DealMakers AFRICA

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TRANSACTION TABLE BY COUNTRY INCLUDING ADVISORS | BUSINESS IN AFRICA

from the editor's desk

Zimbabwe has captured news headlines on several occasions over the past month and for all the wrong reasons.

The controversial appointment of President Robert Mugabe as World Health Organisation's (WHO) Goodwill Ambassador for NCDs in Africa sparked outrage from world leaders after it was announced. Not only was the appointment, which was rescinded a few days later due to the public outcry it caused, surprising and disappointing, but it risked overshadowing the WHO's global work. It does beg the question of how the nomination was arrived at in the first place, given the state of Zimbabwe's own health care sector and Mugabe's human rights contraventions.

Following close behind on the ludicrous scale is the call by Zimbabwe's former freedom fighters for Rhodesians "scattered across the world" to come back and rebuild the southern African country. The claim is that they want them (Rhodesians) to be part of the next government in Zimbabwe because the country has been run on a scorched earth policy by the G40. "We want it to recover and for us to build a new country." Those farmers that left and were resilient enough to continue farming in Africa have moved to countries such as Zambia which recognised their skills and welcomed them – they are unlikely to risk it all again.

Not surprising then that Zimbabwe now finds itself in a situation where government has banned fruit and vegetable imports to preserve its dwindling reserves of hard currency, a move which will surely result in further food shortages. In August, the Reserve Bank ordered platinum and chrome miners to surrender 80% (up from 50%) of their export earnings to the central bank, in an attempt to contain a crippling dollar note shortage.

A number of elections have taken place across the continent in the last quarter. In August, elections in Angola marked the end of an era as President Jose Eduardo Dos Santos' ended his 38-year reign. His successor in the leadership of the MPLA party, Defence Minister Joao Lourenco, is unlikely to initiate immediate change to the government which has been heavily criticised for corruption and its failure to tackle dire poverty.

In Rwanda, President Paul Kagame's overwhelming victory in the August presidential election returned him to power for a third seven-year term. He has ruled with an iron fist since the end of the 1994 genocide.

The final results of Kenya's presidential October election re-run, in which President Uhuru Kenyatta ran without a significant challenge due to the main opposition leader boycotting the vote, has the country's opposition leader threatening to transform his party into a resistance movement that will spearhead a campaign of civil disobedience. The August vote was nullified by the Supreme Court. A key concern remains with how the country's election commission will resolve the fact that 25 constituencies in opposition areas did not vote in the election re-run.

Liberians voted in October to replace President Ellen Johnson Sirleaf, Africa's first female elected head of state, who is stepping down after a maximum two six-year terms, in an election that will see the country's first democratic transition of power in more than 70 years. With no candidate taking the majority in the first round of the presidential vote, a run-off was scheduled for November 7 but has been delayed by the Supreme Court over an opposition party complaint of electoral fraud.

The presidential election in Somaliland is due on November 13 and of course back here at home our own ANC elective conference is due to be held in December from 16 to 20. It is seen by many as the 'make or break for the country' which has been shackled by Zuma's maladministration.

A consortium of international business leaders have announced their intention to invest $1bn in South African and larger African economies. Sagarmatha Technologies will invest primarily in technology, as a platform for diverse development, and education and agri-business. According to Chairman Ambassador Harold E Doley JR, Africa has the most arable land in the world and has more people under 35 than any other continent. He says "it is right to invest in Africa now. Even better to do so with the backing of some of the world's most fearless investors, but crucially, to invest where the impact and returns are both high." Amen to that. •

MARYLOU GREIG

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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

Editor:
Marylou Greig

Sub-editor:
Gail Schimmel

Assistant to the Editor:
Vanessa Aitken

Design & Layout:
Janine Harms,
Gleason Design Studio

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Tel: +27 (0)11 886 6446,
e-mail: marylou@gleason.co.za
www.dealmakers.co.za

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STAR: a must-own African retail story

STEPHEN FRIESENECKER AND ARUN VARUGHESE

Over the years, investors have had an opportunity to invest in retail giant Pepkor, directly or indirectly, in many different guises on the JSE. The latest transaction is the September listing of Steinhoff Africa Retail Limited, or STAR, a new holding company which is a consolidation of Steinhoff International's African retail businesses, including Pepkor.

The recent listing of STAR gives investors direct access to these sought-after retail assets for the first time since Pepkor's delisting in 2004.

Friesenecker

Pepkor, which began as Pep Stores, was founded in 1965 with a single store in Upington in the Northern Cape, and listed on the JSE in 1972. Over the next three decades, the company grew its retail offering in South Africa considerably by acquiring interests in *inter alia* Shoprite, Ackermans, Cashbuild, Checkers and Stuttafords. The group also expanded internationally into the United Kingdom and Australia.

In 2000, to sharpen the group's focus on cash clothing discount retail, Pepkor sold or unbundled its other retail interests, retaining only its interests in apparel retailers Pep, Ackermans and Best & Less (Australia).

In 2004, Brait, Old Mutual and Christo Wiese led the buy-out and delisting of Pepkor, with a R2,5bn offer to shareholders. Thereafter, public investors could only achieve indirect exposure to Pepkor by holding shares in the listed private equity manager, Brait, and earning the associated management and performance fees.

Varughese

In 2011, Brait re-invented itself and restructured its business model from a private equity manager to a direct investment holding company. As part of the restructure, Brait raised R5,9bn to acquire a significant stake in Pepkor and Premier Foods. The restructure allowed Brait to hold on to these assets for a longer time frame and continue to drive value beyond the typical private equity investment period. Over the next three years, Brait's share price quadrupled from R22,00 to R88,00.

Ownership of Pepkor changed hands again in March 2015, when Steinhoff International bought 92% of Pepkor from Brait, Christo Wiese and Pepkor management, in a R62,8bn deal. The transaction broadened the furniture retailer's product offering, giving it exposure to the fast-growing African apparel market and strengthening its position within the discount retail market segment.

The formation of the group was undertaken in a relatively short time frame from the initial inception of the idea to its eventual listing.

STAR, the latest chapter in Pepkor's story, is a diversified, multi-format retailer of significant size and scale, which has the largest retail footprint in Africa with over 4 800 stores in over 12 African countries.

STAR aims to provide consumers with both convenience and a vast range of everyday products at affordable prices. It owns well-known household brands such as Pep, Ackermans, Bradlows, Hifi Corp, Tekkie Town and Timbercity allowing the group to provide key products and services across essential consumer offerings such as clothing, DIY, footwear and furniture. Furthermore, the option to acquire a controlling stake in Shoprite Holdings will allow STAR the opportunity to enter the food and grocery retail market.

