Java Capital			R1,66m	May 17
NewGold Platinum	Exchange Traded Funds	800 000	R135,35		Absa/Barclays			R108,28m	May 17
Proptrax Ten	Exchange Traded Funds	300 000	R16,61		Java Capital			R4,98m	May 20
NewGold Platinum	Exchange Traded Funds	400 000	R138,75		Absa/Barclays			R55,5m	May 20
NewGold Platinum	Exchange Traded Funds	1 200 000	R138,15		Absa/Barclays			R165,78m	May 21
NewGold Platinum	Exchange Traded Funds	1 200 000	R138,75		Absa/Barclays			R166,5m	May 22
NewGold Platinum	Exchange Traded Funds	1 600 000	R137,50		Absa/Barclays			R220m	May 22
NewGold Platinum	Exchange Traded Funds	400 000	R137,60		Absa/Barclays			R55m	May 24
NewGold Platinum	Exchange Traded Funds	800 000	R139,50		Absa/Barclays			R111,6m	May 27
NewGold Platinum	Exchange Traded Funds	1 200 000	R140,00		Absa/Barclays			R168m	May 28
Db X-Trackers MSCI World	Exchange Traded Funds	3 000 000	R14,59		Vunani Corporate Finance			R43,77m	May 30
Db X-Trackers MSCI World	Exchange Traded Funds	6 000 000	R15,23		Vunani Corporate Finance			R91,38m	May 30
Proptrax Ten	Exchange Traded Funds	200 000	R15,87		Java Capital			R3,17m	May 31
NewGold Platinum	Exchange Traded Funds	400 000	R142,00		Absa/Barclays			R56,8m	Jun 3
Satrix 40	Exchange Traded Funds	2 000 000	R36,91		Vunani Corporate Finance			R73,82m	Jun 4
Zshares GOVI	Exchange Traded Funds	1 394 349	R11,33		Investec Bank			R15,8m	Jun 5
NewGold Platinum	Exchange Traded Funds	400 000	R148,10		Absa/Barclays			R59,24m	Jun 6
Prefex Securities	Exchange Traded Funds	200 000	R10,27		Grindrod Bank			R2,1m	Jun 6
Proptrax Ten	Exchange Traded Funds	200 000	R14,30		Java Capital			R2,86m	Jun 7
NewGold Platinum	Exchange Traded Funds	400 000	R151,00		Absa/Barclays			R60,4m	Jun 12
NewGold Platinum	Exchange Traded Funds	1 600 000	R150,00		Absa/Barclays			R240m	Jun 13
NewGold Platinum	Exchange Traded Funds	2 000 000	R148,50		Absa/Barclays			R297m	Jun 18
Zshares GOVI	Exchange Traded Funds	1 201 244	R11,11		Investec Bank			R13,3m	Jun 19
NewGold Platinum	Exchange Traded Funds	400 000	R144,00		Absa/Barclays			R57,6m	Jun 20
Satrix Dividend Plus	Exchange Traded Funds	20 000 000	R1,98		Vunani Corporate Finance			R39,6m	Jun 21
Satrix Indi	Exchange Traded Funds	1 000 000	R45,27		Vunani Corporate Finance			R45,27m	Jun 21
NewGold Platinum	Exchange Traded Funds	400 000	R142,50		Absa/Barclays			R57m	Jun 24
NewGold Platinum	Exchange Traded Funds	400 000	R135,00		Absa/Barclays			R54m	Jun 28

* Investment Advisers include Merchant & Investment Banks and others claiming this category

COMINGS & GOINGS

LISTINGS

COMPANY	SECTOR	ANNOUNCEMENT DATE	LISTING DATE
Giyani Gold (Secondary)	AltX	Jun 19 2013	Jun 26 2013
GoGlobal Properties (Secondary)	AltX	Apr 22 2013	Apr 29 2013
Impala Platinum (Convertible Bond)	Platinum & Precious Metals	Feb 15 2013	Apr 10 2013
Newgold Platinum	Exchange Traded Funds	Apr 18 2013	Apr 26 2013
Tower Property Fund	Diversified Reits	Jun 20 2013	Jul 19 2013

DELISTINGS

COMPANY	SECTOR	ANNOUNCEMENT DATE	SUSPENSION DATE	TERMINATION DATE	COMMENT
Allied Technologies	Mobile Telecommunications	May 17 2013	Aug 12 2013	Aug 20 2013	Scheme of arrangement (Altron Finance)
Amalgamated Appliances	Consumer Electronics	Nov 28 2012	Jun 24 2013	Jul 2 2013	Scheme of arrangement (Bidvest)
Business Connexion "A"	Computer Services	Aug 1 2011	Sep 30 2013	Oct 8 2013	Scheme of arrangement
Cape Empowerment	Equity Investment Instruments	Mar 1 2013	May 6 2013	May 14 2013	Pro-Rata repurchase offer
Cipla Medpro South Africa	Pharmaceuticals	Feb 28 2013	Jul 8 2013	Jul 16 2013	Scheme of arrangement (Cipla Limited)
Great Basin Gold	Gold Mining	Dec 27 2012	Sep 17 2012	to be advised	Voluntary delisting following creditor protection proceedings in Canada in Sept 2012
IFA Hotels & Resorts	Hotels	May 29 2013	Sep 2 2013	Sep 10 2013	Scheme of arrangement (IFA Hotels & Resorts KSCC)
JCI	Gold Mining	Mar 26 2013	Aug 1 2005	Apr 16 2013	JSE Listing Requirements
Lonrho	AltX	May 15 2013	Jul 19 2013	Aug 5 2013	Scheme of arrangement (FS Africa)
Mobile Industries	Transportation Services	Mar 9 2011	Jan 23 2012	Jul 16 2013	Voluntary winding up
Muvoni Technology	AltX	Apr 15 2013	Jul 22 2013	Jul 30 2013	Scheme of arrangement (Horizon Investment & Financial Services)
New Bond Capital	Equity Investment Instruments	Mar 4 2013	May 27 2013	Jun 4 2013	Scheme of arrangement (Blackstar)
Reunert Preference Shares	Preference Shares	Jun 5 2013	Jun 24 2013	Jul 2 2013	Redeemed due to nonmial trade and cost of maintaining listing
RGT Smart Market Intelligence	AltX	Apr 30 2013	Jul 22 2013	Jul 30 2013	Scheme of arrangement (Halls Technologies)
Sable	AltX	May 21 2013	to be advised	to be advised	Repurchase offer by Sable
Simmer and Jack Mines	Gold Mining	Mar 20 2013	Dec 20 2012	Apr 16 2013	JSE listing requirements
Thabex	Diamonds & Gemstones	Jun 21 2013	Jun 22 2010	Jul 9 2013	JSE Listing Requirements
Zaptronix	AltX	Apr 12 2013	Jan 2 2013	Apr 30 2013	Failure to comply with JSE listing requirements

LIQUIDATIONS

COMPANY	SECTOR	ANNOUNCEMENT DATE	STATUS
1time	Airlines	Nov 8 2012	Suspended Nov 5 2012
Africa Cellular Towers	AltX	May 31 2012	Suspended May 31 2012
AG Industries	Building Materials & Fixtures	Nov 26 2010	To delist Aug 27 2013
Alliance Mining	AltX	Apr 9 2010	Suspended Oct 1 2009
Pamodzi Gold	Gold Mining	Mar 17 2009	Suspended Mar 3 2009
Pinnacle Point	AltX	Aug 19 2011	Suspended Sep 28 2011
Sea Kay	Heavy Construction	Oct 17 2012	Suspended Oct 18 2012
Square One Solutions	Computer Services	May 19 2010	Suspended May 19 2010

COMINGS & GOINGS

SUSPENSIONS

COMPANY	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE	COMMENT
Ardor SA (Decillion)	Investment Services	Dec 1 2009	Dec 1 2009	JSE Listing requirments. Name changed to Ardor SA 15 Oct 2012
Blue Financial Services	AltX	Jun 26 2013	Jun 26 2013	Request of directors
Bonatla Property	Real Estate Holding & Development	Nov 22 2010	Nov 22 2010	JSE listing requirements
Command	Business Support Services	Aug 2 2010	Aug 2 2010	JSE listings requirements : annual results
Corwill Investments	Equity Investment Instruments	Jul 20 2005	Jul 20 2005	JSE listing requirements
Dorbyl	Auto Parts	Nov 1 2012	Nov 1 2012	JSE listing requirements - Annual results
Erbacon	AltX	Jun 20 2013	Jun 20 2013	Business Rescue Proceedings of Civcon Construction (major operating subsidary)
Faritec	Computer Services	Apr 30 2010	Apr 30 2010	Request of directors.
Firestone Energy	Coal	Mar 15 2013	Mar 15 2013	Request of directors : Second Stage Completion under the Restated Investment Agreement with Ariona SA. Suspension Lifted 7 May 2013
Quantum Property Group	AltX	Aug 27 2012	Aug 27 2012	Request of directors following liquidation of A Million Up Investments 105
Sacoil	Integrated Oil & Gas	May 31 2013	May 31 2013	Request of directors - board changes
Sacoil	Integrated Oil & Gas	May 31 2013	May 31 2013	Request of directors - board changes
Sanyati	Heavy Construction	May 23 2012	May 23 2012	Request of the directors
Sherbourne Capital	AltX	Mar 5 2013	Mar 5 2013	JSE Listing Requirements
William Tell	AltX	Sep 27 2012	Sep 27 2012	Voluntary request of directors
Zaptronix	AltX	Jan 2 2013	Jan 2 2013	Provisional report not released.Listing terminated 30 April 2013

FOREIGN LISTINGS & DELISTINGS

COMPANY	SECTOR	TYPE	COUNTRY	ANNOUNCEMENT DATE	EFFECTIVE DATE
DELISTINGS					
Lonrho	AltX	Primary	UK (LSE)	May 15 2013	Jul 22 2013

DEALS THAT DIDN'T

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Acquisition by	Aquarius Platinum from Northam Platinum	the southern portion of the Booysendal mining right adjacent to Everest Mine	R1,2bn	May 4 2011
Acquisition by	Growthpoint Properties from Fountainhead Property Trust minorities	Fountainhead Property Trust	R11,01bn	Oct 24 2012
Merger of	Foneworx and Value+ Network	Value+ Network	R191,2m	Dec 6 2012
Acquisition by	HPF Properties (Hospitality Property Fund) from Savana Property	78,2% stake in Radisson Blu Gautrain Hotel	R346,7m	Dec 19 2012
Acquisition by	HPF Properties (Hospitality Property Fund) from Savana Property	remaining 21,8% stake in Radisson Blu Gautrain Hotel	R96,7m	Feb 21 2013
Acquisition by	Annuity Properties from The Leaf Property fund Trust and Skyprops 92	Clearwater Office Park, Roodeport	R258,53m	Feb 25 2013
Acquisition by	Vividend Income Fund Bronze Door Properties	The Bronze Door properties (6 properties)	R301,5m	Jul 1 2013

ADMINISTRATIVE MATTERS

NAME CHANGE

COMPANY	NEW NAME	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE
Absa Group	Barclays Africa	Banks	Dec 6 2012	Aug 8 2013
Rainbow Chicken	RCL Foods	Farming & Fishing	Jul 3 2013	Sep 2 2013

CHANGE IN SECTOR

COMPANY	SECTOR	NEW SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE
OneLogix	AltX	Business Support Services	Jun 10 2013	Jun 18 2013

SHARE CONSOLIDATION

COMPANY	SECTOR	NUMBER OF SHARES	RATIO	NEW NO OF SHARES	ANNOUNCEMENT DATE
Gijima	Computer Services	3 968 357 379	20:1	198 417 869	Apr 10

INCREASE IN AUTHORISED SHARE CAPITAL

COMPANY	SECTOR	NO OF SHARES	PRICE PER SHARE	AUTHORISED CAPITAL	ANNOUNCEMENT DATE
Gijima	Computer Services	3 700 000 000	no par	5 000 000 000	Apr 10
Growthpoint Properties	Real Estate Holding & Development	2 000 000 000	no par	4 000 000 000	May 30
Keaton Energy	Coal	500 000 000	no par	750 000 000	Apr 29

AUDIT OPINION

DESCRIPTION	COMPANY	SECTOR	ANNOUNCEMENT DATE	COMMENT
Modified	Atlatsa Resources	Platinum & Precious Metals	Apr 5	Annual Results 31 December 2012
Modified	Brikor	AltX	Jun 28	Prov results 28 February 2013
Modified	Labat Africa	Venture Capital	Jun 6	Prov results 28 February 2013
Modified	Nutritional Holdings	AltX	May 29	Prov results 28 February 2013
Modified	Sable Platinum	Platinum & Precious Metals	Jun 10	Results 28 February 2013
Modified	Sentula Mining	General Mining	Jun 28	Results 31 March 2013
Modified	South African Coal Mining	Coal	Apr 5	Prov results 310 December 2012
Modified	Stratcorp	AltX	Jun 4	Prov results 28 February 2013
Modified	Total Client Services	AltX	Jun 6	Prov results 28 February 2013
Modified	WG Wearne	AltX	Jun 10	Prov results 28 February 2013

PROFIT WARNINGS

COMPANY	SECTOR	ANNOUNCEMENT DATE
African & Overseas Enterprises	Apparel Retailers	Jun 3
African Bank Investments	Consumer Finance	May 2
African Dawn Capital	AltX	May 17
AH-Vest	AltX	Jun 28
Allied Electronics	Electrical Components & Equipment	Apr 12
Allied Technologies	Mobile Telecommunications	Apr 12
Ansys	AltX	May 14
Astral Foods	Farming & Fishing	Apr 30
Astrapak	Containers & Packaging	Apr 11
B&W Instrumentation	AltX	Apr 12
Beige	AltX	Jun 14
Blue Financial Services	AltX	May 17
Bonatla Property	Real Estate Holding & Development	Apr 29
BSI Steel	AltX	Jun 5
Chemical Specialities	AltX	May 13
Chrometco	AltX	May 24
Convergenet	Computer Services	Apr 8
Convergenet (updated)	Computer Services	Apr 18
Datacentrix	Computer Services	Apr 5
Erbacon	AltX	Apr 26
Huge	AltX	May 24
Imbalie Beauty	AltX	May 24
Infrasors	General Mining	Apr 25
Infrasors	General Mining	May 24
Insimbi Refractory & Alloy	Nonferrous Metals	Apr 30
Insimbi Refractory & Alloy (revised)	Nonferrous Metals	May 17
Keaton Energy	Coal	Jun 4
Labat Africa	Venture Capital	May 30
Marshall Monteagle	Industrial Suppliers	Jun 7
Massmart	Broadline Retailers	May 23
MediClinic	Health Care Providers	May 20
Metmar	Nonferrous Metals	Apr 12
Mine Restoration Investments	AltX	May 21
Mine Restoration Investments (updated)	AltX	May 27
Muvoni Technology	AltX	May 20
Nictus Beperk	Broadline Retailers	May 3
Nutritional	AltX	May 6
Peregrine	Asset Managers	Jun 5
Pick n Pay	Food Retailers & Wholesalers	Apr 10
PPC	Building Materials & Fixtures	Apr 29
Primeserv	Business Training & Employment Agencies	May 31
Primeserv (updated)	Business Training & Employment Agencies	Jun 13
PSV	AltX	May 17
Racec	AltX	Jun 21
Reunert	Electrical Components & Equipment	May 3
Rex Trueform Clothing	Apparel Retailers	Jun 3
Sacoil	Integrated Oil & Gas	May 28
Seardel Investment	Clothing & Accessories	Apr 29
Sentula Mining	General Mining	Apr 19
Sentula Mining (further)	General Mining	Jun 24
Sibanye Gold	Gold Mining	May 6
South Ocean	Electrical Components & Equipment	Apr 25
Stefanutti Stocks	Heavy Construction	Apr 29
Stefanutti Stocks (revised)	Heavy Construction	May 13
Stella Vista Technologies	Development Capital	May 30
Stratcorp	AltX	May 30
Telkom	Fixed Line Telecommunications	Apr 8
Telkom (further)	Fixed Line Telecommunications	Jun 11
Total Client Services	AltX	May 29
Trans Hex	Diamonds & Gemstones	May 28
Trustco	Speciality Finance	Jun 4
Value Group	Transportation Services	Apr 18
WG Wearne	AltX	May 31
Zeder Investments	Speciality Finance	Apr 8
Zurich Insurance Company	Property & Casualty Insurance	Jun 28

CAUTIONARIES Q2

COMPANY	FIRST CAUTIONARY	NO OF SUBSEQUENT CAUTIONARIES	ANNOUNCEMENT	TERMINATED
1time	2.4.2012	11	suspended	
AG Industries	1.10.2010	13	suspended	
AH-VEST	14.1.2013	3		
AdaptIT	26.4.2013			6.6.2013
Adcock Ingram	22.3.2013	1		4.4.2012
Adcock Ingram	9.5.2013	1		
Africa Cellular Towers	17.11.2011	5	suspended	
Alert Steel	4.2.2013	5		
Allied Electronics	22.3.2013	1	17.5.2013	
Allied Technologies	22.3.2013	1	17.5.2013	
Anduelela Investment	25.4.2013	1		28.6.2013
Annuity Properties	25.2.2013			8.4.2013
Ansys	22.5.2013			
Ardor SA	19.11.2012	4	suspended	
Ascension Properties	12.6.2013			
Aspen Pharmacare	4.2.2013	4		
Awethu	27.3.2013	2		
BK One	13.8.2012	7		
Beige	14.12.2012	4		
Bidvest	22.3.2013		3.4.2013	
Bioscience Brands	4.3.2013	3		
Blue Financial Services	21.1.2013	4		
Bonatla Property	18.6.2012	6		
Brikor	22.2.2013	2		
Business Connexion	9.5.2013		6.6.2013	
Chemical Specialities	27.6.2013			
Chrometco	31.1.2013	3		
Cullinan	19.4.2013			10.5.2013
Cullinan	28.5.2013			
Dipula Income Fund	22.3.2013	1	21.6.2013	
Distell	15.2.2013	1	15.3.2013	
Erbacon Investment	29.1.2013	4		24.5.2013
Esorfranki	24.8.2012	7		24.6.2013
Evraz Highveld Steel & Vanadium	27.3.2013	2		
Foneworx	12.7.2012	6		27.5.2013
Gijima	28.3.2013	1	3.5.2013	
GoGlobal	30.4.2013			
Growthpoint Properties	21.10.2012	6		30.5.2013
Hosken Consolidated Investments	20.5.2013		21.6.2013	
Huge	17.10.2012	4		20.5.2013
IFA Hotels and Resorts	18.2.2013	1		8.5.2013
IFA Hotels and Resorts	13.5.2013		30.5.2013	
Iliad Africa	20.6.2013			
Ingenuity Property Investment	28.2.2013		8.4.2013	
John Daniel	12.7.2012	8		
Jubilee Platinum	14.12.2012	6	11.4.2013	
Jubilee Platinum	29.5.2013		3.6.2013	
Kagiso Media	10.6.2013			
Kelly	6.12.2012	2	12.4.2013	
Kibo Mining	8.5.2012		suspended	
Labat Africa	4.4.2013	2		
Litha Healthcare	2.10.2012	5		9.5.2013
M&S	29.5.2013	1		
Metmar	21.5.2013		26.6.2013 1	
Mirinda Mineral	26.6.2013			
Mix Telematics	30.5.2013			
Murray & Roberts	1.3.2013	2	28.6.2013	
Mvelaserve	7.5.2013	1		
Mvoni Technology	28.3.2013		15.4.2013 1	
Oceana	27.3.2013	1	4.6.2013 1	
Onelogix	10.5.2013	1		
Palabora Mining	5.9.2011	15		
Pinnacle Point	28.9.2010	29	suspended	
Platfields	2.11.2012	5		
Purple Capital	22.3.2013	1		
Quantum Property	28.5.2012	11		
RGT Smart Market Intelligence	16.4.2013		30.4.2013	
RACEC	12.6.2013	1		
SA Corporate Real Estate Fund	22.2.2013	2		
Sable	23.8.2012	6	18.6.2013	
Sable Platinum	11.4.2013	1		
Sanyati	11.5.2012	4	suspended	
Sea Kay	31.8.2012	2	suspended	
Sentula	26.6.2013			
Sherbourne Capital	3.3.2011	23	suspended	
South African Coal Mining	6.8.2012	6		
Southern Electricity	20.2.2012	3		
Stella Vista Technologies	30.5.2013			
Stratcorp	29.8.2012	6		
Sycom Property Fund	25.3.2013	2	31.5.2013	
Synergy Income Fund	18.4.2013	1		
Synergy Income Fund	17.5.2013	1		
Thabex	23.5.2013			
Torre Industrial	25.2.2013		5.4.2013	
Total Client Services	13.4.2012	10		
Trans Hex	9.5.2011	16		
Trematon Capital Investments	10.5.2013			14.6.2013
Trustco	1.10.2012	6		
Ububele	15.3.2013		19.4.2013	
Ububele	17.5.2013		14.6.2013	
Village Main Reef	18.3.2013	1	3.5.2013	
Vividend Income Fund	10.5.2013	1		
Vukile Property Fund	21.2.2013	2	5.6.2013	
Vukile Property Fund	26.4.2013			11.6.2013
Vunani Property	24.5.2013			
Vunani Property Investment Fund	12.4.2013	1	29.5.2013	
Wescoal	13.6.2013		21.6.2013	
William Tell	31.8.2012	6	suspended	
Witwatersrand Consolidated Gold Resources	21.6.2013			
Workforce	9.5.2013	1	28.6.2013	
Zeder Investements	16.4.2013		17.4.2013	

We don't believe these should be difficult or unintelligible. But, as we've grown, so too have the exceptions. For consultation and reference purposes, here are the rules:

1. (a) For a deal to qualify for ranking it must directly involve at least one company that is listed on the JSE Securities Exchange.

