



## **MERGER NOTICE NO 40: 2015**

### **THE PROPOSED ACQUISITION OF BUSINESSES OF ELLERINE FURNISHERS (BOTSWANA) (PTY) LTD AND ELLERINE RETAIL (BOTSWANA) BY LEWIS STORES BOTSWANA (PTY) LTD.**

Pursuant to section 56(1) of the Competition Act (Cap 46:09), the Competition Authority has received a merger notification for the proposed acquisition of businesses of Ellerine Furnishers (Botswana) (Pty) Ltd and Ellerine Retail (Botswana) by Lewis Stores (Botswana) (Pty) Ltd.

Lewis Stores Botswana (Pty) Ltd ("Lewis Botswana"), the primary acquiring firm, is a private company duly incorporated under the Laws of Botswana. Lewis Botswana operates in the furniture retail industry, through a total of 12 outlets in Botswana. Lewis Botswana is controlled by Lewis Stores Proprietary Limited ("Lewis Stores South Africa"). Lewis Stores South Africa is a private company registered in the Republic of South Africa and a wholly owned subsidiary of Lewis Group Limited ("LGL"), a public company listed on the Johannesburg Stock Exchange ("JSE"). Lewis Stores South Africa also directly controls Lewis Insurance Services (Botswana) Proprietary limited and Lewis Management Services (Botswana) Proprietary Limited which are both incorporated in accordance with the Laws of Botswana. Lewis Stores South Africa has a presence in Namibia, Lesotho and Swaziland.

The Lewis Group is a furniture retailer with operations in South Africa, Botswana, Lesotho, Namibia and Swaziland. It also provides financing, insurance and ancillary services associated with the retailing of furniture. The Lewis Group's various stores sell a broad range of furniture products such as lounge furniture, bedroom furniture, dining room furniture, kitchen furniture, beds and mattresses, electrical appliances and home electronics. LGL is not controlled by any one firm, and its largest beneficial shareholders include: Government Employees Pension Fund 10.5%, Lewis Stores South Africa 9.4%, Trimark Global Endeavour Fund 7.31%, and Trimark Global Balanced Fund 3.16%. The remaining issued share capital is widely held.

Ellerine Furnishers (Botswana) (Pty) Ltd ("EF Botswana") and Ellerine Retail (Botswana) (Pty) Ltd ("ER Botswana"), the primary target enterprises, are both duly incorporated under the Laws of Botswana. EF Botswana and ER Botswana are wholly owned and controlled by Ellerine Services Proprietary limited ("Ellerine Services"). Ellerine Services is in turn wholly owned and controlled by Ellerine Furnishers Proprietary Limited ("EF").

The target enterprises operate a total of 25 stores trading as "Ellerines" and "Beares" in Botswana. The Ellerines and Beares stores sell, inter alia, lounge furniture, dining room furniture, bedroom furniture, bedding, beds, mattresses, and kitchen furniture and appliances audio visual appliances.

According to section 57(3), of the Competition Act, "any person, including a third party not a party to the proposed merger, may voluntarily submit to the inspector or the Authority any document, affidavit, statement or other relevant information in respect of a proposed merger".

The Competition Authority therefore seeks any stakeholder views for or against the proposed merger, which may be sent within 10 days from date of this publication to the following address:

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