As Steinhoff International continued to expand in developed markets, STAR retained its distinct strategic and geographic focus. Management and the board of directors of Steinhoff International believed that the intrinsic value of the African retail businesses was not fully reflected in the Steinhoff International share price.

The separate listing allows STAR to plot its own course and focus entirely on becoming an African retail champion that can compete on a global scale. It provides a platform for capital raising and allows an independent valuation of the African operations, thereby unlocking value for Steinhoff International shareholders.

The formation of the group was undertaken in a relatively short time frame from the initial inception of the idea to its eventual listing. A number of unique structural and regulatory complexities associated with the transaction needed to be resolved in an innovative and efficient manner, in order to allow the listing to proceed unhindered and within time constraints.

On 4 September, STAR launched an offer for up to 800 million shares at an initial price range of R18,00 – R23,00 per share, to raise between R14,4bn and R18,4bn for Steinhoff International. This was the largest ever South African IPO by a significant margin - an ambitious undertaking given the very tough macro-economic climate and ongoing political uncertainty in South Africa.

A number of unique structural and regulatory complexities associated with the transaction needed to be resolved in an innovative and efficient manner, in order to allow the listing to proceed unhindered and within time constraints.

The offer was anchored by a R6,2bn order from Lancaster 101, a black-owned company which received preferential allocation as part of the company's commitment to the development and support of South Africa's Black Economic Empowerment initiatives.

The listing proved to be extremely well-received by investors. On 14 September, following a multi-city international management roadshow, STAR successfully concluded its capital raising. The deal was priced at R20,50 (being the midpoint of the initial price range) to raise R16,4bn. The bookbuild offer was multiple times oversubscribed with very high quality institutional investors, underpinned by strong demand from South African investors.

On 20 September STAR listed on the JSE. The strong demand for the shares has continued in the aftermarket, with the share price rising to R23,90 (on 9 October), valuing the company at over R82bn.

The success of the transaction is testament to the high quality of the businesses which have made STAR a must-own African retail story. ●

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A division of FirstRand Bank Limited

Friesenecker and Varughese are Transactors in Corporate Finance at Rand Merchant Bank.

Charting the regulatory landscape

DEEPA VALLABH

Africa is poised for massive urbanisation which will contribute to the continent's economic development. Currently, the continent is experiencing a growth of the middle class and the private sector, which in turn have influenced Africa's economic growth and the implementation of structural and economic regulatory reforms. This article deals with the challenges of investing in Africa and what is required in order to establish an effective regulatory landscape that would facilitate unlocking the continents growth potential.

Despite the fragile and slow economic growth in many developing countries, the growth of African markets in the recent years has occurred through cross-border M&A activity which has become an important source of foreign direct investment ("**FDI**"). Between 2010 and 2015, 5 000 individual FDI deals in Africa were identified by the McKinsey Global Institute. These deals were primarily produced by multinational companies operating in Africa with a Pan-African footprint. Asia has also become an important source of cross-border M&A activity in Africa. Investment interests from China, India and Japan are expected to lead to increased M&A activity in Africa. While Africa is on an upward trajectory in terms of the volume of M&A deals, with cross-border transactions accounting for 36% of the total M&A volume in 2016, deal values show a downward trajectory.


Vallabh

Regulatory uncertainty and stringent regulatory barriers are known to be one of the main challenges for M&A transactions in Africa. Merger control, exchange control and sector specific regulations are intrinsic to every M&A transaction and can affect the success or failure of the proposed transaction. For that reason, due diligence investigations are an important part of the M&A process. The due diligence investigation provides information, including but not limited to, the regulatory framework of the country in which the transaction is proposed, the political and economic environment, infrastructure availability, the cultural aspects of the jurisdiction, and information regarding any tax and labour issues that may arise. In addition, the due diligence investigation allows for the early mitigation of any risks uncovered in the target company and /or its jurisdiction.

South Africa and Nigeria are indicative of how the volatility of financial markets in host countries affect deal value. Currency instability and insufficient financial recourse against the seller also hinder investor confidence. Recently, the Central Bank of Nigeria implemented policies to increase control over foreign exchange, and these policies, together with a substantially low supply of foreign exchange, has led to the devaluation of Nigeria's currency. Similarly, Algeria has a high fiscal budget deficit and like Angola, finds itself heavily reliant on oil production. As a result, the drop in global oil prices has created downward pressure on these currencies. Consequently, the combination of conservative prospects for financial and economic performance and the increased risk built into the costs of capital has taken a toll on valuations, and as a result, on the transaction values of potential deals.

Africa has an additional challenge of establishing regional competition laws which align with each countries domestic competition laws. Despite these challenges, common economic links between states makes it ideal to operate a regional competition authority. In East Africa, the East African Community Council of Ministers adopted the East African Community Competition Authority ("**EACCA**"), which is the competition authority over Burundi, Kenya, Rwanda, Tanzania and Uganda. The EACCA has jurisdiction over all M&A transactions and enforcement matters with cross-border competition effects in terms of the East African Community Competition Act, 2006. However, there has been challenges in aligning the approach of the national regulators and that of the EACCA. The timing of these approvals are also problematic as they may delay deal implementation.

Another example of an attempt at regional integration is the Common Market for Eastern and Southern Africa ("**COMESA**") Competition Regulations and Competition Rules, regulated by the COMESA Competition Commission ("**CCC**"). These rules apply to

19 countries in Africa, including Uganda, Zambia, the Democratic Republic of Congo and Swaziland. The purpose of COMESA is to ensure the efficient operation of markets with the view to enhancing free and liberalised trade as a pre-requisite to safeguarding the welfare of consumers. These regulations and rules apply only in instances where a transaction has a cross-border impact and therefore does not repeal national competition laws. While regional competition and trade authorities provide an opportunity for regulatory consistency among regions in Africa, it also creates another layer of difficulty for investors as regional frameworks such as the CCC and the EACCA are an additional layer of regulation over and above national legislation which often does not align with regional norms.

Africa has an additional challenge of establishing regional competition laws which align with each countries domestic competition laws. Despite these challenges, common economic links between states makes it ideal to operate a regional competition authority.

The complexity of certain sectors also creates an abundance of laws and regulatory roadblocks which create an additional challenge for investors. Sectors such as banking, telecommunications, insurance, mining and oil and gas are overregulated as they have additional sector specific legislation in additional to applicable national legislation and in some cases, regional regulations which are triggered when cross-border transactions are concluded. An example of this would be the failed transaction of Nigeria's Code Division Multiple Access and an American investment group CAPCOM Limited. Slow regulatory interventions from both the Securities and Exchange Commission and the Nigerian Communications Commission were a hindrance to the transaction. In addition to over regulation, many sectors in Africa are plagued by regulatory uncertainty, such as in the oil and gas sector whereas countries such as South Africa, Democratic Republic of Congo and Tanzania are still indeterminate as to the revision and development of their energy regulation and policies.