   (b) If a subsidiary (less than 51%) triggers an announcement on Sens by the listed holding company, then the transaction will be considered for inclusion in the ranking tables under the listed entities name.

2. Entities that seek credit for involvement in such deals must be able to demonstrate unequivocally their involvement, if necessary by reference to one or several of the principals.

3. The full value of each deal is credited to each entity providing a service in respect of that deal.

4. Rankings are recorded in respect of:

   Investment advisers
   Sponsors
   Legal advisers
   Reporting accountants

5. So as to achieve fairness, rankings are recorded in two fields:

   Deal Value
   Deal Flow (activity, or the number of deals)

6. Where discrepancies occur in the deal values claimed, **DealMakers** reserves the right to challenge these, if necessary by requesting clarity from the principals where this is appropriate. Changes in the prices at which deals are transacted will be adjusted when the annual rankings are computed.

7. (a) All deals and transactions (transactions is the word applied by **DealMakers** to General Corporate Finance activity) are dated for record purposes on the 1st announcement date (except for listings, for which the record date is the date of the actual listing).

   (b) Deals and transactions will be captured only when
   - a firm intention has been issued accompanied by
   - a price, and
   - a timetable or financial effects

   (c) Deals that are subsequently cancelled, withdrawn or which are deemed to have failed will not be included for ranking purposes. They will be recorded, nevertheless, for record purposes. An exception to this rule is where deals fail as a result of successfully conducted hostile defences. A hostile takeover is defined as one launched against the wishes of management and directors. Credit will be applied only to those acting on behalf of a successful defence.

   (d) Where advisers make use of other advisers (secondary advisers), and provided the work was undertaken and this can be verified, secondary advisers will be credited for ranking purposes. From 2011 this will only apply to Legal Advisers working on capital markets transactions.

   (e) Where advisers act on both sides of any deal the value of the deal will be brought to account only once.

   (f) Announcements made in respect of section 122(3)(b) of the Companies Act are deemed by **DealMakers** as normal course of business and not included.

   (g) Where internationally-based service providers are acknowledged as having worked on a particular deal, it is a requirement that they produce acceptable evidence that a significant portion of the work involved was conducted by their South African office. Failure to provide this in the form, for example, of a letter from a client will result in **DealMakers** not crediting that particular deal to that service provider.

8. Schemes of arrangement, rights issues and share repurchases are valued for record purposes at the maximum number of shares and value that can be purchased or issued until such time as the results are announced.

9. All deals and transactions are checked by **DealMakers**; any discrepancies that arise will be queried.

10. Entities that claim involvement in a deal or transaction on which their name and/or company logo does not appear on the published announcement recording their specific role will be asked to provide confirmation from the principals regarding their role/roles

11. All entities involved in deal-making and/or corporate finance transactions are asked to sign off a summary document prepared by **DealMakers** to ensure that no clerical errors have occurred.

12. In the event that several transactions are announced simultaneously, these will be recorded separately (it is necessary to set this out because of complaints regarding the occasional multiplicity of property deals announced simultaneously but involving different principals).

13. When there is a merger between two service providers, the merged entity may elect to include as part of the annual rankings one or the other party's transactions prior to the merger (but not both).

14. **Foreign deals:**

    (a) Deals between principals domiciled outside South Africa will **not** qualify for rankings unless:
    - SA subsidiaries of the contracting parties played a critical role in the deal process; or
    - SA service providers can demonstrate the extent to which they played a role in the deal process

    (b) For any deal to be included for ranking purposes, the deal must have been either initiated, managed and/or implemented by the SA service provider/providers. Where the deal is between internationally domiciled and/or listed companies the deal will **not** qualify unless the SA service provider, or the SA branch/arm of an international service provider, was the prime mover, manager or implementer of the transaction. Proof of the SA service providers role (or the role of the SA branch of an internationally-based service provider) will depend significantly on the allocation of fees earned in respect of such an international deal and **DealMakers** may request appropriate verification before agreeing to the deal's inclusion for ranking purposes.

15. Deals/transactions executed in the normal course of business:

    (a) Activity undertaken by companies in the normal course of their business will not be recognised by **DealMakers** for inclusion in the ranking tables. In the event of a dispute as to the interpretation of "normal course of business," this will be dealt with in terms of Adjudication (point 16).

    (b) Sale of properties by property companies under a value of R50m will be recorded but not used for ranking purposes.

16. **Adjudication:**

    (a) So as to avoid tendentious argument, **DealMakers** has appointed an independent adjudicator before whom matters in dispute may be laid. The Adjudicator's ruling will be final in each case and no further submissions will be accepted after a ruling has been made. The Adjudicator for the time being is Russell Loubser, president of the JSE Limited.

    (b) **DealMakers** is conscious that challenges may contain sensitive information. All challenges will be treated, therefore, as highly confidential. Challengers identities will be protected at all times.

    (c) Challenges may be made only through **DealMakers**.

    (d) **DealMakers** reserves to itself the right to challenge claims similarly.

17. **Unlisted company deals (not included in rankings):**

    These will not be included unless notification is published or unless **DealMakers** is put in possession of the requisite information. **DealMakers** may request conformation of such deals and role/s of service suppliers from the principals involved. As from 2012 Legal Advisers will be ranked on these transactions but will remain separate from and will not influence JSE listed M&A rankings.

18. **Complaints/queries/objections:**

    These must be lodged with **DealMakers** not later than the end of the next following quarter, so in respect of Q2 by the end of Q2. In respect of Q4, these must be lodged by the close of business at the end of the third week of January, i.e. by Jan 21 or the closest business day.

19. **DealMakers** does not accept responsibility for any errors or omissions.

Trends in Merger Conditions

Janine Simpson

While the vast majority of mergers assessed by South African competition authorities are approved unconditionally, certain trends are evident regarding the types of conditions imposed in conditional approvals.

Since the beginning of 2012, nearly a third of conditionally-approved mergers contained conditions relating to exclusivity clauses in rental retail lease agreements. Conditions aimed at restricting the flow of competitively-sensitive information or dealing with retrenchments were, in turn, imposed in approximately 20% of conditionally-approved mergers during this period.

Because complying with conditions increases merging parties' transaction costs, an awareness of relevant trends in this regard may enable parties to plan for additional time and costs associated with complying with conditions.

When may conditions be imposed?

A "merger" is defined (Competition Act, 89 of 1998) as occurring when "one or more firms directly or indirectly acquire or establish direct or indirect control over the whole or part of the business of another firm."

Mergers that meet prescribed financial thresholds must be notified to the Competition Commission, and notifiable mergers may not be implemented until merger clearance has been obtained. When assessing a merger, competition authorities are required to consider the merger's impact on both competition and on public interest grounds, including employment and the ability of small businesses to become competitive. The competition authorities may either prohibit or conditionally or unconditionally approve a merger.

If a merger raises competition or public interest concerns that can be remedied by conditions, the competition authorities usually impose these conditions rather than prohibiting the merger. The conditions are often offered by the merging parties and include both structural and behavioural remedies.

Structural remedies are designed to prevent anti-competitive post-merger structures and include the divestiture of businesses or limitations on cross-shareholdings or directorships in competitors. Behavioural remedies are designed to prevent harmful behaviour.

Reporting obligations are often imposed on the merging parties to facilitate monitoring. The authorities rely on information obtained from trustees, relevant trade unions, employees and industry participants to assess compliance with conditions.

Employment Conditions

Since the Metropolitan/ Momentum merger in 2010, there has been a marked shift in the competition authorities' approach to mergers that give rise to possible retrenchments.

The Commission now consistently requires parties to provide detailed information regarding the exact number and skills-levels of any employees who may be retrenched as a result of a merger. It has become common practice for conditions that cap retrenchments, both in respect of numbers and skills-levels, to be imposed, even when the number of affected employees is very low. Conditions limiting retrenchments to as little as 10 or 14 employees have been imposed in recent months.

In addition, in the Primeprac/ Murray & Roberts merger and the Reutech/ SAAB Grintek Defence merger, parties were required to provide practical support to affected employees such as counselling, assistance with administrative issues arising from the termination of employment, and the preparation of curricula vitae. The parties in the Reutech/ SAAB Grintek Defence merger were also required to establish

a R1m employee training fund. In the Glencore/ Xstrata merger, in addition to imposing a limitation on retrenchments, the parties are required to engage with affected employees and trade unions before announcing any unskilled or semi-skilled retrenchments, and to make R10 000 available per affected unskilled or semi-skilled employee for training and re-skilling.

Conditions limiting the Exchange of Competitively-Sensitive Information

Mergers that do not give rise to public interest concerns or anti-competitive effects arising from horizontal or vertical integration may nevertheless face conditional approval if the acquiring group is already invested in a company that competes with the target business, even if that investment is a minority, non-controlling investment. In recent months the competition authorities have regularly imposed conditions aimed at preventing the flow of competitively – sensitive information, such as customer or pricing information.

Mergers that do not give rise to public interest concerns or anti-competitive effects arising from horizontal or vertical integration may nevertheless face conditional approval if the acquiring group is already invested in a company that competes with the target business, even if that investment is a minority, non-controlling investment.

In the AFGRI/ Senwes merger, which involved the establishment of a farming requisite retail store joint venture between Afgri and Senwes, the Commission was concerned that Afgri and Senwes could share competitively-sensitive information through the joint venture and that this could result in post-merger coordination in respect of their overlapping business activities that do not form part of the joint venture.

To address these concerns, conditions were imposed regulating the constitution of the management committee of the joint venture; ensuring, through the use of confidentiality agreements, that competitively-sensitive information does not flow from the joint venture to its parent companies; and mandating the implementation of an on-going competition compliance programme.

In the Rainbow/ Foodcorp merger the competition authorities were concerned that information exchange between competitors might be facilitated by the merger as Rainbow's controlling shareholder, Remgro, also holds a minority interest in Unilever, a competitor of the target. A condition was thus imposed, requiring Remgro to adhere to a clause in the Unilever shareholders' agreement that prohibits Remgro from appointing a director, who sits on a competitor's board, to the board of Unilever.

During the last year-and-a-half, conditions expressly prohibiting the flow of competitively sensitive information, or prohibiting cross-directorships, were also imposed in mergers involving Clive Theodore Menne/ Matat Wholesalers; Pacorini Metals/ Access Freight; Sasol Oil/ BP Southern Africa; BVI 1623 & 4/ Waco Africa; Industrial Development Corporation of South Africa/ Scaw South Africa; ABSA/ Private Label Store Card Portfolio of Edcon; Actom/ Savcio Holdings; and Industrial Development Corporation of South Africa/ Eerste Flambeau Huur.

Exclusivity clauses in lease agreements

The Commission is currently investigating various major supermarket chains for possible contraventions of the Competition Act arising from the industry practice of including exclusivity provisions in long-term leases between supermarkets and property developers. These exclusivity provisions include product exclusivity (where the lease restricts the product range that other tenants can offer in a shopping centre) and size restrictions (which restrict potential competitors to a specified maximum area).

During the past year-and-a-half, purchasers of rental retail properties have, in at least 17 mergers, received conditional approvals as a result of the fact that the lease agreement in respect of the target property contained exclusivity clauses of this nature at the time of the merger.

The Commission's view was that these exclusivity clauses could have the effect of preventing small businesses, such as butcheries and delicatessen stores, from gaining access to rentable retail space in the respective target shopping centres. This is considered to constitute a public interest concern and the competition authorities were of the view that conditions were warranted to address such concern.

While it is not clear how such a public interest concern, which already exists as a result of an pre-existing lease agreement, can be said to arise from the mergers in question, the competition authorities repeatedly require the purchasers in these mergers, as a condition to obtaining merger clearance, to negotiate with the relevant tenants in order to remove the offending exclusivity clauses when the lease agreements are renewed. Purchasers of rental retail properties should be aware that they are likely to receive similar conditions for as long as the inclusion of exclusivity clauses in lease agreements remains common practice.

Conclusion

The imposition of conditions by the Commission can have serious implications for companies. Taking note of relevant recent trends that can be identified by looking at the conditions the Commission has imposed, may help companies to plan in advance for complying with conditions. ■

Simpson is a partner in Webber Wentzel's Competition Practice

The South African Renewable Energy Revolution

Dario Musso

Considered to be one of the largest on a global scale, the South African Department of Energy's ambitious Renewable Energy Independent Power Producer Procurement Programme, or REIPP, as it's known, has certainly caught the attention of power developers, equipment suppliers, local and foreign investors, and the entire local banking industry.

The REIPP programme has been long in the making, initially starting out as a feed-in tariff model introduced by the South African electricity regulator, NERSA, and subsequently morphing into a competitive tariff bid model administered by the Department of Energy. In line with the country's Integrated Resource Plan for power capacity, the REIPP seeks to procure up to 6925 MWs of new electricity capacity from renewable sources (3725 MW announced in August 2011, followed by a further 3200 MW announced in December 2012).

The programme is mainly aimed at helping to ensure the continued uninterrupted supply of electricity to the country and to stimulate the renewable energy industry in South Africa. It has also been designed to contribute towards socio-economic and environmentally sustainable growth, job creation and industrial localisation.

The REIPP programme requires bidders to compete on a tariff per megawatt hour, which will be payable by local utility, Eskom, under a 20-year electricity offtake agreement. Qualifying technologies include onshore wind, concentrated solar power, solar photovoltaic, biomass, biogas, landfill gas and small hydro. Bids are primarily evaluated on price (which should not exceed a predetermined cap allocated per technology), as well as their contribution to the country's economic development.

Each technology has been allocated a maximum capacity size per bid, as well as an overall cap per technology for each bidding round. The bidding takes place over annual rounds and already, some 2460 MW has been awarded in rounds one and two. The bid deadline for round three is August 19 this year.

So what makes REIPP an attractive sector for investment? Well, besides the obvious appeal of being able to boast about investing in the planet's wellbeing, the sector actually delivers many of the characteristics that long-term investors are always looking for. Phrases like "long-term predictable cash flows", "low-risk premium yield" and "inflation-linked returns" can all be associated with an investment in a REIPP asset.

For the same reasons, raising debt funding for REIPP assets has been relatively easy, but has predominantly come from local banks. The long-term, rand-denominated revenue line which underpins these projects, ultimately requires a long-term, rand-denominated debt package. Together with the global banking crisis and the perceived political risk premium attached to South Africa, this has made it very difficult for the programme to attract foreign debt funding.

In fact, to date, the overwhelming majority of all debt funding for REIPPP has come from the big five South African banks, together with the two local development finance institutions (Industrial Development Corporation and Development Bank of Southern Africa). Local asset managers and pension funds have also taken up a fair amount of REIPP debt from the banks under a syndication process.

The relative lack of foreign debt funding available for REIPP has by no means hampered the programme. This is well-evidenced by the closing of 28 REIPP deals under round 1 of the programme and a further 19 deals closed (or due to close) under round 2. Altogether, it is estimated that more than R50bn of debt and R20bn of equity has been committed to the programme so far, and there is still significant appetite in the market for more…

This is evidenced by the apparent high number of potential bids for round 3 of the programme, which again appears to be well-supported by the local banks. While nobody expects the availability of local funding for REIPPP to be an infinite pool, there currently seems to be healthy appetite. As more projects are developed and reach commercial operation, the expectation is that local banks will continue to recycle their capital available for REIPP by syndicating to local non-bank financial institutions that have significant appetite for de-risked, cash-generative assets.

On the equity side, the story is somewhat different. While there certainly is strong appetite from local investors, we have seen strong appetite from several offshore investors seeking emerging market premium yield in the renewable energy sector.

These offshore investors are coming to South Africa fresh off the back of the once buoyant renewable energy sector in Europe and the USA, which has now seen a dramatic contraction, as the developed world tries desperately to free itself from the noose of an economic downturn. Once supported by governments through tax breaks and subsidised tariffs, these offshore renewable energy investors are feeling the brunt of a policy about-turn, as governments focus more on rebalancing their finances to stay alive, rather than subsidising a renewable energy industry.

While the risk of the South African government following a similar route in future is not to be dismissed, the key difference for South Africa is that the region needs power, and preferably renewable power, to offset the vast, dirty, coal-based generation that underpins the South African grid. Furthermore, the vast research and development that has gone into various renewable energy technologies globally, coupled with an ever-growing track record of reliability and performance, as well as various carbon tax initiatives, is levelling the playing field and pushing down the relative cost of 'clean' power versus 'dirty' power. In fact, the cost of wind power is probably close to grid parity in Europe – and solar technologies are quickly catching up.

While focusing on renewable energy is a noble cause, we are by no means at the point where the entire grid can be run on renewable energy alone, given its intermittent, non-dispatchable characteristics (as an example, power is generated only when the wind blows or sun shines). While much research is still required in finding a large-scale, clean, baseload (on-demand, dispatchable) solution, whatever the future holds, renewable energy is here to stay and will play an increasingly important role in the southern African electricity grid. ■

Musso is a senior transactor focused on financing power projects at Rand Merchant Bank

Why use a Security SPV?

Standre Bezuidenhout

Security SPV structures are used in a number of "*club deals*" where financing is obtained from multiple lenders due to lender capital adequacy constraints when financing a single entity or group of companies. Though it has become common practice to use such structures, the reasoning behind the implementation is not always that clear if one considers the various alternatives available.

In essence an example of a security SPV structure would entail the following -

> *Three lenders, bank A, B and C, conclude a loan agreement with the borrower in terms of which each lender provides a certain capital sum to the borrower for the purchase and development of immovable property. For security, a special purpose vehicle is established (**Security SPV**), completely off balance sheet and independent from the borrower. The Security SPV executes a guarantee agreement in favour of the lenders, guaranteeing the due and punctual performance of the borrower's obligations under the loan agreement. The borrower, in turn, provides an indemnity to the Security SPV in terms of which it indemnifies the Security SPV against any claims which are made against it by the lenders in terms of the guarantee. The borrower secures its obligations under the indemnity by granting various security instruments in favour of the Security SPV. These include mortgage bonds, cessions and pledges.*

As an alternative to establishing a Security SPV, the borrower could register a mortgage bond in favour of the lenders over the immovable property to provide the necessary security. This arrangement would make the registration and management of a company, the Security SPV, superfluous.

However, the Deeds Registry Act 47 of 1937 (**Deeds Act**) makes an arrangement of this nature potentially impractical. s50(5) states -

> *"Save as authorized by any other law or by order of the Court, debts or obligations to more than one creditor arising from different causes may not be secured by one mortgage bond or notarial bond."*

Therefore, the Deeds Act prohibits the registration of one mortgage bond in favour of different lenders for different causes of action.

Essentially, whether a separate "*cause*" (as contemplated in s50(5)) exists depends on what one has to prove to establish one's claim. In the example given, where a single loan agreement exists with three lenders advancing R100 each, each lender's claim will, in law, arise from a separate cause of action despite there being one document capturing the arrangement such as a term loan facility agreement or common terms agreement. Each lender is capable of proving as a separate cause of action that it, first, concluded the loan agreement and, second, advanced the R100 to the borrower.

In addition, s54 of the Deeds Act prohibits the registration of a bond in favour of an agent of the principal. Therefore, the practice of registering the mortgage bond in favour of a single fiduciary trustee acting as agent to the lenders in an attempt to avoid the consequences of s50(5) is also not possible in terms of South African law.

An alternative to the use of a security SPV structure would be to register a first mortgage bond in favour of bank A, a second mortgage bond in favour of bank B and a third mortgage bond in favour of bank C. The individual banks will naturally request a security sharing arrangement among themselves, ranking them *pari passu*.

In practice, however, the banks are extremely reluctant to accept such an arrangement, and with good reason. Besides the restraints on dealing with a mortgage bond in cases of any variations in lenders, especially in terms of any possible future refinancing or cessions of the loans, a lender exposes itself to a far greater risk than was initially contemplated in the event that the borrower becomes insolvent.

