



MERGER DECISION

PROPOSED ACQUISITION OF THE ENTIRE ISSUED ORDINARY SHARE CAPITAL OF BUSINESS CONNEXION GROUP LIMITED BY TELKOM SA SOC LIMITED

Pursuant to section 60(4)(a)(ii) of the Competition Act, notice is hereby given on the decision made by the Competition Authority in respect of the following proposed acquisition:

The Authority determined to unconditionally authorise the proposed transaction on the grounds that the analysis of the facts of the case showed that there were no substantive competition concerns that would arise in the market for the supply of ICT hardware and software products and related services in Botswana, with respect to the acquisition of Business Connexion Group by Telkom SA SOC Limited, given the fact that:

- i. The proposed transaction is not likely to result in substantial lessening of competition, nor endanger the continuity of service, due to the absence of both product and geographic overlaps between the products and services of the merging parties;
- ii. Similarly, the implementation of the proposed merger is not expected to result in the merged entity attaining a dominant position, as the transaction is not expected to affect the current market structure; and
- iii. No significant negative effect on public interest in Botswana has been identified, in relation to the provisions of section 59 (2).

The Authority is however hopeful that post-merger, the merged entity would continue to sub-contract work to the local companies in carrying out its telecommunications services in Botswana.

Pursuant to the provision of section 55 of the Competition Act, the Authority has unconditionally approved the proposed merger.

As provided for under section 66 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to the merger must comply with under the Laws of Botswana.

Dated at Gaborone this 4th day of November, 2014

Thula Kaira, Chief Executive Officer, Competition Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013