The political environment of a country creates additional challenges to investing in Africa. These challenges include issues such as regime change, social unrest, and even terrorism. The attacks by Boko Haram in Nigeria and other parts of central Africa as well as the political instability in South Africa under the Jacob Zuma administration, resulting in two credit ratings downgrades, are such examples. State intervention in business affairs such as the expropriation of land in Zimbabwe has also had a significant effect on its agricultural sector.

Bribery, corruption and an unfamiliar litigation culture also act as barriers for M&A activity in Africa. This is particularly high in natural resources projects where international companies find themselves under pressure to bid for concessions with, or award contracts to, local companies linked to top government officials. These factors accompanied by the inadequacy of infrastructure, lack of sophistication surrounding risk management, unfamiliarity with corporate governance and financial reporting requirements and unknown environmental liabilities creates further challenges. Political instability, security risks, and corruption, coupled with high unemployment rates, need to be urgently addressed in order to unlock growth in Africa.

African states can increase investor confidence by implementing exchange control policies to restrict the amount of foreign currency or local currency that can be traded. In turn, this would allow countries a greater degree of economic stability by limiting the amount of rate instability due to currency inflows and outflows. However, caution must be exercised as exchange rate policies may result in a further depreciation of currency such as in the earlier Nigeria example, where the non-market derived exchange rate devalued its currency. In addition to the political and social reforms mentioned above, African states must focus on having economic reforms that improve fiscal policies and make it easier for investors to invest and transact in Africa. Legislative and policy reforms in Morocco and Egypt have shown an increase in the volume of deals in these countries. Egypt has reduced its budget deficit with deep cuts to fuel subsidies and Morocco has adopted a new banking law which aims to create a financial and economic crossroad between Africa and the rest of the world.

However, despite the regulatory challenges, the growing population and expanding middle class, coupled with new consumption patterns, should stimulate growth in sectors such as the financial services, consumer goods, retail, healthcare and transportation services. In 2015, M&A transactions in Kenya's retail industry increased with supermarket chains such as Na-Kumatt having 52 stores in East Africa. In the banking and finance sector, Kenyan banks such as, Kenya Commercial Bank, Equity Bank, Fina Bank and Commercial Bank of Africa have 16 branches in Tanzania, 31 branches in Uganda and 16 branches in Rwanda. In the telecoms sector, MTN Uganda and Safaricom concluded an agreement in terms of which Safaricom mobile money users were allowed to transfer money into MTN mobile money accounts in Uganda, and Orange Group exited all its East African operations by selling 70% ownership in Telkom Kenya to Helios and its operations in Uganda to Africell. While political and regulatory challenges exist, these challenges are not insurmountable, and the African continent still presents growth opportunities and opportunities for partnership in all sectors.

Understanding the nuances of the target company's regulatory framework is necessary to mitigate the risks of conducting deals in Africa and doing a detailed due diligence often proves critical in giving investors more confidence and insight into both the target company and the jurisdiction. African governments also play a critical role in introducing reforms to create political, social and economic stability, but also regulatory certainty through the harmonisation of laws across regions. The key to successful deal-making in Africa requires a partnership between investors, the private sector and government to create an economic and political landscape that will foster growth and development in a continent rich with potential. •

Vallabh is Head: Cross-Border Mergers and Acquisitions: Africa and Asia at Cliffe Dekker Hofmeyr.

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Managing post-acquisition integration

MIKE VAN RENSBURG

Many acquisitions fail to meet pre-deal expectations, so the real challenge for any company acquiring a business is ensuring that the transaction delivers the value that motivated the decision to do the deal in the first place. Where the acquirer and target businesses operate in the same or complementary fields, it is almost always the case that the acquirer will want to integrate the two businesses with a view to saving costs and generating value for its shareholders through meeting synergy targets. But consolidating businesses with different trading relationships, histories and cultures inevitably poses substantial challenges, which can hamper the achievement of those synergy targets – particularly in the short and medium term. Where the businesses of the acquirer and target are multinational, the scale and number of those challenges increase significantly.

Van Rensburg

Key considerations in developing an effective post-acquisition integration plan and implementing it successfully include the early identification of the overriding strategic and business objectives of the acquisition and subsequent integration, and of possible legal, operational and other hurdles to achieving these objectives. Provided the acquisition objectives are realistic and supported by management, and that proper and prioritised attention is given by the right people at the right time to the planning and implementation of the integration, the likelihood of delivering on pre-deal expectations will be substantially increased.

Any large post-acquisition integration project raises issues of business strategy, process management and technical expertise. Once a theoretical integration plan has been developed, practical implementation issues will prove critical in determining how quickly the plan can be brought to fruition and how soon the benefits of the integration can be realised. Human resource considerations, corporate and tax law issues, and regulatory approval and filing requirements should all be built into the planning itself and not be left to the implementation phase. The project team should have particular focus at an early stage on navigating road-blocks that might otherwise delay or frustrate the realisation of integration goals in many jurisdictions.

Legal, financial, tax and other external advisers are typically engaged throughout the life of the project because of their technical and project management expertise, and because the company's own staff need to focus on day to day business operations. However, internal staff are the best (indeed, for the most part, the only) source of the detailed information that is critical to creating an effective implementation plan. In particular, they understand the historical perspective of the tax, corporate and business planning background of the existing structures and how the existing businesses work in practice, not just on paper. And ultimately, as these projects are frequently business transformational, the internal team must be sufficiently familiar with the new plan so that they can both be an integral part of the change management process required for its implementation, as well as be in a position to manage and sustain the structure that results at the end of the process.

The best outcomes are achieved when external advisers and management work closely together to strike a balance that makes the best use of internal resources, but also layers in the experience and expertise of the outside advisers and relieves the strain on already scarce management time. Frequently, however, this balance is not struck and advisers and management adopt one of two extreme approaches:

- the "black box" approach, whereby outside advisers gather data, disappear for some time and then present proposals in a vacuum. This approach fails to take advantage of existing background knowledge possessed by management and, by excluding them from development of the plan, does not put management in a position to manage or promulgate the end structure;
- or the "shotgun" approach, whereby outside advisers gather minimal data, and then subject management to a barrage of ideas that "might" work, effectively putting too much of the onus on management to place the ideas into the context of the group's actual circumstances and assess resulting risks.

Although there is no "one-size-fits-all" integration process, a happy medium can be achieved if it is first understood that identifying the group's strategic objectives is predominantly a senior management task and that the process is necessarily an iterative one.