Take for example the event of the borrower's insolvency, where the mortgaged property only realises an aggregate of R210. Bank A and bank B will each receive R100 with bank C receiving the remaining R10. In terms of the security sharing arrangement bank C will then have a claim against bank A and bank B for its *pari passu* share. If bank A becomes insolvent in the interim, bank C's claim will rank as a mere concurrent claim together with the other unsecured creditors of bank A. In effect, each lender with a lower ranking bond takes a credit view over higher ranking lenders.

The lenders are, therefore, more prudentially exposed than might initially appear from the arrangement. Previously, it could be argued that the risk of a bank going insolvent is slender. However, as witnessed globally recently, banks are increasingly susceptible to insolvency.

The rules recommend that communities, residents and other stakeholders be consulted prior to exploration through each phase of development. Providing information to stakeholders is not enough and government, as well as industry, must also engage with them.

The security SPV structure evades this exposure in that it creates only <u>one *causa*</u> (the borrower's indemnity in favour of the Security SPV) and requires only one mortgage bond to be registered or various other security instruments to be executed in favour of only <u>one creditor</u> (the Security SPV).

It is thus of paramount importance to advise financiers on the risks involved in mortgaged security when dealing with multiple lenders as an alternative to a Security SPV structure.

The Security SPV structure also provides an easy platform for possible re-financing in the event that a mortgage bond is used to provide the security under the borrower's indemnity. It precludes the need for the cancellation and re-registration of the mortgage bond which has been registered in favour of the Security SPV. However, there are conditions to this benefit.

The effectiveness of the indemnity that the borrower provides to the Security SPV turns on the wording that is used. It should contain a general reference along the lines that the borrower indemnifies the Security SPV in respect of all guarantees that the Security SPV issues now or from time to time in the future to anybody who is a creditor under the loan agreement or other finance documents in connection with that loan agreement.

The mortgage bond should reference a general *causa*, namely to secure all and any amounts that the borrower now or from time to time in the future, may owe to the Security SPV arising from any cause of action whatsoever, in particular but without limitation the counter-indemnity granted by the borrower in favour of the Security SPV.

In summary, apart from the necessitation of the Security SPV structure due to certain provisions of the Deeds Act, the practical and commercial benefits associated with the use of such a structure make it a highly advantageous structure to use in appropriate circumstances where there are multiple lenders and/or an intention to cede the loan or portions of it in the future. ■

Bezuidenhout, is a candidate attorney, Finance and Banking with Cliffe Dekker Hofmeyr (overseen by Yaniv Kleitman, senior associate, Corporate and Commercial Practice)

"Soft Law, Hard Consequences":

what every business entity should know about the Ruggie Principles

Nosipho van den Bragt

The relationship between business and human rights has traditionally been rocky. If the two ever exchange vows, their relationship is fraught with public scepticism and perceptions of a marriage of convenience.

In this relationship, human rights are often characterised as the nagging, nit-picking, idealistic spouse with very little ambition or chutzpah. Business is, on the other hand, portrayed as the hard, cold, cut-throat and aloof partner whose endgame is solely the bottom-line of its shareholders.

The United Nations has long sought to address the tense relationship between business and human rights. As a result the United Nations Human Rights Council (UNHRC) unanimously endorsed the *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework* (June 16, 2011). These principles were researched and proposed by UN Special Representative and Harvard Professor John Ruggie, and have become known as the Ruggie Principles.

The impact of the Ruggie Principles on global business activity is predicted to be far-reaching and severe, particularly in terms of the legal and ethical regulation of corporations.[1] Sectors of business such as labour, mining and the environment will probably feel the immediate impact of the Ruggie Principles most intensely.

The Ruggie Principles

While the Ruggie Principles are currently categorised as "soft law," they are being embedded extensively in global and national governance structures[2].

The Ruggie Principles consist of three key tenets. The first tenet emphasises the already well-established role of governments to protect and promote human rights. This role also entails that governments have to ensure that corporations domiciled in their territory act within these principles through the implementation of extraterritorial regulations. Where there are allegations or actual violations of human rights, governments are required to investigate and take appropriate steps.

The second leg of the Ruggie principles is quite novel. It captures the changing role of business in that corporations are mandated to "respect and avoid the infringement of human rights" in the scope and course of their business. This change is sought to address the gap that exists in relation to corporate (ir)responsibility, accountability and complicity when human rights violations have occurred.

The third aspect of the Ruggie Principles addresses issues of access to judicial and non-judicial remedies for victims of human rights violations.

The Changing Role of Business

The responsibility to respect human rights is a global standard of expected conduct for all business enterprises, applicable wherever they operate.[3] This entails identifying, preventing, mitigating and accounting for how to address the potentially adverse impact that businesses may have on human rights. Practically speaking, the Ruggie Principles now require corporate entities to conduct human rights-oriented due diligence exercises (DDs).

The UNHRC reportedly envisions the directive for human rights DDs to apply to everyone, from financial institutions and investors such as banks (being the reservoirs of capital), right down to suppliers, contractors and agents. In conducting these DDs, corporations will be obliged to integrate their findings of these assessments into their operations, and will have to track and communicate their performance.[4]

Human rights DDs will also entail rigorously and regularly referring to the Universal Declaration of Human Rights and conventions of the

International Labour Organisation, which embody benchmarks against which social actors judge the impact that companies have on human rights.[5] Importantly, when either internal or external concerns arise, corporations must institute a system for its employees and third parties to report such problems.[6]

These benchmarks will basically involve the internal and external transparency of every business. Corporations will have to look at issues such as:

- the origin of a business' finances and funding;
- how a business is conducted;
- how a business treats its employees;
- how a business' employees embody these principles;
- who is in a business' supply chain; and
- how do a business' suppliers conduct *their* business and interact with customers, locally and internationally.

In these circumstances, it will not be sufficient for any business entity to plead immunity or ignorance. The idea behind conducting these DDs is, therefore, that corporations should be aware of their own business conduct and that of their business partners. Corporate entities that do not comply with basic human rights in their commercial operations can also be identified as posing a financial risk from both a litigation and reputation point of view.

The electronics giant Apple recently experienced, first-hand, what effect even the whisper of human rights violations may have on business. In 2012, Apple had to admit to labour-related human rights violations when one of its Asian suppliers[7] was accused of poor working conditions in a factory resulting in a spate of employee suicides. Apple's decision to investigate and address the situation was arguably at least partially caused by growing pressure from consumers and the general public, including calls to boycott Apple products.[8]

In dealing with the issue of remedies, the Ruggie Principles prescribe that corporations and governments should cooperate to establish remedial mechanisms where abuses have occurred. They should also offer guidance as to how corporations should operate in future to prevent more abuses.

South Africa is a signatory to international human rights treaties and will be obliged to observe the Ruggie principles. In this regard, it is noted that, there are a myriad of examples of controversy concerning businesses' observance of human rights in South Africa, particularly in the labour and mining sectors. As such, South African businesses have recently been firmly in the spotlight – both nationally and internationally.

In dealing with the issue of remedies, the Ruggie Principles prescribe that corporations and governments should cooperate to establish remedial mechanisms where abuses have occurred. They should also offer guidance as to how corporations should operate in future to prevent more abuses.[9] Where there have been gross violations of human rights, corporations are reminded that they are not immune from extraterritorial civil claims and from the Rome Statute of the International Criminal Court in jurisdictions that provide for corporate criminal responsibility. In this regard, corporate directors, officers and employees may also be subject to individual liability.

While the Ruggie Principles strongly affirm the role of government as being vital in the promotion and protection of human rights, governments' influence and power remain centralised, and may not be as far-reaching as that of business.

In this light, South African business would do well to be at the frontline in taking heed of the Ruggie Principles, especially as these principles are the result of important developments in international law on business and human rights. Mere tokenism will not be sufficient – businesses should endeavour to promote ethical behaviour both internally and externally and should aim to mitigate and prevent abuse if and when it occurs. The consequences of not doing so could be dire – legally, economically, and reputationally. ■

Van den Bragt is an associate at Webber Wentzel (reviewed by Moray Hathorn, partner)

This is all very well but implementation adds to the already vast bureaucracy attached to corporate governance. Some chief executives are already reporting that they spend two-thirds of their time attending to a slew of regulatory matters. Their primary role is that of running businesses, and their opportunity to perform this essential function is increasingly being limited. If the consequences of a failure to implement the Ruggie Principles may be dire, then those of insolvency are significantly worse. – Publisher

[1] The UNHRC will hold an annual conference of governments, business, labour and civil society representatives to review progress of the implementation of the Ruggie Principles.

[2] Associate Research Fellow LSE Mary Martin -The Guiding Principles on Human Rights and Business-Implementation in conflict-affected countries, October 2012, Page 2.

[3] Human Rights Council Report of the Special Representative of the Secretary General on the issue of Human Rights and Transnational Corporations and Other Business Enterprises, 21 March 2011 17th Session, Agenda Item 3, Page3.

[4] Principles 15 and 17 of the Ruggie Principles sourced from The Rocky Mountain Mineral Law Foundation Journal, vol.48 No.2, Page, 278.

[5] David Bilchitz, The Ruggie Framework: An adequate Rubric for Corporate Human Rights Obligations?-v.7.n12 June 2010, Page 204.

[6] Principle 23, sourced from The Rocky Mountain Mineral Law Foundation Journal, vol.48 No.2, Page, 281.

[7] http://www.csrinternational.org/2012/03/26/impact-of-ruggies-guiding-principles, Page 2 of article.

[8] Ibid.

[9] Ibid.

Share Repurchases and an Independent Expert's Report

Gary Felthun

Shannon Neill

In the event the board of a company decides to purchase a number of its own shares, either alone or in a series of transactions, totalling more than 5% of the issued shares of any class, then s114 of the Companies Act (71 0f 2008) must be complied with.

S114 requires the company to retain the services of an independent expert to prepare a report to its board and cause the report to be distributed to all of its securities holders. The report must be fairly detailed and its preparation is both time consuming and expensive (especially in the context of mining companies). As a result, consideration needs to be given to whether this requirement may effectively be waived in law prior to the implementation of such a repurchase.

The general rule in South African law is that such a waiver is permitted, provided that it is consistent with public policy and the condition in question has not been imposed for the benefit of the public.[1]

Therefore, the test as to whether the provisions of s114 may be waived is two-fold.

First, it must be considered whether such provisions could also operate for the benefit of the public at large, including, on a strict interpretation, for the benefit of any parties other than the shareholders and directors of the company. The provisions of s114 require the distribution of the independent expert's report to the board and all securities holders of the company in question and as such, it is clear it is intended to operate for the benefit of all parties.

However, an argument could also be raised that the provisions of s114 may also operate for the benefit of creditors of the company, in the sense that the independent expert's report is likely to set out a situation where an inflated price is being considered, which would ultimately prejudice the interests of creditors. However, s46(1)(b) of the Act requires the application of appropriate solvency and liquidity tests in the context of a repurchase and, therefore, it seems likely that it is these provisions which constitute a protection for creditors, rather than the provisions of s114.

On this basis, there is a strong argument to be made that the provisions of s114 operate only for the benefit of the board of directors of the company (as it assists them in exercising their fiduciary duties as to whether they should recommend a transaction) and the shareholders (who ultimately benefit from or suffer the commercial consequences of a transaction), being the parties who shall waive the provisions, and not for the creditors or the public at large, and as such, the waiver will not be prevented on this basis.

Second, it must be considered whether any public policy considerations would dictate against the provisions of s114 being capable of waiver. The primary objective of the provisions of s114 in the context of a repurchase would be to ensure that the company does not overpay in respect of the shares without at least the shareholders and the board of directors being aware of this possibility. The independent expert's report is, therefore, a mechanism to give the shareholders and directors comfort as to price. As such, there would be an argument to be made that if shareholders and directors were simply able to waive this requirement, the result might be a "bad deal."

In many instances, the waiver of these provisions may be contrary to public policy, as the shareholders or directors may be insufficiently well-versed in understanding what a fair price would be without guidance from an independent expert. However, there is an argument that in certain unique circumstances, a waiver of the independent expert's report would not be against public policy, such as in the context of mining companies where the shareholders and directors are all individuals or corporations with vast experience in mining transactions and an appreciation of an appropriate price for the transaction.

However, in the event it should be decided to waive the provisions of s114, it is recommended that the shareholders and directors are fully briefed as to what they are waiving as well as their rights in terms of s115 and 164 of the Act (a copy of which would have been included in the independent expert's report). This would strengthen the argument that the interests of the shareholders and directors were not prejudiced by the waiver, as they undertook this in full knowledge of their rights.

For any company intending to repurchase more than 5% of any class of its issued share capital, it is always recommended that a cautious approach is adopted and an independent expert's report is obtained as it is difficult to suggest with legal certainty that a waiver in this regard will be good in law. However, in very specific circumstances, where there is an overriding need to waive the provisions of s114 (for example, as a result of timing and/or costs) and the shareholders and directors are able, in their opinion, to demonstrate reasons for waiving an independent expert's report, they would have an argument that it is possible in law. Before making that decision shareholders and directors must understand the risks they are running. If a court found they were not entitled to waive s114, there is a very real possibility the repurchase would be void. ■

Felthun is a director and Neill a candidate attorney in corporate commercial at ENS

[1] LM du Plessis "Statute Law and Interpretation", Law of South Africa, volume 25(1) Second Edition Volume, 366.

Interpreting the deregistration provisions of the 2008 Companies Act

Grant Ford

Lucinde Rhoodie

Many companies have recently been deregistered as a result of their failure to submit annual returns. This is executed by the Companies and Intellectual Property Commission of South Africa (CIPC). Companies may also be dissolved. This is generally done by a liquidator after the companies have been wound up.

The deregistration of a company (or a close corporation) generally occurs as a result of a failure to submit the company's annual returns and brings an end to the legal existence of the company administrative oversight. This lack of awareness may increase the likelihood of an innocent party entering into a commercial transaction with a deregistered entity and the unfortunate legal consequences that flow as a result.

The solutions in terms of the 1973 Act, as provided for in s73, would have been to make application to the Registrar of Companies for the deregistered company to be "re-registered" or to have the deregistered company's registration restored by the court, in order that the interested party could

Many companies have recently been deregistered as a result of their failure to submit annual returns. This is executed by the Companies and Intellectual Property Commission of South Africa (CIPC).

resulting in the assets of such company becoming vested in the state which means they cannot be executed against. All transactions entered into by or with a company while in a state of deregistration are void and those which were entered into prior to deregistration are unenforceable.

The directors of a company may even be completely unaware of the company's incapacity due to such

enforce its rights and/or execute against the assets of the company. A court could restore the company (regardless of the basis of deregistration) if satisfied that, at the time of deregistration, the company had been carrying on business or had been in operation or that it was otherwise just and equitable to do so.

The Registrar could restore the company only if the company had been deregistered due to a failure to lodge its annual returns and only after the company had remedied the situation and lodged the outstanding return – as well as paid the prescribed fee.

It followed under the 1973 Act that if the interested party could not procure the lodging of the outstanding return and thus obtain restoration from the Registrar that party could simply approach the court and obtain restoration if this was "just and equitable."

The effect of restoration of registration in terms of those provisions was that the company would be "deemed to have continued in existence as if it had not been deregistered" and the solution was fairly simple and easily available. The re-registration could also have retrospective effect.

It found that the concepts of dissolution and removal from the register are brought together by the provision in s83(1) of the 2008 Act and that a company is dissolved as of the date its name is removed from the register of companies.

In the 1973 Act a clear distinction was also drawn between the "deregistration" of a company and its "dissolution." The former was an administrative "striking off" from the register of companies and close corporations; the latter entailed the "death" of the company in that it was finally wound up and liquidated.

In terms of the 1973 Act deregistration and dissolution were dealt with separately and in different sections. The remedy available to a liquidator or other interested person in a situation where a company was "dissolved" would be for it to approach the court for an order whatever terms the court might deem fit, including declaring the dissolution to be void. Thereafter, any proceedings could simply be taken against the company as might have been taken if the company had not been dissolved.

The solution under the 2008 Act was, until recently, confusing and unclear.

Many interpreted the 2008 Act to provide that a creditor must apply to the CIPC, and to the CIPC only, in the prescribed manner for the reinstatement of a company that was deregistered.

The difficulty with this interpretation is self-evident. It is practically difficult, if not impossible, for an external creditor to bring an application to the CIPC for reinstatement of a company as this would entail the submission of the outstanding annual return/s and the payment of prescribed fees in circumstances where the creditor, as a third party, may not be privy to, or have access to, the company's financial records and other information for purposes of filing the returns.

What remedies do contracting parties then have in terms of the 2008 Act? The recent Full Bench decision of the Western Cape High Court delivered on **19 April 2013** in the matter between ***Absa Bank Limited v The Companies and Intellectual Property Commission of SA and Others*** (Case No.: A29/13.) provides some insight.

In this case the court considered and compared the legal position under the 1973 Act with the legal position under the 2008 Act.

It found that the concepts of dissolution and removal from the register are brought together by the provision in s83(1) of the 2008 Act and that a company is dissolved as of the date its name is removed from the register of companies.

It also found that the relief which may be sought and granted is not confined to an order declaring the dissolution void: the court may also grant "any other order that is just and equitable in the circumstances." If the dissolution is declared void then any proceedings may be taken against the company as might have been taken had the company not been dissolved.

The court was of the view that s83(4) applies equally to both a company that has been dissolved or deregistered due to administrative non-compliance or a solvent company dissolved pursuant to liquidation.

In the result, the court found that the appropriate remedy for a creditor or interested party faced with litigation against a deregistered or a dissolved company would, in the first instance, be for it to either apply to CIPC for restoration in terms of s82(4) (that is, where CIPC has deregistered the company) or to the court in terms of s83(4) (that is, where the company has been dissolved by the Master pursuant to voluntary or compulsory winding-up proceedings).

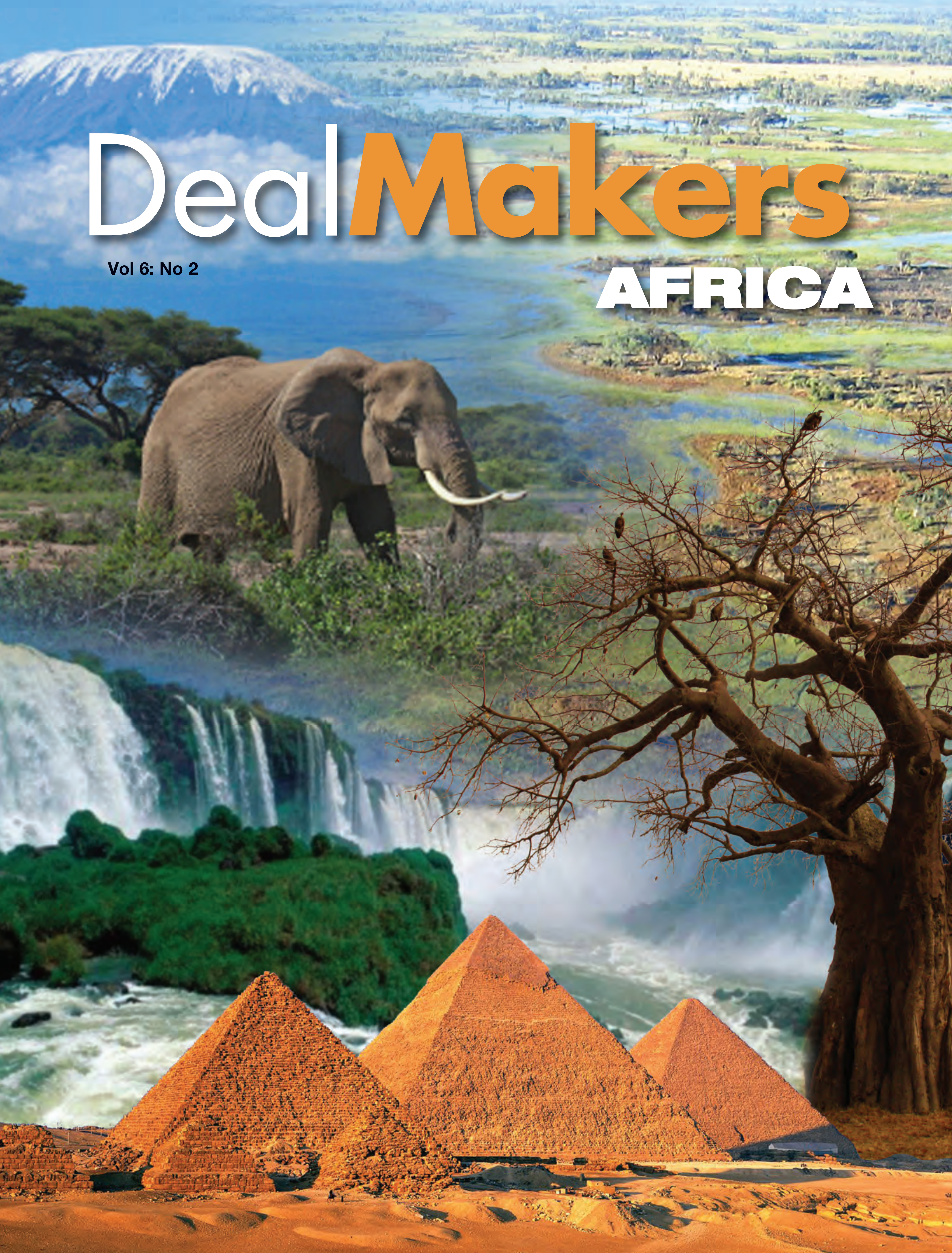
However as there is no real practical distinction between the processes, and in view of the court's reasoning and findings, a creditor or interested party can now also rely on this authority to apply to court for an order declaring the dissolution of the company (which under the 2008 Act now includes the deregistration of the company) void under s83(4)(a) of the 2008 Act. This is available as an alternative to the CIPC process. It is debatable at this stage whether a court, in exercising its discretion, would insist that the interested party first attempt and fail with an application to CIPC before approaching the court.

