

# Tribunal grants Caxton right to intervene in Media24 merger case

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Printing and publishing group Caxton (CTP) will participate in the merger proceedings of Media24 and the Paarl Media group following an order by the Competition Tribunal.



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The company had asked the competition authorities to allow it the right to intervene in the matter.

The tribunal said Caxton must be given access to documents filed in the case, it could call for the discovery of further documents that relate to the direct or indirect control of Naspers (NPN), and that it would be allowed to cross-examine witnesses who might appear in the case during the hearing.

## Ready to retire

Caxton claimed that the merging firms were "restrictive" with their disclosure of information to the Competition Commission, which it needed to make a proper assessment of the effects of the merger on the media industry post-merger.

Media24 wants to purchase the remaining 5% shareholding it does not own in Paarl Media Holdings and 12.63% in Paarl Coldset from Lambert Retief, the owner of the shares. Retief is 61 years old and wants to retire from the business.

Caxton claimed it had information that could help the tribunal make its final decision whether to approve the transaction or set some conditions that would address any anticompetitive outcomes.

Caxton last week presented the tribunal with a diagram, setting out the control structure of Naspers and the interest in the printing, publishing and media industry held by Naspers' shareholders, as well as who really controls Paarl Media Holdings and Paarl Coldset before the proposed transaction.

Caxton told the tribunal during its intervention application that the proposed merger could give rise to anticompetitive information sharing or co-ordination and that it could negatively affect media diversity in the country.

It could lead to foreclosure by Media24 of firms such as Caxton from future printing contracts.

## **Unconditional approval recommended**

The commission investigated the transaction and recommended an unconditional approval to the tribunal. The tribunal on Monday requested the commission to assess the entire control structure of Naspers and the business interests of its various shareholders based on the current and additional information obtained from the merging parties.

It directed the merging parties to submit information relating to the shareholders of the unlisted A ordinary shares (Nasbel, Keerom, Wheatfields, Sholto Investments, De Goedgedacht Trust, Sanlam and Kobus Stofberg, the former head of MIH, and former Naspers CEO Koos Bekker). Media24 must disclose all interests of Nasbel, Keerom, Wheatfields, Sholto Investments, De Goedgedacht Trust, Sanlam and Messrs Stofberg and Bekker in the printing, publishing and media industries, as well as a full description of the relevant activities of the firm or firms in which these interests are held.

The tribunal requested a detailed analysis from the commission on the effects of the transaction given the business interests of these firms and especially that of Sanlam, and Messrs Stofberg and Bekker.

The commission was directed to investigate this further.

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