Rather than disappearing from view after the initial strategic discussions, designated members of senior management should continue to be involved in both the in-depth information gathering phase and in the strategic and tactical decision making during the ensuing analysis phase. In particular, they should navigate competing priorities across the various functions and constituencies within the business.

It is important to note that developing the overall integration plan needs to be an iterative process because, as more information is learned about the entities or businesses to be consolidated, new issues and opportunities may present themselves and the integration goals may need to adapt. As the goals change, more fact gathering may be required to assess their feasibility and implications. With each iteration, however, the objectives of the integration and the best way to achieve those objectives should come more sharply into focus, producing a more detailed and refined plan.

As the overall integration plan becomes more refined and settled, it should be expanded into a fully detailed list of each step necessary to execute the assigned tasks. The final product will be a comprehensive end-to-end step list or micro plan, also containing a timetable for executing the assigned tasks with the names of those responsible for each step and, in the case of legal documents, the identity of the signatories.

From a project management perspective, the detailed step list will be a critical tool for the implementation phase of the project. This is particularly true when it has been carefully developed to take account of issues such as interdependencies across business functions, correct sequencing of steps, and to flag aspects of the process that may be outside of the company's control, such as obtaining regulatory or other third-party consents or liaising with trade registries to complete filings. Ideally, the step list will be hosted on a website rather than in a static document, so that updates and amendments can be shared among all working group members in real time and to enable different "views" of the step list. Throughout the execution phase, the detailed step list is a living document which tracks the status of tasks and interdependencies and allows legal and other advisers to perform mechanical implementation steps independently, thus limiting their need for engagement with management to resolution of key issues. The time saving and cost benefits created by the use of a web-based step list/micro plan as an implementation tool, are obvious. ●

Van Rensburg, is Partner, Corporate/M&A Practice, Baker McKenzie, Johannesburg.

Mauritius gaining ground as the gateway to Africa

SORIA HAY

In the race between Mauritius and South Africa for the most investor-friendly regime, South Africa's island rival is gaining ground. Five years ago, South Africa and Mauritius were actively vying to be positioned as the gateway to Africa. Since then, political turmoil, corruption, a weakening rand and credit downgrades have hit South Africa's economy hard – while Mauritius boasts political stability and a flourishing economy.

The result? Investment into Mauritius and other Southern Africa jurisdictions has increased significantly. Both South African and foreign investors and businesses are looking to more attractive neighbouring states such as Mauritius, Botswana or Namibia; tired of dealing with South Africa's pedestrian returns and the challenging regulatory environment, while still facing the volatility and risks of an emerging market.


Hay

South Africa has lost growth momentum, with the economy in a downward growth trend over the past several years. Growth in 2016 marked the lowest rate in the past 16 years, apart from the 2009 recession. The growth rate is expected to recover marginally in 2017, although growth is expected to remain muted and subject to more downward revisions. The recovery is dependent on higher prices for the country's key export commodities and higher agricultural output following 2016's disastrous harvest. Economists project that the economy will grow between 0,6% and 0,7% in 2017.

The low growth is mainly a result of South Africa experiencing an investment recession due to a lack of business confidence and policy uncertainty. Internal events, like political infighting, the Gupta e-mails, the sense of corruption and the problems with state owned entities like Eskom and SAA, are adding to the woes.

Real GDP growth

	2010	2011	2012	2013	2014	2015	2016	2017
Sub-Saharan Africa	**7.0**	**5.0**	**4.3**	**5.3**	**5.1**	**3.4**	**1.4**	**2.6**
Of which:								
Oil-exporting countries	9.2	4.7	3.9	5.7	5.9	2.6	−1.4	0.9
Of which: Nigeria	11.3	4.9	4.3	5.4	6.3	2.7	−1.5	0.8
Middle-income countries	6.9	4.5	4.3	4.7	4.6	2.7	0.5	1.8
Of which: South Africa	3.0	3.3	2.2	2.5	1.7	1.3	0.3	0.7
Low-income countries	7.2	6.9	4.5	7.2	6.8	5.6	4.4	5.2
World economic growth	**5.4**	**4.2**	**3.5**	**3.4**	**3.5**	**3.4**	**3.1**	**3.5**

Source: OECD Economic Outlook 101 Database, IMF, World Economic Outlook, 2016

Recent figures released by the OECD show that South Africa's economic growth is now below that of both sub-Saharan Africa and world growth, and this is not a trend that will change in the foreseeable future.

South Africa's growth is also below that of its neighbouring countries. For example, Mauritius has shown a compounded growth rate for the period 2012 to 2016 of 3.5%, with projected growth of 4.1% expected during the next financial year. The Mauritian gross debt as percentage of GDP is still higher than that of South Africa, but the growth in gross debt is lower and the state spending as % of GDP is also lower than that of South Africa.

Political uncertainty in South Africa remains high, weighing on business and consumer confidence. The stage is set for further volatility as the focus remains on local politics with the December ANC elective conference. A look at recent trends shows that South Africa's foreign direct investment (FDI) growth, a key factor in being the gateway to Africa, is decelerating, while other regions accelerate. South Africa can no longer be considered the leading destination for investment into Africa.

2012-2016	South Africa	Mauritius	Namibia	Botswana
Growth rates (compounded annually)				
Real GDP growth rates (constant prices)	1.4%	3.5%	4.3%	4.1%
Gross debt growth rates	13.1%	11.1%	26.5%	1.2%
State spending growth rate	8.7%	9.4%	14.0%	8.2%
Averages				
Gross debt to GDP	41.0%	51.5%	23.7%	18.9%
State spending as a % of GDP	31.4%	23.3%	33.8%	35.4%

Source: IMF Country Data

According to *RMB's Where to Invest in Africa* rankings in 2016/17, the top five most attractive business environments in 2006 were (in order): Botswana, South Africa, Mauritius, Namibia and Tunisia. This has changed to Mauritius, Botswana, Rwanda, South Africa and Seychelles in 2016.

> A look at recent trends shows that South Africa's foreign direct investment (FDI) growth, a key factor in being the gateway to Africa, is decelerating, while other regions accelerate.

In stark contrast to South Africa, Mauritius provides a secure, stable and well-regulated jurisdiction and has set itself up as a preferred domicile for African capital. Mauritius boasts well-developed infrastructure, the most healthy and educated workforce in Africa, the most efficient goods market and strong institutions. The recently released budget for 2017/18 shows its commitment to invigorating corporate growth, expanding social programmes, stimulating the development of small businesses and strengthening the macro-economic conditions within the country.

Significant tax amendments set out in the Mauritian Budget Speech are beneficial for foreign investors, international companies and the stimulation of local businesses. Mauritius is creating flexibility for global companies, making Mauritius very attractive for business. Incentives, including lengthy tax holidays for certain types of companies, have further been created to support innovation and the creation or implementation of technology throughout Mauritius.