The ABSA case provides clarity on the remedies available to an interested party otherwise left (as previously thought) practically remediless, as a result of the deregistration (for administrative non-compliance or inactivity) of a company or close corporation with which it contracted, post May 1, 2011. ■

Ford is a director, Regional Practice Head and Rhoodie a director, Dispute Resolution of Cliffe Dekker Hofmeyr Cape Town

DealMakers AFRICA

Vol 6: No 2



TRANSACTION TABLE BY COUNTRY INCLUDING ADVISERS | BUSINESS IN AFRICA

Combined thinking leads to great action.

We can't help but wonder how different the world would be if great thinkers from the past had worked together. Webber Wentzel's collaborative approach to corporate law means focused solutions for clients, wherever they do business. Thanks to our alliance with Linklaters, we're utilising more minds to generate more solutions, in more of the world.

WEBBER WENTZEL

in alliance with > Linklaters

Sources in descending order: Martin Luther King Jr, Neil Armstrong, Pete Seeger, Walt Disney.

NET#WORK BBDO 8015740

from the editor's desk

Public Enterprises Minister Malusi Gigaba recently called for greater scrutiny of funding that comes from Brics countries such as China when it comes to infrastructure investment on the continent. He warned Africa not to "sell our souls" to secure funding in a world where finance available for infrastructure is shrinking.

The major thrust of the Chinese infrastructure spend in Africa has been in the power sector – China's huge appetite for resources cannot be extracted without power. During the first half of 2013 China was the most acquisitive nation, accounting for 37% of all deals during the period. Mozambique on the other hand was the most targeted country in sub-Saharan Africa attracting almost half of M&A activity.

An important development is the increasing investment interest shown in Africa by Middle Eastern investors in the form of sovereign wealth funds in commodities, mineral exploration and extraction. The challenge, however, is the increment at which they need to invest is more often than not too large for the continent (pg 8).

In the last issue I expressed concern about the introduction of the Common Market for Eastern and Southern Africa's Competition Commission (COMESA). Positive moves by countries on the continent to put in place legal and administrative structures are now being hampered by the restrictive and confusing regulations being applied by COMESA. Kenya is a good example of this (pg 18), favoured for its geographical position as the gateway to East Africa.

Reports indicate that competition authorities in various jurisdictions such as Kenya, Mauritius and Zambia, are currently investigating the powers of the Commission and the extent to which its Regulations are binding upon them. Many of the Regulations have yet to be tested and it will take time for conflicts to work themselves out in the courts of law. Investors would do well to tread carefully. •

MARYLOU GREIG

contents

Advertising rates are available on request from Vanessa Aitken +27 (0)83 775 2995

The magazine may be purchased on subscription. These rates are available on request from: reception@gleason.co.za

Publisher:
David Gleason

Editor:
Marylou Greig

Assistant to the Editor:
Vanessa Aitken

Design & Layout:
Janine Harms,
Gleason Design Studio

DealMakers AFRICA is published by the proprietor Gleason Publications (Pty) Ltd, reg no: 1996/010505/07 from its offices at 30 Tudor Park, 61 Hillcrest Avenue, Blairgowrie, Randburg 2194.
Tel: +27 (0)11 886 6446,
Fax: +27 (0)11 886 6448.
e-mail: marylou@gleason.co.za
www.dealmakers.co.za

DealMakers AFRICA is printed by Typo Colour Printing, 19 Beaufort Street Troyeville, Johannesburg.

Gleason Publications

Africa in the spotlight

LUCY CORKIN

Africa's status as an attractive investment destination is no longer breaking news. Its apparent rise in strategic significance is highlighted by the visits of Chinese President Xi Jinping in March this year and, hot on his heels, in June, US President Barack Obama.

Of interest, however, is that despite numerous pronouncements by both heads of state about the importance of Africa for their respective countries, neither visited particularly strategic countries, aside possibly from South Africa.

Out of their choice of three each, both also visited Tanzania, while Xi rounded off with the Republic of Congo as his third destination, whereas Obama began his tour with Senegal. The purpose of both tours seems to have been to establish a symbolic platform from which two of the world's most powerful global leaders could send a message. Xi spoke fondly, and predictably, of South-South solidarity, whereas Obama's message made a thinly-veiled appeal for Africans to turn from a perceived over-reliance on China and look West.


Corkin

The US must have noticed that, despite the African Growth and Opportunity Act, its trade with the continent, at just over $108.9bn in 2012, lags behind that of China's which topped $200bn in the same year. Obama has pledged $7bn for his Power Africa project which will see electrical grid upgrades across sub-Saharan Africa, with an additional $9bn coming from the US private sector.

This is presumably to compete with the $20bn in credit lines Xi has promised for projects across the continent between 2013 and 2015, and which he has been fast to disburse. At the time of writing, Nigerian president Goodluck Jonathan was poised to return from a state visit to China where he had been finalising $3bn in loans for infrastructure, repayable at a mere 3% interest, according to his finance minister Ngozi Okonjo-Iweala.

The US must have noticed that, despite the African Growth and Opportunity Act, its trade with the continent, at just over $108.9bn in 2012, lags behind that of China's which topped $200bn in the same year

Alarmists warn that the Cold War has been replaced by a new face-off between China and the US in emerging markets, the most obvious arena of which is Africa. International headlines make claims that China has bought up Africa wholesale. However, there are several signs that African governments are taking a visibly more active role in the management of their finances and investment environments, and are by no means exclusively reliant on Beijing.

Sovereign bond issuance

Given the collapse of interest rates in the developed world, yield hunters across the globe have ensured that African sovereign bonds have become increasingly popular, so much so that several countries on the continent have used the favourable circumstances to issue Eurobonds.

Whereas prior to 2007, South Africa was the only African country to have issued Eurobonds, seven other rated African sovereigns have, in the last six years, launched global debt issues totalling nearly $7bn. A number of African countries, including Rwanda, Ghana, Angola and Zambia have issued bonds.

Rating agency Standard & Poor's expects commercial borrowing in 2013 to rise by 25% on 2012 figures, to reach $56bn. Sceptics have raised concerns that this trend will turn into a debt crisis, but this is unlikely considering that macro-economic conditions in the countries of issue have improved considerably over the past decade. Furthermore, the spread between local and overseas interest rates renders borrowing costs considerably more attractive overseas than in the sovereign's domestic market.

This development is significant, as it allows African countries to tap into a more transparent and internationally recognised source of funding, that does not smack of aid, as in the case of World Bank loans, or controversy, as in the case of the wide-spread "resource for infrastructure" deals the Export-Import Bank of China has signed across the continent.

Renewed assertiveness regarding foreign investment

It has previously been widely assumed that big ticket investors are free to run rough-shod over investment legislation, given the desperation with which African countries seek foreign direct investment. However, there are several recent instances, particularly with regards to Chinese investors, that show this is not the case.

Prominent among these is the Gabonese government's bid to revoke the operating license of one of Chinese oil company Sinopec's subsidiaries, due to alleged non-payment of customs duties since 2009 and the flaunting of Gabon's hydrocarbons and environmental code. This is on the back of Libreville having placed China National Machinery & Equipment Import & Export Corp's $3bn iron ore development in Belinga under review, in 2010.

In 2009, Angola turned down an unprecedented joint bid by Sinopec and its rival China National Overseas Oil Company for additional oil bloc equity. Both have since been spectacularly unsuccessful in further bids, despite Beijing's extensive credit lines to Luanda.

Further afield, Zambia revoked all three mining licenses of Chinese-owned Collum Coal Mine in February 2013, whereas the Ghanaian government deported more than 4,500 Chinese nationals accused of illegal gold mining in June this year.

Chinese companies are not alone in breaches of investments codes in Africa. It has long been universally assumed that no African government which valued Beijing's friendship would attempt such actions. Contrary to expectations, the Chinese government, for its part, has accepted such moves, and given assurances that they will not result in a diplomatic incident. This makes it hard to argue that China receives preference as regards investment in Africa.

The message is clear. African markets are open for business to all who are willing to assume the risk that goes with them. But Africa will increasingly be doing business on its own terms. ●

Corkin is a mining resources credit analyst at Rand Merchant Bank.
She is also the author of Uncovering African Agency: Angola's management of China's Credit Lines (Ashagate Publishing, 2013).

Why Kenya is so inviting

PRIYESH MODI

Kenya is considered the most developed economy in Eastern Africa and the economic, commercial, and logistical hub of the entire region. Kenya's population is estimated at 41m with a large number of well-educated English-speaking—and multi-lingual—professionals, and a strong entrepreneurial tradition. It is also a very 'young' country with almost 70% of the population under the age of 35.


Modi

With its geographic location along the coasts, it also has the most developed infrastructure and is increasingly becoming a point of entry for many multi-national businesses, while enjoying notable growth in recent cross-border activity.

Kenya held elections earlier this year, resulting in a win for Uhura Kenyatta over Prime Minister Raila Odinga. After some challenges to the vote, the election result was confirmed by the Supreme Court and, even though some protest was seen during the campaign, it was significantly more peaceful than the previous elections in 2007.

The country adopted a new constitution in 2010 and it is anticipated that a number of legislative reforms which are business friendly will be introduced in the short to medium term. The judicial system follows English law and is currently incorporating a number of reforms, improving it constantly. The Courts, which operate on two levels, Superior and Subordinate Courts, have a suitable legal framework to enforce contracts and uphold them in principle.

With all it has to offer, it is obvious that foreign companies would consider setting up business in this developing economy and it is, therefore, important to know the basic rules and requirements. To begin with, every person conducting a business or trade within the area of a county is required to obtain a business permit in respect of each of the premises from which the person conducts the business or trade.

Registering a company takes approximately three weeks. A private company in Kenya must have at least one director and there are no residency requirements. It is also possible to open a bank account in various currencies.

Once a company is registered, it becomes a body corporate with perpetual succession with legal powers and capacity to do all it requires to achieve its objectives. The objectives and constitution of the company are set out in its Memorandum and Articles of Association.

There are no minimum capital requirements on incorporation in Kenya and a share under Kenyan law is a moveable property and transferable in accordance with Kenyan law. Companies having a share capital must assign a nominal or par value to each share.

Kenyan private companies require a minimum of two shareholders. It is not always mandatory to have a local shareholder; though in certain sectors such as telecoms and insurance, a local shareholder is mandatory. It may, however, be prudent to consider a local shareholder if this would strategically benefit the company.

Where there is a change of control pursuant to an acquisition, competition approval will be required. Currently there are no minimum thresholds triggering notification – though, this is imminent – meaning that a change of control irrespective of the size of the parties or the size of the transaction will trigger competition approval, a process takes approximately two to three months. In respect of due diligence exercises, particular attention must be given to property ownership rights as well as conducting a thorough tax review.

It is not uncommon for multi-nationals to use an offshore holding company to hold its in-country assets/investments in Kenya. A variety of offshore jurisdictions may be considered and these include Mauritius, BVI, Jersey, Dubai, and so on. Expatriates working in Kenya require a work permit and must be approved by the Security Services. The application process could take anywhere from between three and six months.

In Kenya, there are no exchange control regulations and a local entity is free to remit profits to its parent company subject to normal company taxes. This makes Kenyan law, in this particular sense, favourable to foreign investment.

A disadvantage is that Kenya does not have a very good treaty network. While it has a tax treaty with certain countries, this has not yet come into force.

In the event of conflict, it is possible for parties to agree contractually to refer any disputes to private arbitration with the rules of arbitration potentially being based on the United Nations model codes, local arbitration rules, international arbitration rules, etcetera.

Kenya is without doubt the place to consider for companies looking at penetrating the wider East African region and that is little wonder, considering the legal principles in place, why it is such an attractive destination for multi-nationals and South African companies wishing to do business there. ●

Modi is a director of Bowman Gilfillan

Namibian IP case highlights pitfalls in Africa

ILSE DU PLESSIS

A Namibian court decision in a passing-off matter, *Mega Power Centre CC t/a Talisman Plant and Tool Hire v Talisman Franchise Operations (Pty) Ltd* is interesting for a number of reasons.


Du Plessis

First, passing-off cases are fairly rare, so any new decision is welcome.

Second, intellectual property (IP) law decisions are few and far between in Africa, so any new judgment is read with interest. This especially so now when more and more companies are doing business in Africa – South African companies will be interested to note that the case pitted a Namibian company with South African connections against a South African company seeking to start business in Namibia.

This brings us on to the third reason why the judgment is interesting: it highlights some of the pitfalls that should be avoided when venturing into Africa.

The facts of the case are simple. A Namibian company, which was a franchisee of a South African company, had been hiring out large, '*operator-intensive*' tools and equipment to the Namibian building industry under the name *Talisman Tool Hire* for a number of years. When it discovered that a South African company intended to start a business hiring smaller, '*non- operator-intensive*' tools under the name *Talisman Hire*, the Namibian company sued for passing-off.

Passing-off is what's known as a '*common law action*', which means that the law on this topic is not contained in any statute – the law has been developed over many years, and the principles are to be found in decided cases. The law of passing-off in Namibia follows South African law which, in turn, tends to follow UK law.

In order to sue for passing-off you do not need to have a trade mark registration but you do need to establish three things: that you enjoy a reputation or goodwill in a name or get-up; that the other party is, through the use or a similar name or get-up, misrepresenting that there is a connection with your business; and that you are likely to suffer damages.

The Namibian judge relied heavily on South African law. He quoted from the South African case of *Adcock-Ingram Products Ltd v Beecham SA (Pty) Ltd 1977 (4) SA 434 (W),* where passing-off was explained as follows: *'The plaintiff must prove in the first instance that the defendant has used or is using in connection with his own goods, a name, mark, sign or get-up which has become distinctive. ...The plaintiff must prove that the defendant's use of the feature concerned was likely or calculated, to deceive, and thus cause confusion and injury, actual or probable, to the goodwill of the plaintiff's business, as, for example by depriving him of the profit he might have had by selling the goods.'*

The plaintiff must prove that the defendant's use of the feature concerned was likely or calculated, to deceive, and thus cause confusion and injury, actual or probable, to the goodwill of the plaintiff's business, as, for example by depriving him of the profit he might have had by selling the goods

The judge also quoted from the famous South African case of *Brian Boswell Circus (Pty) Ltd and Another v Boswell-Wilkie Circus (Pty) Ltd 1985 (4) SA 466 (A)* where this was said of passing-off: *'The wrong known as passing-off is constituted by a representation, express or implied, by one person that his business or merchandise, or both, are, or are connected with those of another…such representations...are usually made by the wrongdoer adopting a name for his business which resembles that of the aggrieved party's business; and the test is then whether in all the circumstances the resemblance is such that there is a reasonable likelihood that ordinary members of the public, or a substantial section thereof, may be confused or deceived into believing that the business of the alleged wrongdoer is that of the aggrieved party or is connected therewith.'*

The Namibian judge felt that *Talisman* was not a particularly distinctive word: *'The word "talisman" is not a fancy or invented word...it is a word commonly used in the English language...the applicant is not entitled to the exclusive use of the name'.* Yet he was prepared to accept that the reputation or goodwill was there. He also accepted that the names were likely to be confused.

Despite this, he held that there was no passing-off. The reason: there was no likelihood of damage apart from a possible loss of custom, and the judge felt that this was unlikely to happen. The judge said this: *'I invited* (applicant's counsel, name removed) *during the course of argument before me to deal with this issue, and to indicate how the applicant is likely to suffer damage. The impression I gained is that the argument will have it that the public will be likely to hire the equipment they need, from the second respondent, in the mistaken belief that they are doing business with the applicant. Given the distinct, although related difference between what the applicant makes available for hire and what the second respondent makes available for hire, there is no possibility that the applicant will lose customers.'*

The decision will raise some eyebrows, given the strength of the name *Talisman* and the closeness of the business areas. But what the decision certainly does bring home is this: attention to detail is critical. If you're going to do business in Africa, you certainly don't want to have to be relying on a nebulous common law action like passing-off.

You should, of course, have trade mark registrations in place (and indeed patents and designs where applicable). Trade mark registration is possible throughout the continent of Africa, through either national registrations, regional registrations like OAPI, and, in certain countries, the international registration system (Madrid). It's very likely that had the Namibian company held a trade mark registration for *Talisman* it would have been successful.

The judgment also throws a spotlight on the fact that there still isn't a great deal of IP expertise in Africa. As we have seen the judge was critical of the inability of the Namibian company's advocate to suggest any form of damage beyond loss of custom.

He was equally critical of the company's attorney who failed to act swiftly and decisively when the South African company first appeared on the scene. He said this: *'The steps taken by the applicant and its lawyer* (name removed) *to redress the threat leave much to be desired. The steps taken to put it bluntly were inept and ineffective. To that end a reading of the affidavit deposed to by* (name removed) *on that aspect makes for poor reading.'*

The case brings home the importance of getting good representation in Africa. IP owners are discovering that it makes sense for them to channel all their African IP work through a single firm – a firm that not only has specialist knowledge of African IP laws, but also understands the challenges that exist in doing business on the continent. ●

Du Plessis is a director in ENS' IP Department

Middle Eastern investors challenge China and India in Africa

ENOS LENTSOANE

There has been significant press coverage recently about the attractiveness of Africa as an investment destination. This attractiveness is attributed to various factors which appear to be a common theme across various market commentators: Africa is home to some of the fastest growing economies and rapidly rising disposable incomes; the rise of a burgeoning middle and consumer class, young population and structural changes over the past decade which have brought about more political stability to, and economic growth on, the continent. The IMF expects GDP growth in the region to rise from 5.1% in 2012 to 5.7% in 2014.


Lentsoane

But a variety of challenges still plague the ease of investing or 'doing business' in Africa by international players.

Most market commentary centres around China and India being key investors into the continent, with scant details on the insurgence of Middle Eastern investors. The distribution of invested funds by Middle East-based firms (private equity, sovereign wealth funds, general corporates etc.) on the continent has historically been skewed towards North Africa. This picture seems to be changing, with the environment in the north appearing murky on the back of the "Arab Spring" and political uncertainty.

Mergermarket recently reported that Africa & Middle East continued to exhibit their increasing attractiveness as a target region with H1 values ($30.1bn, 137 deals) up by 35.6% from the same period last year ($22.2bn, 170 deals). Inbound investment into this region in H1 2013 ($17.1bn, 63 deals) was up by 43.2% from H1 2012 ($11.9bn, 70 deals) and accounted for 56.8% of the total value in the region as investors sought to benefit from the region's growth potential.

The numbers are a continuation of a story about China and India being key non-African bidders for inbound transactions in H1 2013. A high level analysis of inbound transactions into Africa by India, China and the Middle East on value and volume metrics shows that the Middle East cannot be ignored as an investor into Africa.

	Volume			Value (US$ m)		
	India	China	Middle East	India	China	Middle East
2007	9	2	23	247	5 705	6 627
2008	11	2	18	647	17	2 655
2009	9	3	9	904	333	425
2010	5	2	11	12 105	272	1 679
2011	2	7	6	750	4 177	617
2012	6	2	7	212	2 681	4 485
2013	3	3	3	3 023	5 730	401
Total	**45**	**21**	**77**	**17 887**	**18 916**	**16 888**

Source: Mergermarket

Africa presents significant potential for business investment by companies in the Middle East. The perception amongst those who have their eyes set on Africa for investment opportunities is that China and India (BRICS member countries) have made significant inroads into the continent thus potentially leaving few good opportunities for investors.

Reasons cited for the increased interest by Middle Eastern investors in Africa include the fact that they are cash-flush with few good options for growth in developed markets and investment saturation in China, India and Brazil. Furthermore, there is also a marked interest in Africa by Middle Eastern sovereign wealth funds in commodities, mineral exploration and extraction. Decreasing oil reserves are forcing these investors to diversify their investments from traditional home-based investments.

The challenge they face, however, is the increment at which they need to invest is generally too large for the continent. For non-African private equity investors, a shortage of deals that can meet their mandate on size remains one of the challenges of doing business on the continent.

Whether this interest will crystalize into deals in the future remains uncertain but it appears there is traction in that direction. It was recently (May 2013) announced that the Abraaj Group, a United Arab Emirates-based private equity firm, acquired a 100% equity stake in Fan Milk International for $350m. Fan Milk is West Africa's market leading manufacturer and distributor of frozen dairy products and juices. This transaction is cited as the largest ever FMCG private equity transaction in sub-Saharan Africa, outside South Africa.

During 2012 a joint holding company between South Africa and Saudi Arabia was created, the Saudi Arabian South Africa Holding ("Sasah"). Its purpose is to facilitate business opportunities and investment between the two countries.

Sasah was formally endorsed in April 2012 by Saudi Prince Faisal bin Saud and is touted to have the potential to create R20bn worth of opportunities between the two countries spanning real estate, health services, agriculture, automotive, mining and minerals, construction, petro-chemicals downstream and engineering sectors. Given the uncertainty in North Africa, we expect to see increased activity by Middle East investors in other countries on the continent.

The evident economic co-operation and efforts to deepen trade and investment flows between the Middle East and Africa presents opportunities across different sectors and borders. In order to take advantage of such opportunities, the interest shown by Middle Eastern investors needs to be actively targeted and realised. ●

Lentsoane is an associate at Nedbank Capital Corporate Finance

WEBBER WENTZEL

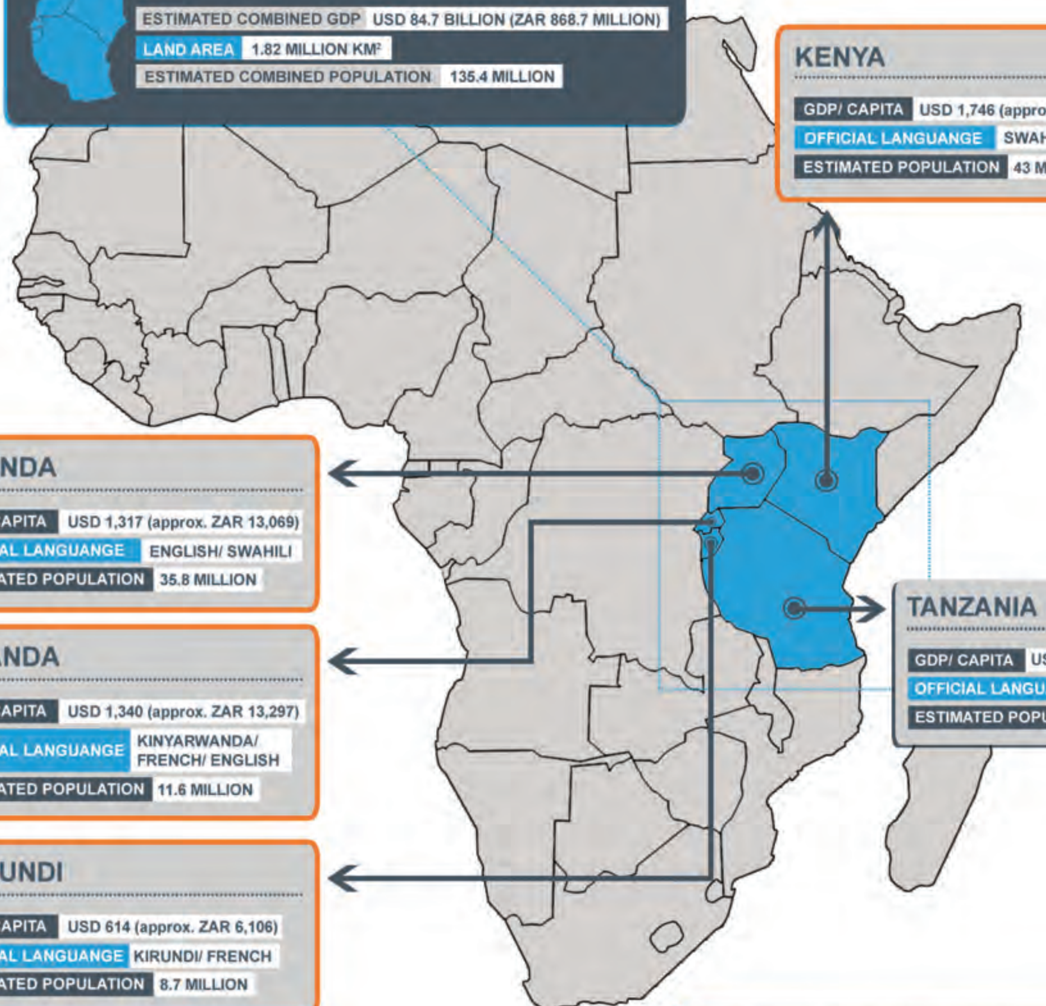
in alliance with > Linklaters

COMPETITION LAW REGIONAL REGIMES IN AFRICA - FOCUS ON THE EAST AFRICAN COMMUNITY

The East African Community (EAC) is a regional intergovernmental organisation of five East African countries. It is headquartered in Arusha, Tanzania.

THE EAST AFRICAN COMMUNITY

ESTIMATED COMBINED GDP	USD 84.7 BILLION (ZAR 868.7 MILLION)
LAND AREA	1.82 MILLION KM²
ESTIMATED COMBINED POPULATION	135.4 MILLION



KENYA

GDP/ CAPITA	USD 1,746 (approx. ZAR 17,326)
OFFICIAL LANGUANGE	SWAHILI/ ENGLISH
ESTIMATED POPULATION	43 MILLION

UGANDA

GDP/ CAPITA	USD 1,317 (approx. ZAR 13,069)
OFFICIAL LANGUANGE	ENGLISH/ SWAHILI
ESTIMATED POPULATION	35.8 MILLION

TANZANIA

GDP/ CAPITA	USD 1,515 (approx. ZAR 15,034)
OFFICIAL LANGUANGE	FRENCH/ SANGO
ESTIMATED POPULATION	43 MILLION

RWANDA

GDP/ CAPITA	USD 1,340 (approx. ZAR 13,297)
OFFICIAL LANGUANGE	KINYARWANDA/ FRENCH/ ENGLISH
ESTIMATED POPULATION	11.6 MILLION

BURUNDI

GDP/ CAPITA	USD 614 (approx. ZAR 6,106)
OFFICIAL LANGUANGE	KIRUNDI/ FRENCH
ESTIMATED POPULATION	8.7 MILLION

Kenya, Rwand, Uganda and Burundi are member states of the Common Market for Eastern and Southern Africa (COMESA). The COMESA Competition Commission commenced enforcement on 14 January 2013 and also regulates merger control and prohibited practices in the region.

EAC - REGIONAL COMPETITION LAW REGIME

01 Does the EAC have a regional competition regime?

Yes. The EAC Competition Act (the EAC Act) was assented to in 2006 (and Regulations published in 2010).

02 Who enforces the Act?

The EAC Competition Authority (the Authority) is responsible for enforcing compliance with the EAC Act at a regional level.

03 What does the EAC Act Regulate?

The EAC Act regulates merger control and prohibited practices. Partner state subsidies, public procurement and consumer welfare are also regulated. The EAC Act applies to all economic activities and sectors having a cross-border effect, subject to limited exceptions.

04 Is the competition legislation in the EAC currently enforced?

No. The Authority is not yet operational because each of the partner states are required to have established national competition laws and institutions to enforce certain provisions of the legislation.

05 What will be required by businesses operating in the region once the EAC Act comes into force?

Mergers and acquisitions where the transaction in question has cross-border effects may require notification to the Authority. For details related to merger notification, click here.

In addition, all governments and undertakings that operate within the region will need to ensure compliance with the prohibited practice and other provisions.

06 What are the consequences of a contravention of the EAC Act?

In respect of merger control, any contract or agreement in violation of the EAC Act may be declared void. Also, where a merger or acquisition has been implemented contrary to the provisions of the EAC Act, the Authority will order its divestiture.

A contravention of the consumer welfare provisions may impose pecuniary penalties of no more than USD 10,000 (approximately ZAR 100,000) (without prejudice to any civil action that may exist), and may make any appropriate order to recall goods or disclose or inform the public.

If it is determined that a partner state subsidy granted was illegal, the EAC Act provides that the East African Court of Justicemay order the partner state to recover the subsidy from the recipient.

In addition, any person who commits an offence under the EAC Act for which no penalty has been prescribed, shall be liable for a fine not exceeding USD 10,000 (approximately ZAR 100,000) or imprisonment for no more than two years, or both.

WEBBER WENTZEL

in alliance with > Linklaters

Real estate in Africa: potential for pioneers

MARIA KRÜGER AND CHRISTY HOBSON

For the past 15 years, conferences hosted by the Global Real Estate Institute (GRI) have been meeting points for the world's leading real estate players. This year, international investors and developers congregated for the first Africa GRI conference in Nairobi, Kenya.


Krüger


Hobson

Holding a GRI conference in Africa is an indication of the increasing importance that investors and developers in the real estate sector are placing on sub-Sahara Africa as a largely untapped region within which to invest and build.

The aim of the conference, held on June 19 and 20, 2013 was to explore the opportunities of doing business together and to identify the principles of successful and sustainable growth in the real estate sector in Africa. The conference focused on discussions around investors being ready to open Africa's investment doors; where to invest beyond South Africa; hotel and retail developments in East and West Africa; and, significantly, private equity in African real estate.

To date, investment flows in the real estate sector in Africa have depended on a number of considerations. Investment is normally favoured in markets that benefit from an extensive population with a burgeoning middle class; offer a healthy growth rate and real opportunity for real estate; exhibit relative political stability and regulatory frameworks; ensure security of title to property; and generally offer investor-friendly markets.

Investment parameters such as these have meant that real estate developers and investors have initially focused on markets like that of Ghana, Nigeria, Tanzania, Kenya, Mozambique and Angola; with South Africa being considered a developed market in the real estate sector.

While the participants at the GRI conference generally acknowledged that sub-Saharan Africa offers significant opportunities in real estate, participants pointed out a number of challenges experienced by developers and investors. Many of these challenges have been around for many years, and include infrastructure (or the lack of it); title security; a scarcity of professionals qualified as quantity surveyors, town planners, architects and sworn valuers; and development financing. Because these challenges hamper development, the importance of urgently addressing these issues was stressed at the conference. On the other hand, participants made it clear that, for those investors willing to look beyond the challenges, the yields are promising.

Developers raised the important issue of a lack of financing for real estate development, which is desperately required to satisfy, for instance, the 3m^2 retail gap in West Africa and the lack of affordable housing across the continent.

Jeremy Cleaver of CDC Group Plc remarked that, historically, development finance institutions (DFIs) and multilateral development banks have provided a significant portion of the capital required for real estate. The situation is now changing, with international and African pension funds, sovereign wealth funds and African private equity and real estate funds becoming significant players in the Sub-Saharan region. New emerging market investors, such as regional and Chinese investors, have been bringing liquidity into the continent.

There is also a growing recognition of the need for domestic finance to play a more significant role in real estate development, with rent being paid by tenants in local currencies. In Zambia, for instance, the recently promulgated Statutory Instrument 33 of 2012 aims to reinforce the use of the kwacha in all domestic transactions by stipulating that ZK must be the sole legal tender for all public and private transactions.

Typically, investors who have financed their Zambian developments, whether retail, office or industrial parks, in foreign currency (usually in US$) would necessarily require the rentals to be received in US$ in order to service the dollarised funding. While this legislation may have resulted in some investors placing their real estate pipeline investment into Zambia on ice, investors are noticeably still willing to entertain creative solutions to deal with the local currency's fluctuations. The legal validity of some of these solutions has not yet been tested.

Participants at the conference generally agreed that domestic finance can play a role in providing long-term finance to the burgeoning middle class who desire to buy residential properties secured by mortgage bonds. In the East African market, there are currently only approximately 18 000 mortgages registered in Kenya, resulting in a substantial opportunity in the mortgage market for banks and other finance houses.

DFIs require recipients of development finance to implement and maintain good environment, social and governance (ESG) principles, as well as to comply with international anti-bribery legislation, such as the UK Bribery Act and the Foreign Corrupt Practices Act of the United States, which have extra-territorial reach. The benefit of regulation associated with DFI financing includes that it is generally easier to on-sell an African development company which demonstrates good ESG and anti-bribery principles, as buyers in the real estate market look for well-managed companies to reduce the perceived risk of doing business in Africa.

The creation of such high value "stock" in the real estate market, in turn, creates a healthy secondary exit market. This makes it easier for investors to sell their developments, whether it be a retail mall, office block or hotel, and offers a sophisticated platform for investors to invest in.

Given the relative infancy of the real estate market in Africa, a further challenge is the lack of trading information or data on real estate developments in Africa, which makes it difficult to set rentals. Rentals are currently perceived as being very high and therefore lucrative for investors as demand outstrips supply, but some concern remains regarding the sustainability of such high rentals; and as more and more developments are rolled out, so the rentals will reduce.

Participants at the conference generally agreed that domestic finance can play a role in providing long-term finance to the burgeoning middle class who desire to buy residential properties secured by mortgage bonds

The ability to attract high quality tenants in the retail space is a challenge, resulting in a relatively poor depth of retailers. This will, however, improve in the near future as tenants start looking to expand their operations into the continent. Participants also suggested that a good development should make provision for expansion possibilities at the outset, as the market will in due course expand exponentially.

Historically, real estate developments revolved around tourism. This pattern is however changing, especially in East Africa, where the developments in the oil and gas sector are leading to business men and not tourists occupying hotels. The demand outstrips the supply by far. Participants at the GRI conference pointed out that the segmentation of urban areas due to infrastructure challenges (staying where you are meeting) prohibits the potential growth to service this change in hotel occupancy.

Savvy investors now know that one cannot apply a previously successful development plan to another region without implementing changes suggested by well-informed and connected locals. The "Africa is not one country" refrain is more important than ever, as each jurisdiction is continuously developing its own processes and regulatory frameworks. Successful developments will also increasingly rely on well-qualified real estate advisors such as valuers, town planners and architects.

Security of title remains a concern for developers and investors alike. Participants pointed out that some 50-year leasehold rights obtained in Nigeria in the previous century are now being renewed without challenge. This may lead to some certainty in the reliability of the system. Title insurance as a business opportunity remains a reality.

A general feeling of optimism prevailed among participants, those from Europe again pointing out that the opportunities there are far less than in Africa. Participants were urged to use the know-how of institutions like banks that have already done much of the local ground work investigation.

Add to these sources of information due diligence processes based on advice of locals and many concerns can be allayed. The outcomes could be to reap the rewards of a pioneering spirit. ●

Krüger and Hobson are senior associates with Webber Wentzel.

DEALMAKERS AFRICA CRITERIA

This section has been added to expand DealMakers' coverage to include transactions worked on by South African industry service providers across the continent. It has been introduced in response to numerous requests made by various companies over a long period. In order to ensure its effectiveness, all firms involved in transactions of this nature are urged to provide appropriate details.

1. Entities that seek credit for involvement in M&A work and other financial transactions must demonstrate the involvement, if necessary by reference to one or several of the principals
2. The full value of each deal is credited to each entity providing a service in respect of that deal
3. Rankings are recorded in respect of South African:
   - Investment Advisers (includes Merchant & Investment Banks and others claiming this category)
   - Sponsors
   - Legal Advisers
   - Reporting Accountants

   Players not represented in South Africa will be recorded as an adviser to the deal but will not be included for ranking purposes
4. So as to achieve fairness, rankings are to be recorded in two fields
   - Deal Value (ZAR)
   - Deal Flow (number of deals)
5. All deals and transactions are dated for record purposes on the 1st announcement date (except for listings, for which the record date is the date of the actual listing)
6. M&A deals that are subsequently cancelled, withdrawn or which are deemed to have failed will nevertheless be included for ranking purposed and companies/units that have worked on these will be credited with them for ranking purposes provided they are able to demonstrate the work was undertaken and effected
7. Where advisers make use of other advisers (second advisers), and provided the work was undertaken and this can be verified, secondary advisers will be credited for ranking purposes
8. Schemes of arrangement, rights issues and share repurchases are valued for record purposes at the maximum number of shares and value that can be purchased or issued until such time as the results are announced
9. All deals and transactions are checked by **DealMakers**; any discrepancies that arise will be queried
10. Entities that claim involvement in a deal or transaction on which their name and/or company logo does not appear on the published announcement recording their specific role will be asked to provide confirmation from the principals regarding their role
11. All entities involved in deal-making and/or corporate finance transactions will be asked to sign off a summary document prepared by **DealMakers** to ensure that no clerical errors have occurred
12. DealMakers does not accept responsibility for any errors or omissions

Comesa's competition commission enters the fray

NATALIA LOPES AND AZIZA MDEE

After much speculation, the Common Market for Eastern and Southern Africa's (**COMESA**) Competition Commission (the **Commission**) become operative on January 14, 2013.

Lopes

Mdee

COMESA is a regional organisation of eastern and southern African states which currently comprise 19 member states namely Burundi, Comoros, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe, many of which have their own national competition law legislation.

In terms of the COMESA Competition Regulations, the Commission has jurisdiction over all economic activities within, or which have an effect within the common market and conduct which has an appreciable effect on trade between member states and which restricts competition in the common market.

This "jurisdictional test" would appear to comprise a *prima facie* substantive analysis requiring the merging parties to interrogate whether the conduct in question has an appreciable effect on trade which restricts competition in the common market. Notwithstanding this various draft guideline documents were published by the Commission for public comment in April. The objective is to provide clarity and guidance about the Commission's enforcement policies and practices (though it bears emphasis that they do not have the force of law).

In terms of the *Draft Merger Assessment Guideline under the COMESA Competition Regulation (2004),* whenever a merger is consummated, there is a rebuttable presumption that it would lead to a substantial lessening of competition. This presumption can only be rebutted after an assessment of the merger has been made after notification. The imposition of a rebuttable presumption appears to be somewhat at odds with a literally reading of the Regulations and on this basis, may be vulnerable to legal challenge.

> The imposition of a rebuttable presumption appears to be somewhat at odds with a literally reading of the Regulations and on this basis, may by vulnerable to legal challenge

The Commission has a wide range of powers and functions including the regulation of anti-competitive business practices, the notification of mergers with a regional dimension and the enforcement of certain consumer protection measures. If attention is turned to merger regulation, a merger is defined by the Regulations as *"the direct or indirect acquisition or establishment of a controlling interest by one or more persons in the whole or part of the business of a competitor, supplier, customer or other person".* The term "controlling interest" is defined very broadly and encompasses the acquisition of any interest whatsoever which would allow the holder to exercise either direct or indirect control. It is clear that the Regulations, similar to the South African competition jurisprudence, contemplate an expansive interpretation as regards the notion of "control."

A merger as defined in the Regulations requires notification to the Commission to the extent that
(i) either or both of the merging parties operate in two or more member states and
(ii) the requisite merger thresholds have been met.

It bears mention that the meaning to be ascribed to the term "operate in" appeared somewhat ambiguous, in that it was unclear as to whether such a section would refer to firms with operations in the member states, or would extend to firms which simply sold goods or services into the member states. The Guidelines have, however, shed light in this regard, as they explicitly provide that the term "operate in" is to be construed widely to include not only firms which have a physical presence within members states but are also inclusive of firms which merely derive a turnover within such member states (for instance through exports or imports).

As regards the merger thresholds referred to, these have currently been set to zero, which has the resultant effect of widening the ambit of transactions which require notification to the Commission. We understand, however, that the rationale in adopting zero thresholds was informed by the fact that the various member states are at different levels of economic development and a realistic threshold could only be determined once the Regulations have been "tested on the market."

Parties to a notifiable transaction must notify the Commission within 30 (calendar) days of the decision to merge. The phrase "decision to merge" itself is nebulous and may be subject to varying interpretations. Though the Guidelines provide that a "decision to merge" is established when there is a *"concurrence of wills between the merging parties in pursuit of a merger objective,"* it is submitted there is still some uncertainty as to the specific event which would trigger notification.

In respect of time periods, within a 120 (working) day period after receiving the notification the Commission must either approve the merger (either with or without conditions) or prohibit it. This period may be extended and, though the Guidelines refer to the application of a "reasonableness test" in considering the maximum time period within which a merger is to be considered, there is still no explicit provision for a particular period within which a decision is to be reached.

Of significance is that it has been reported that the Commission is considering the introduction of a fast track procedure which will, among other provisions, allow transactions which do not give rise to complicated competition law issues to be approved within a 4-6 week timeframe.

Failure to notify a transaction can result in either a fine of up to 10% of either or both the merging parties' annual turnover in the common market for the preceding year. Moreover, the merger will have no legal effect as the rights or obligations imposed on the participating parties by any agreement shall not be legally enforceable.

The COMESA competition regime does not contain any pre-implementation provisions and, therefore, (within the 30-day period) one is free to implement a merger pending notification, a view which *appears* to be endorsed by the Guidelines. Whether to implement prior to approval is subject to the parties' appetite for risk as the Commission may subsequently prohibit the merger and require that the merging parties take steps deemed necessary to terminate the merger (or whatever part had been implemented). A careful analysis should thus be undertaken prior to making the decision to pre-implement.