The Mauritian government is working proactively to attract investors through the Economic Development Board and the creation of Special Economic Zones. An Economic Development Board (EDB) is being set up, which will spearhead all investment and export promotion matters. Measures such as releasing companies holding a GBC1 Licence, that are also listed in another jurisdiction, from prospectus requirements, aim to promote Mauritius as a capital raising platform by reducing legislative burdens. The Stock Exchange of Mauritius is aiming to transform the local debt market and setting up an international capital market to attract international governments and companies from Africa and other regions to issue multi-currency bonds in Mauritius.

Both South Africa and Mauritius boast a vast number of worldwide Direct Tax Agreements and both figure prominently in international standings as platforms for conducting African business. However, when it comes to the size and scope of a local market, South Africa will always win with its population of over 50 million and the largest middle class in Africa. The ability to do business within South Africa itself makes South Africa more than just a location for corporate headquarters and remains the most compelling argument to base a business there.

A saving grace for South Africa could be the Africa Continental Free Trade Area (ACFTA) agreement, hopefully due to be concluded in 2017. Such a trade agreement could provide the impetus to harmonise other policies and regulatory frameworks across African regions to enable market access and accelerate sorely needed investment across the region. From GDP numbers to FDI flows to credit ratings, other African countries like Mauritius are not just catching up to South Africa, but taking over. It remains obvious that South Africa has limited time to get economic, political and social trends moving in a positive direction, if it wishes to stem the flow of FDI to neighbouring countries and claw back the desired status as a key gateway to Africa. And that needs to be a unified focus. •

Hay is Head of Corporate Finance at Bravura.

Regulating the dealmakers in Africa

A summary of the big developments in the competition law space in Africa.

Renewed focus on competition in African airspace

The second International Civil Aviation Organization Meeting on Air Cargo Development in Africa was held in Addis Ababa, Ethiopia in June this year. The ICAO Meeting appears to have served as a catalyst for renewed focus on the implementation of the 1999 Yamoussoukro Declaration. The Declaration aims to liberalise scheduled and non-scheduled air transport services on the African continent, partly in the interest of better consumer offerings, and includes express commitments by states to support fair competition in the aviation sector.

Increased focus on pricing in the telecommunications sector in Africa

Moves to ensure fair competition and to examine pricing in the telecommunications sector have been seen, not only in Europe, but also in key mobile phone jurisdictions on the African continent.

The issue of high data costs has been under the spotlight in South Africa. Most recently, the Minister of Economic Development has asked the Competition Commission to investigate the cause of perceived high cost of data in South Africa. In May 2017, the Competition Authority of Kenya issued a directive requiring telecommunication companies and financial institutions that provide mobile money services to provide real time notifications of the cost of transactions to customers (before transactions are completed). In early July 2017, the Ugandan Communications Commission queried MTN's recent tariff changes which were made without the regulator's approval. While not directly a competition-related intervention, the purpose of the UCC's powers to regulate tariffs is to prevent anti-competitive pricing.

These developments reflect an increasingly active role of telecommunications and competition regulators in regulating fair markets in a sector becoming increasingly significant on the continent.

Zimbabwe Competition Commission streamlining its processes in respect of the enforcement of competition laws

The Zimbabwe Competition and Tariff Commission has adopted a policy document setting out its approach to the regulation of competition law in Zimbabwe. We understand that this policy document will not be relied on for purposes of amending the existing competition laws in Zimbabwe, but rather serves as a guideline indicating the policy approach that the ZCC will follow in respect of matters related to merger control, cartel enforcement and abuse of dominance.

The policy regulates, amongst other matters, the dovetailing of the ZCC processes with the processes of the Common Market for Eastern and Southern Africa.

Namibia's Supreme Court overturns high court decision regarding regulation of medical aid funds under Namibian Competition Law

During December 2014, the Namibian Competition Commission (NaCC) instituted proceedings against the Namibian Association of Medical Aid Funds in respect of the alleged collusive behaviour in its tariff setting activities (including the determination and publishing of tariffs). The appeal was concerned with whether medical aid funds regulated under the Medical Aid Funds Act are undertakings as defined in the Competition Act, 2 of 2003 (Act) and hence subject to regulation under the Act. The Act applies to all economic activity within, or which has an effect in, Namibia but specifically excludes, among other things, collective bargaining activities, concerted conduct aimed at achieving a non-commercial socio-economic objective and activities specifically exempted from the Act by the NaCC.

Engelbrecht

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The High Court found that medical aid funds were undertakings for purposes of the Act irrespective of whether the profits of the funds were distributed to their members as the funds still operated for gain or reward.

The Supreme Court concluded that medical aid funds, as highly regulated entities established for very specific socio-economic purposes, are not enterprises for purposes of the Act and, accordingly, do not fall within the jurisdiction of the NaCC. Similarly, NAMAF as an industry body of medical aid funds did also not fall within the definition of an enterprise and was excluded from the application of the Act.

Competition Commission of Mauritius makes position in respect of minimum resale price maintenance clear

During June 2017, the Competition Commission of Mauritius published a media release inviting suppliers that engage in minimum resale price maintenance to come forward and apply for immunity from financial penalties. The CCM's amnesty programme runs until 5 October 2017 and suppliers will have the opportunity to disclose to the CCM's the enforcement of minimum resale price maintenance against their distributors and to undertake to correct this behaviour.

Competition Commission of Mauritius launches a market inquiry into the construction industry

The Competition Commission of Mauritius announced during April 2017 that it has launched a market study to investigate the state of competition in the construction industry in Mauritius. This decision follows on the CCM's involvement in the African Competition Forum's multijurisdictional study into the construction industry which also involves South Africa, Swaziland, Kenya, Malawi, Gambia and Gabon. The CCM has identified perceived structural issues within the construction industry in Mauritius that will be assessed during the market study, including regulatory barriers, market structure, and the level of vertical integration in the construction industry.

COMESA signs MOU with Competition Commission of Mauritius

During March 2017, the Competition Commission of the Common Market for Eastern and Southern Africa concluded a Memorandum of Understanding with the Competition Commission of Mauritius. The MOU is aimed at facilitating cooperation between the two competition regulators and follows on similar MOUs concluded between the Competition Commission and COMESA and the competition authorities of Malawi, Swaziland, Seychelles, Kenya, Egypt, Madagascar and Zambia.

Burkina Faso passes New Competition Act

On April 27, 2017 a new Competition Act for Burkino Faso was passed. This new Competition Act modifies the provisions of the previous Competition Act that came into effect in 1994 - a piece of legislation that was last amended in 2001.