The Regulations provide that merging filing fees are the lesser of
(i) 0.5% of the combined turnover or combined assets of the merging parties in the common market (whichever is higher);
(ii) or $500 000.

Initially, the exact drafting of the Regulations created ambiguity as to the manner in which the merger filing fees were to be interpreted. However, the Commission has subsequently endorsed the interpretation set out. Though we understand that the

Commission has indicated that such a filing fee is likely to be amended, in the interim, it seems that the current maximum merger filing fee is likely to have a chilling effect on the notification of mergers.

As things stand, uncertainty has centred around whether a notification to the Commission obviates the requirement to notify a transaction to a national competition authority. There appears to be no clear answer in this regard. The Regulations provide for a mechanism in terms of which a national authority may request that a merger be referred to it for consideration on the basis that the contemplated transaction is likely to disproportionally reduce competition to a material extent in the member state.

However, this does not sufficiently address the question as to whether, in the absence of the national authority requesting a referral, merging parties would be required to notify both the national authority and the Commission (though the Guidelines suggest this would be the case). If the effect of a notification to the Commission is to usurp the jurisdiction of national authorities (insofar as mergers with a regional dimension are concerned) though admittedly less onerous on the merging parties, it may potentially lead to tension between the various national authorities and the Commission.

It has been reported that competition authorities in various jurisdictions (including Kenya, Mauritius and Zambia) are currently investigating the powers of the Commission and the extent to which the Regulations are binding upon it.

To date, we understand that two merger notifications have been submitted to the Commission and we expect that various other notifications will continue to be made within the course of the year. It is clear, therefore, that the Commission is set to impact significantly on those conducting business in the common market. It follows that it is not only crucial that businesses familiarise themselves with the national and COMESA competition regimes, but also recognise that, at this initial stage, as the Commission has only just entered the competition law foray, there are a number of grey areas which will require elucidation and which will continuously be tested over time. ●

Lopes is a director and Mdee a candidate attorney in ENS's competition department

Uncertain competition regulations in Kenya

TAMARA DINI

In a positive step towards restructuring markets through the promotion of competition, Kenya's Competition Act (12 of 2010) came into force on August 1, 2011. The Act replaced the former Restrictive Trade Practices, Monopolies and Price Control Act (the previous Act). It took effect in 1989 as part of Kenya's move away from a price control regime with significant state intervention towards a genuine market economy. However, the previous Act was intended to be a transitional measure only and was outdated. The provisions of the new Act are more effective and are in line with international best practices.


Dini

It establishes two administrative bodies: the Kenyan Competition Authority (KCA), whose functions include applying, promoting and enforcing compliance with the Act, as well as the Competition Tribunal, which hears appeals from decisions of the KCA.

The KCA is staffed largely by members of the former Monopolies and Prices Commission and has already undertaken important initiatives, including the development of guidelines to promote certainty and transparency in respect of the Act such as guidelines on market definition and exemption applications. Guidelines are also being developed on the abuse of dominance and unconscionable conduct (which is an important aspect of the consumer protection provisions of the Act).

The merger thresholds are being developed with a view to the KCA being required to consider only mergers with a significant impact in Kenya

The KCA consulted with other competition agencies, including the UK's Office of Fair Trading, to obtain input on its guidelines. Draft thresholds for merger notifications have been published for comment. The merger thresholds are being developed with a view to the KCA being required to consider only mergers with a significant impact in Kenya.

The Act prohibits certain restrictive trade practices which it defines as "agreements between undertakings, decisions by associations of undertakings, decisions by undertakings or concerted practices by undertakings which have as their object or effect the prevention, distortion or lessening of competition in trade in any goods or services in Kenya, or a part of Kenya." It specifically prohibits certain horizontal restrictive practices, that is, unlawful conduct between competitors, and expressly prohibits direct or indirect price fixing; dividing markets by allocating customers, suppliers, areas or specific types of goods or services; distorting, restricting or preventing competition and collusive tendering.

The presumption that undertakings are participating in restrictive trade practices may be rebutted if a concerned undertaking establishes that a reasonable basis exists to conclude that any practice which any of the undertakings engaged in was a normal commercial response to conditions prevailing in the market.

Any person who contravenes the provisions prohibiting cartel conduct is liable for imprisonment for up to five years or a fine of up to KES10m, or both. The KCA has the mandate to investigate restrictive and prohibitive trade practices either on its own initiative, or on receipt of information from any person, government agency or Ministry. The KCA also has search and seizure powers, which can be exercised with the assistance of police officers and other law enforcement agencies. It has already adopted enforcement measures in a number of sectors, including the telecommunications sector (where it took steps to prevent the adoption of a uniform minimum calling rate by Telkom Kenya, Airtel and Essar Telecom Kenya), the pay television sector (where it commenced investigations of abuse of dominance by Multichoice Africa, a South African company which owns DSTV) and the cement sector.

An exemption from application of these restrictive trade practices may be sought from the KCA by making application in the prescribed form. Notice of the exemption application is to be published in the Kenya Gazette calling on interested persons to submit written representations regarding the application. The Act provides that an exemption may be granted if the KCA is satisfied that there are exceptional and compelling reasons of public policy as to why an agreement, decision or concerted practice ought to be excluded from the prohibited practices provisions. An exemption may be granted subject to conditions and for such period as the KCA may think fit. Notice of the grant of an exemption must also be published in the Gazette.

> The Regulations trump domestic competition laws of member states

Factors to be taken into account by the KCA when determining whether or not to grant an exemption include the extent to which the agreement, decision or concerted practice in question contributes to, or results, or is likely to contribute to or result in: maintaining or promoting exports; improving, or preventing decline in the production or distribution of goods or the provision of services; promoting technical or economic progress or stability in any industry; obtaining a benefit for the public which outweighs the lessening of competition that would result, or would be likely to result, from the agreement, decision or concerted practice or the category of agreements, decisions or concerted practices.

Given that the Act only came into force in 2011, many of its provisions are still to be used by the KCA and to be judicially considered. However, the provisions of the Act and the KCA's development of guidelines have created a more predictable competition law regime, with a regulator focussed on enhancing transparency.

While the KCA's recent efforts to increase certainty in respect of competition law obligations in Kenya are commended, the introduction of the Common Market for Eastern and Southern Africa (COMESA) competition law regime has created uncertainty for Kenya and for other COMESA member states. COMESA compromises 19 member states, one of which is Kenya. Its objective is to promote economic integration through trade and investment in Eastern and Southern Africa (the Common Market). Apart from limited exclusions, the COMESA Competition Regulations apply to "all economic activities whether conducted by private or public persons within, or having an effect within, the Common Market...."

The Regulations trump domestic competition laws of member states. This brings the effectiveness of the comprehensive provisions of the new Kenyan Act into question as it is not clear how both the Regulations and the provisions of the Act will apply to a firm's business practices where they have an effect in Kenya.

Further, though the Regulations do not expressly state this, the COMESA Competition Commission has consistently confirmed that, in relation to mergers, a single filing with the COMESA Competition Commission will substitute filings with the national authorities in the member states, though the Regulations make provision for a member state to request that it consider a merger under national competition law if that state considers the merger is likely to reduce competition disproportionately.

The COMESA Commission must then decide whether to deal with the merger itself or to refer the merger (in whole or in part) to the competent authority of the member state concerned. It is unclear at this stage whether the KCA's review of mergers impacting Kenya will be reviewed and considered by the COMESA Competition Commission (where a merger has a "regional" dimension), and whether the KCA will request jurisdiction in respect of certain mergers which are notified to the COMESA Competition Commission. ●

Dini is a director of Bowman Gilfillan

Africa beckons

NICK MATTHEWS


Matthews

Like the rest of the World, Africa is not immune from the recent monetary policy developments in America. The US Federal Reserve chairman Ben Bernanke's recent announcement that Quantitative Easing will be under review has resulted in an increase in bond yields and, as a consequence, the era of cheap money may be coming to an end. This tightening of monetary policy is likely to be supported by the continued positive employment data in the U.S. and higher growth rates. The world's largest economy, while weak, looks as though it is ready to come off life support.

This has had a marked effect on the capital markets, not only in the U.S. where Treasury bond yields have increased, but also in Europe, despite policymakers' assurances that they will continue to support their economies through cheap money. Similarly in South Africa, equity prices have retreated as a result of expected outflows as foreign money leaves our shores in a hunt for higher yields. These foreign currency outflows have also contributed to a weakening rand.

So what does this mean for M&A? Increasingly it is driven by global trends, with cross-border M&A accounting for an ever-increasing proportion of transaction activity. Just as portfolio flows chase yields, African M&A is driven by higher return on investment, principally through higher growth compared with other markets.

While South Africa's growth statistics continue to disappoint, the prospects for the rest of the African continent remain positive. Of interest is the increased prominence of South-South M&A, between emerging markets. In the first six months of 2013, China and India have been big acquirers in Africa.

The African Consumer remains a positive growth factor

While a modest economic recovery continues in the U.S., European growth is anaemic. This has seen continued interest in the consumer facing industries (telecoms, financial services, retail and FMCG) in Africa, where the consumer still has some spending power – a trend we see continuing as the growth of the number African consumers continues. In certain industries, however, all the 'low-hanging fruit' has been picked. For example, SABMiller, which built its African business largely on M&A, no longer sees M&A as its primary driver of growth, with increased emphasis on organic growth. Nonetheless, a transaction which might occur in the foreseeable future is the buy-out of Castel, with which the brewing group currently has a joint venture in a number of African countries.

Financial Services trends

Africa continues to be under-serviced in the financial services sector, particularly in insurance where penetration rates, outside of South Africa, are particularly low. This represents an opportunity as the middle class develops and picks up a propensity for insurance products. In the banking sector, increased regulatory capital levels in countries such as Kenya, Zimbabwe and Zambia, could drive the consolidation of the domestic banking sector, much as happened in Nigeria a few years back. South African banks continue to be acquisitive on the continent, but are being joined in the race by other larger regional and international financial institutions.

Mining, oil and gas – the end of the super cycle

Significant oil and gas discoveries have driven the growth in oil and gas reserves in Africa by 140% since the mid 1980s, and this will continue to push M&A. The first six months of 2013 saw significant investment by China National Petroleum Corporation and Oil India in oil and gas assets in Mozambique and Angola. This is indicative of two trends: the continued hunt for resources and a new propensity for South-South investment.

> This has had a marked effect on the capital markets, not only in the U.S. where Treasury bond yields have increased, but also in Europe, despite policymakers' assurances that they will continue to support their economies through cheap money. Similarly in South Africa, equity prices have retreated as a result of expected outflows as foreign money leaves our shores in a hunt for higher yields

The mining industry, however, is in a difficult space. The so-called commodity super-cycle has abated with the softening of many commodity prices. Activity in the gold and platinum sectors, which have seen declining prices and increasing costs, is expected to shift from acquisitive growth activity to M&A focussing on making the industries more efficient. Anglo Platinum is considering the sale or closure of its Union Mine, and we predict some similar activity in the gold sector.

In conclusion, in the long term there is no doubt that Africa holds the key to many global companies' growth ambitions. With a billion population in Africa today, expected to grow to two billion by 2050 and, with positive demographics, the continent will continue to present a hunting ground for global companies in the consumer facing industries. Increasingly, we will see other emerging markets playing in the African M&A space. In the short term, mining's lustre will fade, but Africa's natural resources will no doubt rebound as a source of DFI into the future. ●

Matthews is head of M&A at KPMG

Patenting Activity increasing in Africa: Nigeria a good proxy

CHRIS BULL

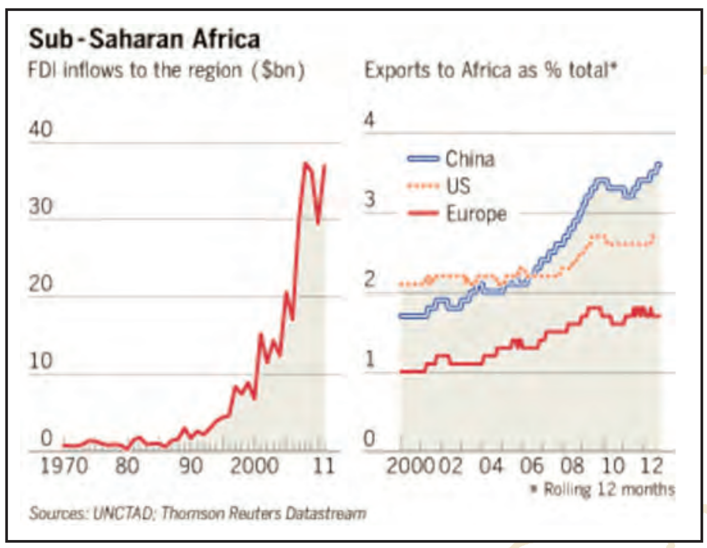
Over the last decade six of the world's ten fastest-growing economies have been in sub-Saharan Africa. Many predict that over the next decade Africa is likely to emerge as the fastest growing economic region, assuming this mantle from Asia.


Bull

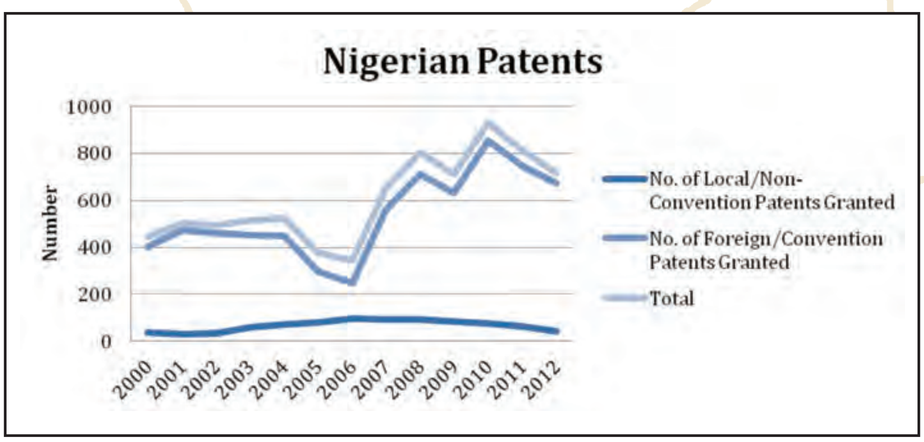
These trends are also playing themselves out in the intellectual property sector, with consistently high growth in patent filings. The growth is being driven predominantly by corporates based in the United States, Europe and China, which see Africa as an important emerging market for their products, services and technologies.

Nigeria

Patent activity in Nigeria reflects these trends. Patent filings show strong growth, but as can be seen from the graph below, this growth is driven almost exclusively by international corporates filing patents in Nigeria.



Pharmaceuticals, oil and gas, information technology, telecommunications, mining and retail are the most active sectors.



With the growth of patent filings in Nigeria there has also been an increased level of activity in patent enforcement. Patent litigation in Africa, outside of

South Africa, was almost non-existent ten years ago. This has changed significantly in recent years with four patent disputes proceeding to hearings in the courts in Nigeria. Once again, the protagonists in these matters are international corporates looking to build and protect their commercial positions in Nigeria.

We expect these trends to continue, if not increase, in the next few years. ●

Bull is a director of the Intellectual Property Group at ENS

Big opportunities for global firms

ALEX MASU AND TAKURA CHINODYA

The growth of urban consumers in Africa with steadily increasing spending power is creating fresh opportunities for global firms in search of new markets. As global multinational firms look for assets providing exposure to high-growth emerging markets, Africa's expanding consumer base has become one of the key drivers of merger and acquisition (M&A) activity on the continent.

Yet in spite of the very real opportunities created by the emergence of an increasing African consumer class, investing in Africa remains a lot more complicated than most corporates imagine. So, while on the numbers Africa looks to be an attractive destination for overseas investors, the continent is, and will remain in the short-term, a difficult trading environment.


Masu

Compelling story

That said, the African growth story remains compelling. Recent data shows that the number of middle-class consumers in Africa has grown by more than 60% to about 350 million in the last 10 years. Moreover, the continent's population is expected to continue to grow for decades to come.


Chinodya

The continent has more than 500 million of working age and by 2040 the number is expected to be more than 1.2 billion. More than 20% of the world's population is likely to be African by 2050.

The combined spending power of Africa's top 18 cities alone is expected to reach $1.3trn by 2030. With this growth the continent is also expected to become younger, more urbanised and, if coupled with robust economic growth, progressively more affluent. This is expected to drive the emergence of a vibrant consumer base on the continent — supporting local firms, creating economic opportunities, and attracting significant foreign investment flows.

In addition to providing the stimulus for consumption-lead growth, rapid population growth also poses an array of challenges, including education, skills, infrastructure, health and food security. Yet if managed correctly these challenges also present the continent with vast opportunities – especially for those involved in both primary and secondary agriculture, education, pharmaceuticals, chemicals, telecoms, services and infrastructure.

Africa's five largest consumer markets by 2020 are projected to be Alexandria, Cairo, Cape Town, Johannesburg and Lagos

As such, M&A activity in key consumer sectors is expected to increase along with the demand for goods, products, skills and services.

In addition to the many transactions facilitated by Barclays in the past couple of years, large numbers of enquiries continue to be received from corporate clients around the world looking to access new market opportunities in Africa through South Africa. There is no doubt that this interest is largely driven by the potential presented in the emergence of new, more affluent, African consumers.

As traditional global markets continue to offer little by way of new consumer market opportunities, investmet houses are seeing considerable consumer-focussed businesses looking to Africa's lucrative retail, service and supply opportunities. Certainly companies from Europe, the United States, Asia, South America and South Africa have shown great interest in the continent to date.

Africa's five largest consumer markets by 2020 are projected to be Alexandria, Cairo, Cape Town, Johannesburg and Lagos. Many global companies, such as Unilever, Heineken, Cipla, Proctor & Gamble, SABMiller, MTN, Bharti, Barclays, Shoprite, Tiger Brands and Walmart are already present on the continent. Recent landmark deals include:

- Indian telecoms company Bharti Airtel's $10.7bn acquisition of Egypt's Zain Africa, in what was the second-largest take-over deal in the telecommunications sector in 2010;
- US retail giant Walmart's $2.4bn acquisition of a 51% stake in South African retailer Massmart in 2010; and
- Indian drug maker Cipla's $512m buyout of South Africa's third-biggest listed pharmaceutical company, Cipla Medipro in 2013.

Opportunities for agribusiness

There are still further growth opportunities in a number of sectors, especially agribusiness. It is anticipated, for example, that food and beverage consumption will shortly account for the largest share of consumer spending on the continent. With household spending continuing to grow as incomes increase Africa's agribusiness sector is set for significant expansion in the decades to come. Combined with increased global food security concerns, this is expected to drive deal activity across the entire agribusiness value chain.

As a result, demand for upstream products linked to the broader agribusiness sector are expected to create new economic opportunities for a range of African and international enterprises. To date the continent has already witnessed an increase in global players, especially private equity companies, investing aggressively in the African agricultural sector.

Despite these prospects, investors should not expect an easy ride into the continent - or overnight returns. What is often not appreciated by global corporates is that Africa consists of 54 different countries, all with markets at different stages of development. This makes it difficult to typecast the new African consumer – and often even harder to reach and engage these consumers. Customers in Kenya are very different, for example, from those in South Africa, Ethiopia or Nigeria in their needs, incomes and consumption habits.

It takes patience to make it in these markets. Certainly, most corporates that have gone into the continent have learnt through trial and error. They will also attest that Africa requires a long-term view, and an experienced and present banking partner, if returns are to be realised consistently over time. ●

Masu and Chinodya are part of the advisory division in Investment Banking at the Corporate and Investment Banking division of Absa, member of Barclays.

DEALMAKERS AFRICA H1 2013

TRANSACTION TYPE	DETAILS	TOMBSTONE PARTIES: INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Africa							
Investment by	The African Development Bank in The East African Development Bank					$24m	Jan 17
Investment by	Leapfrog Investments (Mauritius) in Bima					$4,25m	Feb 21
Disposal by	Supaswift (Bidvest) to FedEx of courier service and freight transportation business in SA, Malawi, Mozambique, Swaziland and Zambia			Werksmans; Cliffe Dekker Hofmeyr		not publicly disclosed	not announced
Angola							
Acquisition by	Sinopec of Marathon Oil Corporation's offshore oil and gas field					$1,52bn	Jun 24
Botswana							
Acquisition by	Paragon Diamonds of several prospecting licences across diamond-prospective terrains in Botswana					not disclosed	Jan 8
Issue (IPO)	Shumba Coal : IPO - 7.1 million shares @ P1 / share	Imara Capital Securities	Imara Capital Securities			P7,1m	Jan 21
Disposal by	RPC Data to ADS ICT Links of it's 33.33% shareholding in ASC Services					R1m	Feb 25
Share Issue	a-cap Resources : placement of 32,5m shares @ 10c / share to fund the ongoing feability and development programme at the Letlhakane Uranium Project					A$3,25m	Mar 18
Listing	Shumba Coal on the BSE : 168,8m shares @ P1 / share	Imara Capital Securities	Imara Capital Securities			P168,8m	Apr 8
Acquisition by	Sable Platinum from A Makgekgenene of a 4% stake in Global	Java Capital	Java Capital			$4m	Apr 11
Acquisition by	Raubex from Sasol Oil (Sasol) of 100% of Tosas	Investec Bank	Investec Bank	Bowman Gilfillan; Webber Wentzel		R120m	Apr 15
Burkina Faso							
Acquisition by	Golden Rim Resources from Epsilon Gold Mines of a 90% stake in the Korongou gold project					$3m	Feb 1
Acquisition by	African Star Resources (Thor Explorations) from Constelor Panafrica Resources of an 85% stake in the Bongui and Legue gold permits located in Houndre greenstone belt (exercise of option)					$250 000	Mar 7
Acquisition by	Kanosak Capital Venture of 100% of LMZ Gold Burkina SARL					5m KKV shares	Apr 3
Cote d'Ivoire							
Acquisition by	The African Agricultural Fund of a minority stake in Continental Beverage Company					not disclosed	Feb 28
DRC							
Acquisition by	Mukuba Resources from Benzu Resources of all the copper assets held by Benzu in the Katanga Copper Belt	Davisa Consulting Corp; Cormark Securities		Beard Winter		not disclosed	Jan 21
Investment by	XSML in Starz-kin					not disclosed	May 10
Egypt							
Acquisition by	Hikma of the Egyptian Company for Pharmaceuticals & Chemicals Industries					EGP142,4m ($22,2m)	Jan 9
Acquisition by	Döhler of Delta Aromatic's fruit and flavours unit					not disclosed	Feb 25
Acquisition by	Nutreco of the remaining 67% share of Hendrix Misr. Not already held					not disclosed	Apr 26
Acquisition by	Actis of a 30% stake in Edita Food Industries					$102m	Jun 24

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Ethiopia							
Acquisition by	Catalyst Principal Partners of a 50% stake in Yes Brands Food & Beverages					not disclosed	May 14
Ghana							
Investment by	Vantage Risk Capital in Genser Energy Ghana					$30m	Apr 4
Acquisition by	Old Mutual of a majority stake in Provident Life Assurance	IC Securities Ghana	Merrill Lynch; Nedbank Capital			undisclosed	Jun 3
Acquisition by	Abraaj Group of Fan Milk International					not disclosed	Jun 19
Kenya							
Acquisition by	Centum of a 45% shareholding in Platcorp					not disclosed	Jan 25
Acquisition by	Kilele (Centum 79% : Cassia Capital Partners 21%) of a 45% stake in Platcorp					not disclosed	Jan 28
Listing	Centum Investment Company : Bond listing on the NSE Fixed Income Securities Market Segment. 5 Year bond					Ksh4,19bn	Feb 25
Investment by	Amethis Finance in Chase Bank	Genghis Capital Corporate Finance				$10,5m	Mar 6
Acquisition by	Dimension Data of AccessKenya					Ksh3,052bn	May 7
Investment by	GroFin in two public transaportation firms : Wargen and Centaurus					$2,3m	Jun 17
Mauritius							
Share swap	Allied Technologies and Liquid Telecommunications : interests in its East African network for an equity stake in Liquid Telecommunications plus the purchase of additional shares in Liquid for $16,5m for a total shareholding of 8,6% in Liquid	Investec Bank	Investec Bank			$66,5m	Jan 28
Listing	Sanlam Africa Core Real Estate Fund : 90m class A shares @ $5 each	Java Capital		C&A Law; Bowman Gilfillan; Ropes & Gray	Ernst & Young	US$450m	May 9
Listing	Fayence Capital : 100 000 non-voting ordinary par value Class A participating shares @ GBP 100 per share			Me Gautam Ramdoyal	Morison Mauritius	£10m	May 28
Listing	Global Windsor Capital Fund : 200 000 participating shares @ $100 each			Lexel Chambers	Morison Mauritius	US$20m	May 28
Bonds	CIM Financial Services : 1st tranche of the MTN : 5.5% fixed rate notes due June 2018. Nominal rate MUR1m					MUR750m	May 30
Bond Issue	Alteo : 3 tranche unlisted bond issuance. MUR200m (1 year secured); MUR400m (3 year secured) and MUR400m (5 year secured). Weighted ave fixed rate of 5.28%.	AfrAsia Corporate Finance		BLC Chambers		MUR1bn	Jun 12
Bonds	The Mauritius Commercial Bank : 3 million floating rate subordinated notes due 2023 @ MUR 1 000 each	MCB Capital Markets	MCB Stockbrokers			MUR3bn	Jun 26
Morrocco							
Acquisition by	Actis from Veolia Environment of it's water, wastewater and electricity services operate by Redal and Amendis					not disclosed	Mar 8
Mozambique							
Leasing	Thelo Rolling Stock Leasing leased rolling stock to Minas Moatize for use on the Sena railway line			Baker & Mckenzie		not disclosed	Feb 1
Acquisition by	Nedbank of a 36% stake in Banco Unico		Nedbank Capital; Merrill Lynch; Old Mutual Investment Services (Namibia)	Werksmans		$24,4m	May 3
Acquisition by	ONGC Videsh and Oil India from Videocon Mauritius Energy of Videocon Mozambique Rovuma 1					$2,475bn	Jun 25

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
		TOMBSTONE PARTIES					
Namibia							
Acquisition by	Denison Mines of Fission Energy (including a 60% stake in the Waterbury Lake uranium project and exploration interests in properties in the Athabasca Basin)					$70m	Jan 16
Joint Venture	Yellow Dune Uranium Resources : Epangelo Mining 5%, Reptile Uranium Namibia 85%, and Oponona Investments 10%					not disclosed	Jan 22
Investment by	VPB Namibia in Ongwediva Medipark					not disclosed	Feb 11
Acquisition by	Afri-Can Marine Minerals of a 20% stake in Thyme Investments which owns the EPL 3403 (exercise of option)					$100 000 plus 9,75m IMDH shares and 3,25m BVI sharse	Feb 15
Acquisition by	Labat Africa from Amicitia of Palantina Petroleum		Arcay Moela Sponsors			$14m	May 21
Nigeria							
Merger of	Consolidated Breweries, DIL Maltex and Benue Brewery	Stanbic IBTC Bank				1 Consolidated share for every 20 DIL shares held	Jan 14
Acquisition by	Dangote Sugar Refinery of a 95% stake in Savannah Sugar Company					not disclosed	Jan 28
Acquisition by	Cadbury Nigeria of the 2% it does not already own of Stanmark Cocoa Processing Co	Stanbic IBTC Bank				1 Cadbury share for every 5.58 Stanmark shares	Feb 6
Acquisition by	Marsh Africa of Femi Johnson & Company					not disclosed	Feb 20
Acquisition by	XerXes Global Investments and Copperbelt Energy (KANN Consortium) of a 60% stake in Abuja Electricity Distribution Company					$164m	Mar 5
Investment by	Summit Partners in the Jumia brand					$26m	Mar 19
Acquisition by	Bonny Gas Transport (Nigeria LNG) from Samsung and Hyuandai of 6 new shipping vessels					$1,6bn	Mar 24
Acquisition by	(CBO Oil and Gas FHN Investment Services) Afren of an additional 10.4% interest in First Hydrocarbon Nigeria (exercise of put option - 15m shares)					$37,05m	Mar 25
Acquisition by	Southern Sun Africa of a 75% stake in Ikoyi Hotels	Standard Bank				$70m	Apr 29
Acquisition by	Imperial Mobility International (Imperial) from UAC of Nigeria of a 49% stake in MDS		Merrill Lynch			$26,68m	May 13
Acquisition by	Public Investment Corporation from Dangote Industries of 1.5% of it's stake in Dangote Cement					$289,3m	Jun 10
Investment by	Silvertree Capital in two e-commerce sites : sunglasses.com.ng and glamour.com.ng					not disclosed	Jun 18
Acquisition by	Lekoil from Panoro Energy of a stake in the OML 113 license					$30m	Jun 18
Acquisition by	Swift Networks of the 4G business of Direct on PC					not disclosed	Jun 19
Acquisition by	Investment One Financial Services of a 99.9% stake in Royal Trust Pension Fund Administrators					not disclosed	Jun 25
Acquisition by	UAC of Nigeria of a 51% stake in Portland Paints and Products	Stanbic IBTC Capital				N911,88m	Jun 28
Senegal							
Joint Venture	Goldstone Resources and Randgold Resources (Senegal) : Sangola Project		Norton Rose Fulbright			not disclosed	May 5
Investment by	Cauris Management in Axxend Corporation					€5m	Jun 10

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Swaziland							
Rights Issue	Swazispa : 3 614 458 shares @ E8.30	Investec Bank	African Alliance Securities	Cloete Henwood Associated	PricewaterhouseCoopers	E30m	May 24
Tanzania							
Acquisition by	Catalyst Principal Partners of Chai Bora from Transcentury					not disclosed	Jan 16
Financing	Shanta Gold : medium term facility with First National Bank secured over shares and assets of Shanta Mining Company					$30m	Jan 10
Investment by	Consortium of Omani investors into Air Tanzania					$100m	Jan 11
Financing	African Barrick Gold : syndicate of commercial banks, led by Standard Bank, for an export credit-backed term loan facility for expansion of its Bulyanhulu process plant					$142m	Jan 22
Acquisition by	Sanlam Capital Markets of a property portfolio			Norton Rose SA		not disclosed	not announced
Disposal by	Heritage Insurance Company of a 45% stake in Alliance Insurance			Norton Rose SA		not disclosed	not announced
Tunisia							
Investment by	International Finance corporation and two funds managed by IFC Asset Management Company in Amen Bank					$48m	Jan 25
Uganda							
Investment by	Anraaj Group in Vine Pharmaceuticals					not disclosed	Jan 31
Investment by	Abraaj Group in Vine Pharmaceuticals					not disclosed	Jan 30
Disposal by	Actis to Rabo Development Bank and Norfund of a 45.02% stake in DFCU	Stanbic Bank Uganda	Stanbic Bank Uganda			$43,28m	May 3
Zambia							
Acquisition by	Standard Chartered PE and Ashmore Investment Management of minority stake in GZ Industries					not disclosed	Jan 14
Acquisition by	Rainbow Chicken from Zambeef of a 49% stake in Zam Chick	Rand Merchant Bank	Rand Merchant Bank			$14,25m	Feb 5
Joint Venture	Rainbow Chicken and Zambeef : Zamhatch (51%:49%)	Rand Merchant Bank	Rand Merchant Bank			undisclosed	May 30
Acquisition by	Sanga Minerals : option to acquire 80% interest in 2 licenses in the Mumbwa District	Bravura Equity Services				not disclosed	not announced
Acquisition by	Sanga Minerals : acquisitio of a license in the Kasempa District	Bravura Equity Services				not disclosed	not announced
Acquisition by	Sanga Minerals : option to acquire 79% interest in a licenses in the Rufunsa District	Bravura Equity Services				not disclosed	not announced
Zimbabwe							
Disposal by	Impala Platinum to indigenous entities (Zimplats Mhondoro-Ngezi Chegutu Zvimba Community Trust 10%, an employee share ownership trust 10%, National Indigenisation & Economic Empowerment Fund 31%) of a 51% stake in Zimbabwe Platinum Mines					§$971m	Jan 14
Acquisition by	Vunani of a 50% stake in Purpose Asset Management					undisclosed	Feb 28

Catalyst

SA's quarterly Private Equity & Venture Capital magazine

Vol 10 No 2
JUNE QUARTER 2013

Exchange control anachronism

KPMG survey signals turnaround underway

AdVantage Genser in Ghana energy race

IRR scars from credit crisis

FROM THE EDITOR'S DESK

As I sat down to write my editor's note news flashed across the twittersphere that Capitalworks had raised a staggering R2.7bn under its second fund, in scarcely six months. Word had been circulating for some time that this would be a large raising but co-founder and chairman Chad Smart must be more than a little pleased (surprised maybe?) with that effort.

I was going to write about what I perceived, from my vantage point, to be early signs of another golden private equity period. And the Capitalworks news merely underlines that view.

Isreali-born power consultant and consistent member of the Forbes 100 most powerful list, Orit Gadiesh, chair of Bain & Company, wrote in a recently published note to investors that "after six years in the economic doldrums—and despite the US stock market's stunning rally—many business leaders in developed nations still seem paralyzed when it comes to growth strategies."

The evidence, Gadiesh relayed, is "massive amounts of cash are piling up on balance sheets. This hoard instinct represents an idle $1.4 trillion in corporate cash and cash equivalents sitting idle in the non-financial S&P 500 companies through late last year, up 69% from 2007."

Though she was specifically referring to developed markets she could as easily have been referring to South Africa where corporate balance sheets are bulging with cash and dry powder in the private equity industry is starting to burn holes in the kegs.

When you throw into the mix that exit times are fast approaching and expectation gaps are narrowing it seems we have all the ingredients in place for a cracking next few quarters.

Even the looming general election and the usual political bluster that precedes and follows inevitably is not enough to put off those who have invested in this country for decades talking up a good story about the future.

Take the recent announcement by the Department of Water Affairs for example. The acting Director General Trevor Balzer, one of the last remaining technocrats in the Department, declared at the recent SA Water, Energy & Food Forum hosted in Johannesburg, that R700bn is needed for future infrastructure plans of which only between 42 and 45% is budgeted for.

Activity in the private equity fund raising arena is signalling an expectation that deals in the infrastructure space are expected to be more ubiquitous than Julius Malema's red beret.

As Gadiesh observes, "[d]oing anything is always risky. Doing nothing, however, is a major strategic decision, usually a bad one—especially now. What's so different today is that the already-dizzying rate of change is accelerating. This is especially evident in the technology sector. For instance, Apple recently declared that soon it will halt support for its original iPhone, which was only introduced in June 2007. This dwindling half-life—from innovation phenomenon to antique in six years—defines today's business environment.

"This is why chief executives need to scan the horizon for competitors' moves and act, even if none seems to be doing anything. Or as Samsung Chairman Lee Kun-hee famously said: "Change everything except your wife and kids."

I'd like to congratulate SAVCA and AVCA for finally cementing a relationship that was destined to grow them together.

As Africa emerges as the next great investment landscape for private equity and a wealth of South African-based funds and global players based here look northward, this partnership is sure to reap handsome dividends. ◆

Michael Avery

Contents

Catalyst

Publisher: David Gleason

Editor: Michael Avery

Design & Layout: Janine Harms, Gleason Design Studio

Catalyst is published by the proprietor Gleason Publications (Pty) Ltd, reg no: 1996/010505/07 from its offices at 30 Tudor Park, 61 Hillcrest Avenue Blairgowrie, Randburg 2194.

Tel: +27 (0)11 886 6446

Fax: +27 (0)11 886 6448

Gleason Publications

Mark Shuttleworth. Mention the name and (depending on which side of the ideological fence you're sitting on) an image of one of the country's foremost entrepreneurial sons springs to mind.

Exchange controls detract from SA as an inviting investment destination

Born in the tech, dot-com, boom-bust age of intrepid innovation and pioneering go-get-it spirit that he so embodies, his story has captivated a generation of would-be "techpreneurs" keen to emulate his success. So, when Shuttleworth decides to take on the might of the South African Treasury, naturally, people sit up and pay attention.

The first South African in space took aim at what counsel for the SA Reserve Bank (SARB), Jeremy Gauntlett SC, described, with a blend of hyperbole and unfortunate metaphor, as the pillars of the local financial system: exchange controls.

"He claims it is in the interest of all South Africans to destroy the entirety of the exchange control system in this country. It's like Samson and the temple. He couldn't get his money out of the country, now he wants to pull the whole system down. Why should this financial refugee, living on the Isle of Man, speak on behalf of the entirety of South African society?"

But as *Daily Maverick* 'Opinionista' shrewdly pointed out, "[t]he central bank's legal eagle would do well to remember that the temple he references was a pagan temple and Samson's god granted him the strength to destroy it as a matter of righteous vengeance."

As it panned out, Shuttleworth failed in his bid to set aside a levy of more than R250m he paid to get some of his assets out of SA in 2009, but he did win some battles in the North Gauteng High Court.

Mark Shuttleworth

Shuttleworth obtained an order declaring section 9(3) of the Currency and Exchange Act unconstitutional and invalid. This section allowed the president to suspend in whole or in part, by regulation, any act inconsistent with the provisions of the Currency and Exchanges Act relating to banking, exchange and currencies. It was struck down by Judge Francis Legodi, subject to confirmation by the Constitutional Court, who said the provision had the potential to unravel the healed wounds of the past when laws were changed at the stroke of a pen by individuals.

Richard Flett

"This can never again happen in a constitutional and democratic South Africa," proclaimed the Judge.

Shuttleworth also succeeded in declaring as unconstitutional and invalid some exchange control regulations such as regulation 19(1), which allows an official to demand information relating to exchange control and currency matters and which empowers officials to enter homes or business premises to inspect books and documents without a warrant.

John Bellew

Webber Wentzel associate Benjamin Cronin was quoted in *Business Day* saying the judgment illustrated just why the Bank and the Treasury would continue to have problems with the empowering provisions for exchange controls.

"While the government has won an important victory, the court has shown that new legislation needs to be developed," Cronin said.

"Both the Currency and Exchanges Act as well as the exchange control regulations, remain potentially fertile terrain for future legal challenges beyond merely those provisions which the court was considering".

Exchange Controls and Private Equity: A tale of two perspectives

As a general rule, the Excon Regulations promulgated under the Currency Exchanges Act, 1933 prohibit the export of capital without the permission of the Exchange Control Department of the SARB. In this regard, Exchange Control Circular No. 7/2010 currently regulates investment activities of South African private equity and venture capital funds into Africa. Private equity funds that are members of the South African Venture Capital Association, and are mandated to invest into Africa, may apply to the Bank for an annual approval to invest into Africa.

Lawyer John Bellew, partner at Webber Wentzel, and highly regarded in the private equity industry, explains the current status of exchange controls as they relate to PE funds.

"Circular 7/2010, introduced in February 2010 is still in force, although the original [February 2010] version was modified in December that year to allow for 3 year approvals."

Bellew is satisfied with the current state of play.

"Notwithstanding the terms of the circular we have found the SARB sympathetic and willing to address its shortcomings - for example we have been able to obtain 5 year approvals so that the approval matches the commitment period of the Fund. Approvals originally granted for 12 months can also be renewed for 3 years.

"Our interactions with the FSD indicate that they are serious about making SA a more competitive domicile for private equity funds and we are hopeful that further relaxations will be forthcoming, especially for funds with only foreign limited partners."

Richard Flett, a member of the SAVCA regulatory sub-committee, sees things slightly differently however.

"Despite some relaxations, exchange controls continue to hinder investment by the country's private equity and venture capital industry in South African companies pursuing global growth initiatives. Two prohibitions are of particular concern: firstly in respect of "loop" ownership structures and secondly when exporting intellectual property. Whilst the latter is of most concern to technology companies and venture capital investors, the interdict on loop structures affects many a private company with South African shareholders trying to raise capital from overseas investors.

"It is a commercial reality that such investors are often reticent to invest into an unlisted South African entity and instead want the company to re-domicile itself into a more familiar jurisdiction, typically in the USA or Europe. The prohibition on loop structures prevents the original South African shareholders from transferring their interest to the new jurisdiction, and the company must either give up its plans to raise foreign capital, or the existing shareholders must dispose of their interest. Since the company still needs funding at this point to further its international expansion, finding a buyer for existing shares is frequently impossible; if one can be found, it will usually be at fire sale prices."

Given these markedly differing impressions of exchange controls and its effect on the investment climate, it is little wonder that investors remain skittish about dipping their toes into the country's investment waters.

Shuttleworth's legal challenge has demonstrated that more certainty may be achievable if further legal challenges to the existing regime are undertaken by the fearless and deep pocketed. ◆

"This year's survey has highlighted a reignited industry," proclaimed Warren Watkins, KPMG Partner Private Equity South Africa, confidently.