The passing of this new law underscores the general trend in francophone Africa and at least in the WAEMU region to implement increasingly more effective regulation of competition laws.

Although the new Competition Act has been passed into law it has not yet been enacted.

Nigeria coming closer to enacting competition and consumer protection law

The Federal Competition and Consumer Protection Bill of 2017 was passed by the House of Representatives of Nigeria during March 2017 and during June 2017 the Bill was also passed by Nigeria's Senate. The Bill is aimed at specifically regulating matters related to competition and consumer protection and will, among other things, establish the Federal Competition and Consumer Protection Commission and the Competition and Consumer Protection Tribunal. The Bill will become law once it is assented to by the President of Nigeria.

Egyptian Court has fined the head of the legal department (in-house counsel) of a company subject to investigations

During a dawn raid related to an investigation by the Egyptian Competition Authority into alleged cartel conduct in the heart valves industry, one of the implicated companies, Ghelyongi, refused to cooperate with the ECA's case handlers. The case handlers were refused entry and the company refused to cooperate with the case handlers in their requests during the dawn raid due to the instructions of their in-house counsel.

The ECA brought a non-cooperation case against the in-house legal counsel for obstructing the dawn raid and refusing to cooperate. The case was then referred to the Prosecutor’s Office and then to the Economic Criminal Court, which fined him EGP100 000. This fine marks a very important development because in-house counsels may be found liable in their personal capacities if they give wrong advice which results in a similar obstruction to the ECA inspections.

Egyptian Competition Authority issues a cartel infringement finding decision against chicken brokers

In August 2017, the Egyptian Competition Authority issued an infringement decision against a number of the main brokers of live chicken in Egypt.

In this case, the ECA revealed that the chicken brokers agreed to fix the purchase price of chicken at a level of 14% lower than the cost of chicken producers. This led to many chicken producers accumulating losses and, consequently, being foreclosed from the market.

The conduct resulted in the substantial decrease of chicken production in Egypt from 1.2 billion in 2010 to 700 million in 2016.

The ECA has highlighted that this case is one of the main cases where it has been able to delve into the informal (unregulated) market. This is a very important and positive development. On one hand, the ECA is sending a very strong message of the rule of law and that no one is immune from being prosecuted for engaging in anti-competitive conduct including those who are working in the unregulated market. It also sends a strong message to market players who are abiding with the rules of the regulated market, that they will be protected from the anti-competitive conduct of their unregulated rivals.

Egyptian Prosecutor's Office refers price fixing case against chick producers to the Economic Criminal Court

The Egyptian Prosecutor's Office has referred nine chick producers to the Economic Criminal Court for engaging in a price fixing cartel – an investigation that has been ongoing since 2013.

According to the Egyptian Competition Authority and Prosecutor's Office, the nine producers have entered into a cartel to reduce the prices of chicks over a period of two weeks. This was done by the Trade Association of Chicken Production by sending daily SMS updates to the cartelists to monitor the daily prices offered by the cartelists for chicks.

The ECA was able to obtain a copy of the meeting minutes held by the trade association as well as the SMS database and the details of all those who have subscribed to this service at the trade association. As a result, the ECA has referred 11 parties (who attended and signed the meeting minutes) and 13 others who voluntarily subscribed to the SMS service.

It is not clear yet, but it seems that the Prosecutor's Office did not find compelling evidence to prosecute the thirteen producers who did not attend but only subscribed to the SMS service. The Prosecutor's Office chose not to refer the case against two other companies who appeared to be active in another market. They referred the case only against the nine producers who attended the meeting and signed the meeting minutes.

ECA announces that it is finalising its draft merger control

The Egyptian Competition Authority recently announced that it is finalising its pre-merger control regime. Baker McKenzie has been a member of the internal ECA committee preparing this draft law. The draft law establishes a pre-merger control regime. According to the ECA, Egypt is one of the very few countries in the world that has a competition law without having a merger control regime. •

Compiled by Leana Engelbrecht, Senior Associate, (Johannesburg) and Mohamed Elfar, Counsel, (Cairo) Baker McKenzie's Competition and Antitrust Practice.

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 Financial Advisers and others claiming this category)
   - Sponsors
   - Legal Advisers
   - Reporting Accountants
4. So as to achieve fairness, rankings are to be recorded in two fields
   - Deal Value US$
   - 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

TRANSACTION ACTIVITY IN AFRICA (See ranking criteria)

RANKING THE TOMBSTONE PARTIES Q1 – Q3 2017

RANKINGS BY VALUE

INVESTMENT ADVISERS*

No	Company	Values $'m	Market Share %
1	Deloitte	3 128	23,40%
2	Goldman Sachs	2 642	19,76%
3	UBS	2 642	19,76%
4	Palewater Advisory	1 300	9,73%
5	Standard Bank Group	975	7,29%
6	Rand Merchant Bank	686	5,13%
7	BMO Capital Markets	540	4,04%
8	PJT Partners	486	3,64%
9	Investec Bank	161	1,20%
10	Cormack Securities	122	0,91%
	Gleacher Shacklock	122	0,91%
12	PwC	110	0,82%
13	Bravura Capital	92	0,69%
14	Perigeum Capital	92	0,69%
15	Citi	48	0,36%
16	Cadiz Corporate Solutions	39	0,29%

RANKINGS BY FLOW (ACTIVITY)

No	Company	No	Market Share %	Values $'m
1	Standard Bank Group	5	5,62%	975
	Cadiz Corporate Solutions	5	5,62%	39
3	PwC	4	4,49%	110
	Beaumont Cornish	4	4,49%	10
	SP Angel Corporate Finance	4	4,49%	1
6	Rand Merchant Bank	3	3,37%	686
	Investec Bank	3	3,37%	161
	Citi	3	3,37%	48
	Strand Hanson	3	3,37%	24
	KPMG	3	3,37%	undisclosed
11	Deloitte	2	2,25%	3 128
	BMO Capital Markets	2	2,25%	540
	PSG Capital	2	2,25%	undisclosed
14	Goldman Sachs	1	1,12%	2 642
	UBS	1	1,12%	2 642
	Palewater Advisory	1	1,12%	1 300

LEGAL ADVISERS

No	Company	Values $'m	Market Share %
1	Webber Wentzel	3 471	19,02%
2	ENSafrica	2 756	15,10%
3	Cliffe Dekker Hofmeyr	2 752	15,08%
4	Daly & Inamdar	2 642	14,47%
5	Dentons	900	4,93%
6	Bowmans	858	4,70%
7	Linklaters	808	4,43%
8	BLC Robert	778	4,26%
9	Udo Udoma & Belo-Osagie	770	4,22%
10	DLA Piper	686	3,76%
11	White & Case	486	2,66%
12	Aird & Berlis	418	2,29%
13	Berwin Leighton Paisner	122	0,67%
	Blake Cassels & Graydon	122	0,67%
	Carey Olsen	122	0,67%

No	Company	No	Market Share %	Values $'m
1	Bowmans	26	23,64%	858
2	Cliffe Dekker Hofmeyr	10	9,09%	2 752
3	Webber Wentzel	8	7,27%	3 471
4	ENSafrica	5	4,55%	2 756
	Anjarwalla & Khanna	5	4,55%	55
6	Linklaters	3	2,73%	808
	BLC Robert	3	2,73%	778
	Udo Udoma & Belo-Osagie	3	2,73%	770
	Norton Rose Fulbright	3	2,73%	undisclosed
10	DLA Piper	2	1,82%	686
	Clifford Chance	2	1,82%	112
	Werksmans	2	1,82%	92
	Aluko & Oyebode	2	1,82%	undisclosed
	Banwo & Ighodalo	2	1,82%	undisclosed
	Corpus	2	1,82%	undisclosed

* Investment Advisers incorporating Financial Advisers and others claiming this category

AFRICA RANKING CRITERIA

- For a transaction to qualify for the Africa tables and rankings, one of the parties or the asset has to be based in an African country other than SA.
- The Africa tables include all transactions, from mergers and acquisitions to listings and project financing.
- Only M&A and JV activity (including SA company deals involving African assets) have been used for ranking purposes.
- Proof of the firm's involvement must be provided to claim the deal.
- As many global organisations operate under specific names in certain countries, we have grouped each company under the global brand name and not under the country specific name.
- All transaction values have been converted into US$ (using the exchange rate at th date of announcement) for ranking purposes.

Should you wish to submit your firm's advisory transactions within Africa, please contact Vanessa on reception@gleason.co.za.

DEALMAKERS AFRICA Q3 2017 (excl SA)

TOMBSTONE PARTIES

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Africa							
Disposal by	Torre International (Torre Industries) to Phatisa and management of the remaining stake in Kanu Equipment			Bowmans; Cliffe Dekker Hofmeyr		undisclosed	Jul 7
Acquisition by	Helios Investment Partners of 100% of Fertilizers and Inputs from the Louis Dryfus Company	Credit Suisse; Standard Chartered; Société Générale		Norton Rose Fulbright; Vinson & Elkins		undisclosed	Jul 24
Acquisition by	Distell International (Distell) from Hawksford Trustees Jersey (The Furlong and Octane Trusts) of a 26% stake in Best of Global Brands	PwC Corporate Finance	Rand Merchant Bank	Cliffe Dekker Hofmeyr		$54,6m	Jul 28
Southern Africa							
Acquisition by	Enko Africa Private Equity Fund of a stake in AMI Logistics					undisclosed	Aug 15
Acquisition by	Actis and Dacosbro of Impact (Improvon Group) - Sub-Saharan industrial property investments	Bravura Capital; Perigeum Capital	Perigeum Capital	Webber Wentzel; BLC Robert; Werksmans; Bowmans		R1,2bn	Sep 5
West Africa							
Acquisition by	Seaboard Corporation from Groupe Mimran of its flour milling and associated businesses located in Sengal, Ivory Coats and Monaco					undisclosed	Sep 18
Botswana							
Acquisition by	RMB Ventures (RMB Holdings) and Investec Asset Management (Investec) from Standard Chartered Private Equity and Development Capital Partners of a 72% stake in Kamoso Distribution			Bowmans; ENSafrica; Webber Wentzel		not publicly disclosed	Aug 6
Acquisition by	Metallum of Global Exploration Technologies (which owns the Kopore Botswana Copper/Silver Project)	Discovery Capital Partners; Ashanti Capital; Ironside Capital				A$2,75m	Aug 30
Acquisition by	Botswana Public Officers Pension Fund (BPOPF) of a 23.85% stake in Airports Junction Mall from Bifm					undisclosed	Aug 30
Burkina Faso							
Acquisition by	Nexus Gold Corp of 100% of the Rakounga Gold Property from BELEMYIDA SA					$1,4m + 575 000 Nexus shares	Jul 11
Acquisition by	Amethis of a minority stake in Sodigaz					undisclosed	Aug 31
Acquisition by	Novamed (Amethis) of Polyclinique Internationale de Ougadougou					undisclosed	Sep 28
DRC							
Investment by	XSML in Monishop sarl					undisclosed	Jul 8
Acquisition by	United Materials Congo (Tantalex Resources) of mining claim PR 13634, Kaseka Cobalt Property					undisclosed	Sep 20
Egypt							
Acquisition by	Tpay of DCBEgypt					undisclosed	Aug 8
Ghana							
Disposal by	Yinson Holdings Berhard to a consortium of investors of a 26% stake in Yinson Production (West Africa)					$104m	Jul 3
Acquisition by	Milost Global of a stake in Eco Medical Village (plus $200m debt financing)					$100m	Jul 10
Acquisition by	Ibeara Capital of up to a 47.5% stake (earn in) in the Wa Gold Project from Azumah Resources					$13,5m	Aug 2
Disposal by	Endeavour Mining of its 90% stake in in the Nzema Mine to BCM International					$65m	Aug 9
Acquisition by	Cardinal Resources of two large scale prospecting licenses located adjacent to Cardinal's Ndongo tenement from Red Back Mining Ghana (Kinross Gold Corp)					undisclosed	Aug 15
Acquisition by	Customs World of West Blue Consulting					undisclosed	Sep 20
Disposal by	AngloGold Ashanti to Asanko Gold of the Miradani prospect					undisclosed	Sep 24
Acquisition by	Canadian Mining Corp of 100% of Car Mining Company from Crust Resources					$3m plus 4,8m shares	Sep 27
Kenya							
Acquisition by	Abraaj of Java House from Emerging Capital Partners	PwC; Rothschild; KPMG		Freshfields Bruckhaus Deringer; Bowmans; Anjarwalla & Khanna Advocates		undisclosed	Jul 3
Investment by	Kibo Capital Partners in Blowplast	Grant Thornton		Bowmans		undisclosed	Jul 3