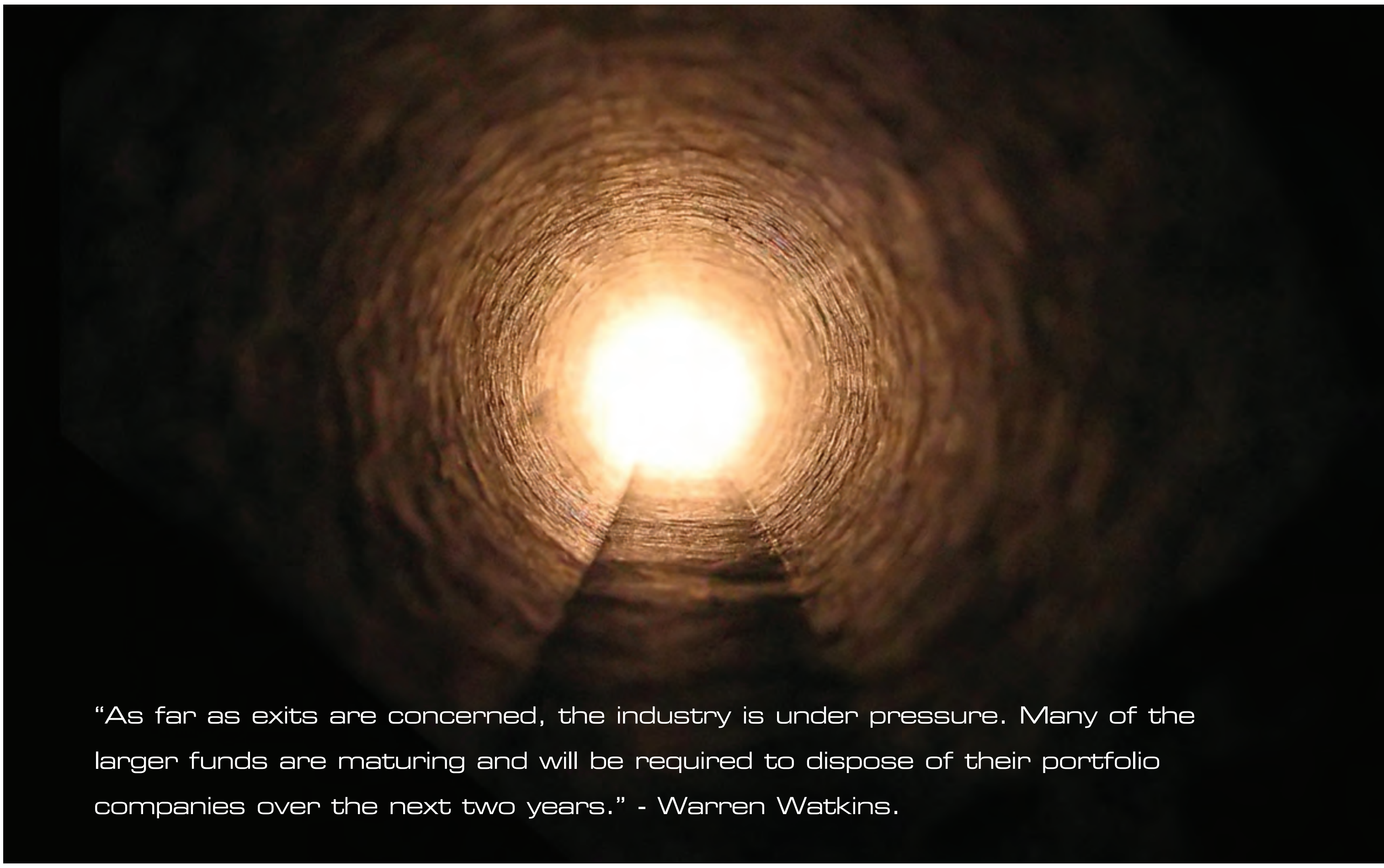
P(E)reparing for take-off

The annual pilgrimage by the constantly changing phalanx of financial hacks to Wanooka Place (KPMG's ever expanding head office complex on the Northern outskirts of the Johannesburg CBD) to hear firsthand about the state of the private equity industry was better attended than it has been for some years. Perhaps this aptly illustrated the renewed interest in the asset class, which was backed up by some robust numbers in the 2013 KPMG SAVCA Private Equity Survey.

In calendar 2012, the local private equity industry added an impressive 10,4% to its total funds under management, which closed at R126.4bn. Nothing gives credence to Watkins' show of bravado better than the nugget that 2012 growth surpasses the previous four years' combined cumulative growth of only 4,6%.

In its 13th year, the Survey represents more than 90% of total South African private equity funds by value. Current funds under management represent a compound annual growth rate of 11.6% (excluding undrawn commitments – i.e., those funds committed by investors but not yet deployed) since the inception of the survey in 1999.

For those looking at leading indicators, growth in the coming year should again show a meaningful increase with a number of significant funds that are on the fund raising trail. For instance, Ethos successfully closed its Fund VI in the first quarter of 2013 with US$800m raised.




Warren Watkins

Funds raised in 2012 totalled R14.4bn, up from R10,7bn in 2011 and not far from the record level of R15.4bn in 2007, the historical peak of the private equity Industry.

These funds have been raised primarily from South African sources – at 56.2% of the total – and the remainder from overseas investors.

"The pooled returns for the industry of 20.6% per annum over ten years beat most of the mature markets. The private equity market is also proving to be far more stable than the listed market," added Watkins.

Investments of R10.6bn in 2012 were down from the R16,5bn in 2011.

But Watkins believes we "should see significant investment activity in 2013/2014. [The PE sector has] R35.3bn available in undrawn commitments. This, together with the current fund raising under way, means we should see the return of the large transactions which were last seen in 2007/2008."

Exits stood out in their absence over the year. Funds looking to return capital to investors decided to take the wait and see approach with exits significantly reduced to R7bn down from R25,7bn in 2011.

"As far as exits are concerned, the industry is under pressure. Many of the larger funds are maturing and will be required to dispose of their portfolio companies over the next two years. Exits through listings are a possibility", says Watkins.

What this all adds up to is a sector that is starting to show signs that it's really heating up again. And that should be welcome news for all concerned. ◆

South Africa's plunge to the bottom of the global education rankings is well documented. This precipitous decline in the standard of the public education system has opened a welter of opportunity for the private sector to step into the breach to capitalise on household budgetary spend on education.

An educated investment

Metier is the latest to join the likes of OMIGSA (Old Mutual Investment Group SA) and PSG (shareholders in Curro, a developer, manager, and owner of private schools throughout South Africa) in investing in the future of private education, albeit with a slightly dissimilar model.

Metier unveiled in July the first stage of what Dalein van Zyl, associate principal at Metier, says will become "a high quality, reputable, private tertiary education group of scale with operations covering South Africa and sub-Saharan Africa."

This was revealed when Metier lifted the lid on its acquisition of the reputable Institute of Marketing Management (IMM), purchased through the Lereko Metier Capital Growth Fund (LMCGF), of which Metier founder, excutive chairman and serial dealmaker, Thierry Dalais, is principal.

The deal includes co-investment from Ke Nako Capital and the Dutch development agency FMO, as part of an education sector build-up investment called The Education Platform, which intends to target strategic bolt-on acquisitions in the private tertiary distance education space.

Lereko and Metier (LMCGF) is South Africa's largest private equity fund in terms of local institutional commitments. It closed to investors at the end of 2007 with roughly R3.5bn of capital including debt facilities and co-investing commitments.

"From 2014 onwards we will be expanding our reach into Zambia, Kenya and Nigeria. We spent a long time (almost two years) defining and developing our strategy for entry into the sector in partnership with the new CEO of IMM." J-P Fourie

Ke Nako Private Equity Fund I was the first independent private equity fund-of-funds in South Africa and is a leading fund of its kind with assets of R1.35bn under management

Dalein van Zyl

Some in the financial press are reporting the deal as R200m for IMM which is incorrect. "It is R200m to The [Education] Platform of which IMM makes up the first investment," explains van Zyl.

The IMM Group employs more than 75 staff and provides industry endorsed education and training products.

The idea behind the investment is to capitalise on the increasing numbers of students seeking qualifications with industry accreditation and the distance learning model was identified as being able to circumvent some of the geographical and infrastructural challenges unique to Sub-Saharan Africa.

"We have some good developments in place already to increase the students already in Sub-Saharan Africa," adds van Zyl.

Currently students are mostly from SA and Zimbabwe.

"From 2014 onwards we will be expanding our reach into Zambia, Kenya and Nigeria. We spent a long time (almost two years) defining and developing our strategy for entry into the sector in partnership with the new CEO of IMM.

"So while IMM represents a sound standalone investment with its own organic growth opportunities there is a larger vision for the platform from which to add strategic bolt-on acquisitions to create a high quality, reputable, private tertiary education group of scale with operations covering South Africa and sub-Saharan Africa." ◆

The African Venture Capital Association (AVCA) and the South African Venture Capital Association (SAVCA) have formalised a partnership for the further promotion of private equity and venture capital in Africa.

Two (S)AVCA's better than one

Following approval from their respective boards, which are comprised of industry leading experts, AVCA and SAVCA will be collaborating to provide additional services to their members and leaders, in pursuit of attracting more global and local capital to Africa.

The partnership will include initiatives across a range of activities, including training, conferences, networking and information-sharing events, investor promotion events and research surveys.

Specifically, the associations will collaborate in the development and structuring of training programmes targeted at regulators, investors, pension fund trustees and current and prospective members in the private equity industry to encourage the implementation of industry best practice.

Michelle Kathryn Essomé

Erika van der Merwe

Additional plans include the creation of investor tours to support members' business development goals and research designed to map better the rapidly evolving industry and to provide independent data to aid fundraising.

Interestingly, AVCA operates from London to be close to the LP's looking to tap into the African growth story.

AVCA represents African private equity and venture capital firms, institutional investors, foundations, international development institutions and global professional service firms, among others.

It has a unique research capacity through its Knowledge Centre, which includes publishing the Rockefeller Foundation Impact Investing research project in partnership with Bridges Ventures and releasing the first pan-African PE Performance Benchmarks in conjunction with the African development Bank, The International Finance Corporation and Dutch funder FMO, compiled by Cambridge Associates.

Additional plans include the creation of investor tours to support members' business development goals and research designed to map better the rapidly evolving industry and to provide independent data to aid fundraising.

KPMG Pan-African Investment Activity Survey in collaboration with SAVCA

Commenting on the formalised partnership, Michelle Kathryn Essomé, Chief Executive of AVCA said, "Thriving and active industry member organisations play an important role in the promotion and sustainable growth of the private equity asset class. Our teams at AVCA and SAVCA have always worked closely in the belief that mutual co-operation will contribute to the growth and well-being of our respective organisations and of the industry. This formalised partnership is an obvious next step in that journey."

Essomé's sentiment was echoed by her South African peer Erika van der Merwe, who said "…significant value in the combination of AVCA's regional and global reach…" can be extracted.

Providing an investor member perspective, Runa Alam, AVCA Chair and Co-Founder & CEO, Development Partners International said the collaboration "allows both associations to deliver much more for the industry." ◆

South African-based or managed funds are increasingly casting their nets into Africa to trawl for deal flow. This shifting focus north is returning some gems from the glistening depths of the once Dark Continent. Vantage Risk Capital's commitment of US$30m (R280m) of expansion capital in April this year to Genser Energy, a Ghanaian independent power producer, is one such story.

Black Star rising

Vantage, the private equity firm considered by many as Africa's foremost mezzanine debt provider, announced that most of the initial funds will go towards the completion of the Chirano power plant in the Western Region of Ghana, as well as the funding of a natural gas commercialisation project.

Vantage currently manages two mezzanine debt funds with total commitments of approximately $310m (R2,85bn). Its capital has been sourced from 30 institutions including many leading African pension funds like the Public Investment Corporation (PIC) and the Debswana Pension Fund in Botswana, development funders such as the Development Bank of Southern Africa (DBSA) and the Norwegian Fund for Development (Norfund), and private sector endowments such as the Kellogg Foundation from the United States.

Luc Albinski

Mezzanine is an intermediate form of risk capital which is situated between senior debt, the least risky tranche of the capital structure, and equity, the riskiest. It combines elements of both debt and equity, thereby providing companies with long-term funding on terms less dilutive to shareholders than pure equity.

As targets go Genser appears to be a one-way bet. It is a leading independent power producer in Ghana servicing industrial and mining clients in the country. The company currently provides power to the Unilever manufacturing facility in the port city of Tema and is building a power plant at Chirano in the Western Region of Ghana to service the energy needs of Kinross Gold Corporation., a Canadian-based gold mining house.

By the end of 2013, Genser aims to be producing close to 50MW of electricity with plans to more than triple capacity over the next few years. Excess power that is surplus to the needs of its industrial clients will be sold to the national grid.

With Vantage's funding, Genser will soon embark on a natural gas commercialisation project which will see the company capturing natural gas, currently being flared (read wasted) into the atmosphere from an oil rig located about 12 miles offshore. Flare gas will be processed and converted to liquefied natural gas to fuel the production of electricity, heat and steam which will be sold to industrial customers.

Ghana's economy is booming, largely driven by its oil and gas sector. It is expected to continue to grow at an average rate of 7,5% through 2016. With the pressures of this growth, Ghana is experiencing chronic power shortages due to decades of underinvestment. Independent power producers like Genser are playing a pivotal role in addressing the demand by large industrial users for a reliable source of power.

The Ghanaian electrical grid currently has an installed capacity of just over 2 000 MW, serving a population of 25m.

This compares with 1 533 MW in Kenya (40m), and 35 000 MW in South Africa (50m). Like many African countries, there is huge scope for increased electricity consumption, as current figures are low by international standards.

Yaw Keteku, a member of Vantage's team responsible for investments in Ghana says "the gas commercialisation project is a wonderful way to capture a previously unused resource; a project with an excellent business case which contributes positively to the environment."

Genser follows Vantage's pan-African strategy of focusing on high-growth African markets such as Ghana, Nigeria, Kenya and some of the Southern African Development Community (SADC) countries.

Vantage's Managing Partner, Luc Albinski, explains that Genser was plucked from a long list of investment opportunities that they're looking at currently.

"Vantage has reviewed over 80 investment opportunities in the region and we consider Genser to be in the top decile of the deals we have seen. Under Baafour Asiamah-Adjei's leadership, Genser has assembled a team of highly-skilled engineers who have been able to build power plants, both gas and coal fired, under tight timelines with limited resources."

This is Vantage's second deal outside South Africa. In 2012 Vantage provided a $14m (R133m) commitment to consumer goods distribution business, CA Sales, which has the bulk of its operations in Botswana but also operates in Swaziland.

To date, Vantage has invested about $160m (R1,5bn) in a broad range of sectors including well-known JSE-listed businesses such as York Timbers and Primedia, and is on track to complete its Fund II investment program in 2014.

Fidelity Bank Ghana has financed Genser's plant built for Unilever as well as providing all of the debt funding to date for the Chirano plant being built for Kinross Gold. Daniel Marfo, Director – Corporate Banking at Fidelity Bank Ghana, said, "Genser is one of our most valued corporate clients and we are pleased to be working with Vantage Capital to support them in completing the Chirano power project."

Oxford & Beaumont acted as legal counsel to Vantage on this transaction. IC Securities (Ghana) Limited acted as financial advisor and Kimathi & Partners served as legal counsel to Genser. ◆

The SAVCA RisCura South African Private Equity Performance Report for the quarter ended March 31 2013 shows just how badly the industry's star indicator, IRR (internal rate of return) was damaged by the 2007/8 credit crisis.

Private equity IRR showing crisis scars

The report, which tracks the performance of a representative basket of South African private equity funds and is released quarterly on an ongoing basis, has shown that "fund vintage year" is an important indicator of returns on private equity investments.

The pooled IRR of funds pre-2000 and between 2000 and 2004 returned 32.5% and 38% respectively. However funds between 2005 and 2008 returned a paltry 8.9%.

Part of the reason for these dismal IRRs is due to what the report terms the "J-curve where management fees play a significant part in determining fund returns and the investments made by these funds still need to be enhanced by the private equity manager."

Be that as it may, fund managers are going to have to work extremely hard to match the IRR achieved pre-2005 in the one to three years remaining till exit.

Despite this, the report reveals the underlying strength of the asset class when compared with other JSE All Share Index. Long-term returns in private equity have outperformed the JSE Alsi.

The pooled IRR on 10-year PE funds returned 22.1% while the Alsi managed 13.5% over the same period.

Interestingly, the Alsi proves superior over the short-term returning 21.1% compared with private equities 15.3% but PE investments are designed to maximise return over longer time period to allow the fund manager space to reshape the business, pay down debt and drive growth.

Another useful analytical lens through which to view the data is presented as Times Money. This is the ratio of total capital invested to total capital returned and remaining value and serves as a useful cross-check of IRR measures. While IRR calculations are heavily dependent on the length of time that capital has been invested, Times Money does not take time into account. A Times Money in excess of one means that value has been created for the investor.

Using a Times Money measurement technique reveals that smaller funds are historical outperforming the bigger pools of capital.

Funds under R500m returned a pooled IRR of 45.2% or 2.33 times money while funds over on billion returned a 19.7% pooled IRR or 1.74 times money. ◆

Local and International news

National news

STANLIB believes Africa's rapid growth and urbanisation has resulted in enormous demand for sound and sustainable infrastructure development throughout the continent across all sectors including power, transport and communications.

To participate actively in this growth and meet the increasing demand for suitable infrastructure, STANLIB has launched an Infrastructure Fund which will invest in equity stakes in private infrastructure projects across Africa. Renewable energy will be a key focus of the ten-year Fund, which will also invest in water, power, transport, telecommunications and oil and gas infrastructure projects.

With R500m seed capital, STANLIB will be seeking to raise an additional R500m from Institutional investors. The bulk of the Fund will be channelled into South African new-build infrastructure projects, with the remainder to be invested across sub-Saharan Africa. A second fund, focussing on more mature infrastructure assets, is also under development.

The creation of the STANLIB Infrastructure Franchise is through the absorption of the Infrastructure Equity Unit from Standard Bank, and is a collaborative effort between STANLIB, Liberty and Standard Bank. ◆

International

Emerging markets private equity giant, Actis LLP, will lead investment of as much as US$1.5bn in African commercial property to meet rising demand from international companies targeting a growing middle class according to Businessweek.

"We are seeing a shift in interest from South African brands to European retailers" seeking opportunities in fast-growing economies such as Nigeria, Ghana and Kenya, Kevin Teeroovengadum, 39, director of Actis' sub-Saharan Africa real estate unit, said in an interview in Johannesburg on June 11. "They want to tap into the emerging middle class."

Actis, which is based in London, plans to invest in projects including shopping centres, office towers and industrial parks that will come to fruition over the next five years, Teeroovengadum said. The company will use the proceeds of its second African real estate fund that raised $280m in October, while the rest of the investment will come from commercial partners and loans. ◆

PRIVATE EQUITY DEALS Q2 2013 – SOUTH AFRICA

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Disposal by	Murray & Roberts to consortiums comprising Capitalworks and certain senior management and executives of Much Asphalt and RMB Ventures and senior management of Ocon Brick	Construction Products Africa businesses	Deutsche Bank; Rand Merchant Bank; Webber Wentzel; Edward Nathan Sonnenbergs	R1,33bn	Jun 28
Acquisition by	Management and MIC Capital Partners from RMB Ventures	A stake in Puregas	Webber Wentzel	not publicly disclosed	not announced
Acquisition by	Zico Capital and PSG Private Equity	Additional 18.8% stake in Precrete	Cliffe Dekker Hofmeyr	not disclosed	not announced

PRIVATE EQUITY DEALS Q2 2013 – REST OF AFRICA

COUNTRY	NATURE OF DEAL	DETAILS	ADVISERS	ESTIMATED VALUE	DATE
Ghana	Investment by	Vantage Risk Capital in Genser	IC Securities	$30m	April 14
DRC	Investment by	XSML in Starz-kin		not disclosed	May 10
Egypt	Acquisition by	Actis of a 30% stake in Edita Food Industries		$102m	Jun 24
Ethiopia	Acquisition by	Catalyst Principal Partners of a 50% stake in Yes Brands Food & Beverages		not disclosed	May 14
Ghana	Acquisition by	Abraaj Group of Fan Milk International		not disclosed	Jun 19
Kenya	Investment by	GroFin in two public transaportation firms : Wargen and Centaurus		$2,3m	Jun 17
Nigeria	Investment by	Silvertree Capital in two e-commerce sites : sunglasses.com.ng and glamour.com.ng		not disclosed	Jun 18
Senegal	Investment by	Cauris Management in Axxend Corporation		€ 5m	Jun 10
Uganda	Disposal by	Actis to Rabo Development Bank and Norfund of a 45.02% stake in DFCU	Stanbic Bank Uganda	$43,28m	May 3


> Corporate and Investment Banking
TSOGO SUN SHINES IN LAGOS
By combining our local advisory expertise in Nigeria with our in-depth knowledge of doing business in Africa, Standard Bank was able to assist Tsogo Sun in their successful acquisition of the Ikoyi Hotel in Lagos. This entrenches Tsogo Sun Group's presence in the Nigerian market and provides a platform for future expansion in Nigeria's growing tourism and hospitality sector.
They call it Africa. We call it home.
www.standardbank.co.za/cib
TSOGO SUN
Standard Bank
Also trading as Stanbic Bank
Moving Forward™
Authorised financial services and registered credit provider (NCRCP15).
The Standard Bank of South Africa Limited (Reg. No. 1962/000738/06). SBSA 144906-07/13
Moving Forward is a trademark of The Standard Bank of South Africa Limited