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Kenya (continued)							
Investment by	Engineers Without Borders in M-Shule					$40 000	Jul 11
Acquisition by	Africa Plantation Capital of additional land for Phase 2 of the bamboo plantation operations					undisclosed	Jul 16
Acquisition by	Kenyan Government and 11 banks of additional stakes in Kenya Airways (debt to equity)	PJT Partners; Deloitte	Kestrel Capital (East Africa)	Bowmans; White & Case	KPMG	$486m	Jul 16
Acquisition by	Kuehne + Nagel of Trillvane			Bowmans; Iseme, Kamau & Maema Advocates		undisclosed	Jul 18
Acquisition by	Sanlam Kenya (Sanlam) of an additional 12% stake in Gateway Insurance					undisclosed	Jul 18
Disposal by	Aureos East Africa Fund of a 5.53% stake in Deacons (East Africa) to Centrum Investment Company					undisclosed	Jul 28
Acquisition by	Safaricom of a 260km stretch of cable fibre between Marsabit and Moyale from Brandwidth and Cloud Services					undisclosed	Jul 29
Acquisition by	Wamda Capital, Omidyar Network, DOB Equity, Uqalo, 1776, Blue Haven Initiative, Alpha Mundi and AHL Venture Partners of a stake in Twiga Foods plus $4m in debt					$6,3m	Jul 31
Investment by	Safaricom Spark Venture Fund in iProcure					undisclosed	Sep 7
Disposal by	ARM Cement to Omya Schweiz of Mavuno Fertilizers			Bowmans		undisclosed	Sep 8
Acquisition by	Abraaj of a 56.2% stake in Avenue Group					undisclosed	Sep 10
Acquisition by	Arise of a 12% stake in Equity Group					undisclosed	Sep 12
Merger of	Tuskys and Nakumatt					undisclosed	Sep 19
Acquisition by	Flame Tree of PolyPlay					undisclosed	Sep 25
Acquisition by	Africinvest III of a 14.3% equity stake in Britam	Stanbic Bank Kenya; PwC		Bowmans; Anjarwalla & Khanna		KSH5,72bn	Sep 26
Acquisition by	Star Bright of Carzan Flowers			Bowmans; Kaplan & Stratton Advocates		undisclosed	not announced Q3
Lesotho							
Acquisition by	One Thousand & One Voices of a stake in SanLei					undisclosed	Aug 29
Madagascar							
Acquisition by	Rubis of the Galan Group companies					undisclosed	Jul 20
Acquisition by	Prophecy Development Corp of the Dabolava Gold Project					$5m	Aug 25
Malawi							
Acquisition by	MyBucks of a 50% stake in New Finance Bank					undisclosed	Jul 24
Mali							
Acquisition by	Blenheim Natural Resources of a 40% interest in Mansa Lithium from Xantus					£400 000 plus 100m Blenheim shares	Jul 3
Acquisition by	Cardiff Energy Corp of a gold project from Rachid Mogabgab					C$500 000	Jul 10
Acquisition by	Compass Gold of Mali Gold Exploration (share swop deal 0.6:1)	INFOR Financial				12m post-consolidation Compass shares	Jul 13
Acquisition by	Ashanti Gold of 100% of the Kossanto East Gold Project from Alecto Minerals					C$1m	Aug 8
Acquisition by	Hummingbird Resources a 50% stake in the Kobada Gold project (earn in) and up to 19.2% of African Gold	Strand Hanson	Beaufort Securities			C$8m	Sep 28
Mauritania							
Acquisition by	Deep South Resources of 75% of the INAL project from Suricate					$1,32m plus 1,25m Deep South shares	Aug 23
Mauritius							
Disposal by	Ferrum Crescent to NPSPL Africa and BEE partner Ngwenya Capital of Batavia, holding all SA assets including Moonlight the iron ore project in Limpopo		Bravura Capital			A$1 000	Jul 3

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Mauritius (continued)							
Listing of ●	Dacosbro : 600 100 shares at $1 each	Bravura Capital; Perigeum Capital; Deloitte	Perigeum Capital	C&A Law		$600 100	Jul 13
Private placement ●	The African Export-Import Bank (Afreximbank) : 38,575,018 Depository Receipts at $4.30 each	SBM Mauritius Asset Management; CBA Capital	SBM Securities			$165,87m	Jul 24
Private placement ●	Dacosbro : 110 445 308 shares at $1 each	Bravura Capital; Perigeum Capital	Perigeum Capital			$110m	Aug 3
Issue by ●	Greenbay Properties : 86 672 626 new shares at €0.126 per share (accelerated book build)	Java Capital	Java Capital			€10,92m	Aug 8
Disposal by	African Rainbow Capital to African Rainbow Capital Investments of the Initial Portfolio Interests	Rand Merchant Bank		DLA Piper; Webber Wentzel; BLC Robert; Linklaters	PwC	R4,476bn	Aug 28
Acquisition by	ARC Fund from African Rainbow Capital Investments of the Initial Portfolio Interests	Rand Merchant Bank		DLA Piper; Webber Wentzel; BLC Robert; Linklaters	PwC	R4,476bn	Aug 28
Merger of	Imara Asset Management and Kura Capital					undisclosed	Sep 20
Mozambique							
Acquisition by	Savannah Resources of the remaining 20% stake in Matilda Minerals	Northland Capital Partners	FinnCap			A$100 000	Aug 21
Acquisition by	Premier African Minerals of a 52% stake in TCT Industrias Florestias from Amire Glory	Beaumont Cornish	Shore Capital Stockbrokers; Beaufort Securities			$2.1m	Sep 20
Namibia							
Acquisition by	ONGC Videsh of a 30% stake in Namibia PEL 37 for Block 2112A, 2012B and 2113B from Tullow Namibia					undisclosed	Jul 3
Disposal by	Enertronica of 2 photovoltaic plants under construction					€2m	Jul 7
Acquisition by	Windfire Capital of 91.5% of Riviera Mina (which indirectly owns a 76.5% stake in Petroleum License No.0079 in relation to Blocks 2815 and 2915) from Dminer Asset Management					$1m plus 15m Windfire shares	Jul 24
Disposal by	Kaap Agri Bedryf (Kaap Agri) to Pupkewitz Holdings of a 50% stake in Kaap Agri Namibia	PSG Capital	PSG Capital			undisclosed	Aug 3
Acquisition by	Celsius Resources of an initial 30% stake in Gecko Cobalt which hold the EPL4346 license (Opuwo Cobalt Project)					A$500 000	Aug 14
Disposal by	Trustco to EEP101 of Elisenheim Estate Property 100 and Elishenheim Estate Property 102	Sasfin Capital; IJG Securities			N$836,4m	Aug 21	
Acquisition by	MMI Namibia (MMI) of a 70% stake in Quanta Insurance					undisclosed	Aug 31
Acquisition by	Africa Energy Corp of 1/3 of the shares of a Pancontinental Oil & Gas subsidiary that holds a 30% participating interest in Petroleum Exploration License 37, offshore					$7,7m	Sep 13
Disposal by	Powertech (Allied Electronics) to Musa Capital Namibia (on behalf of the Namibian Government Institiutions Pension Fund) of Swanib Cables					undisclosed	Sep 27
Nigeria							
Rights Issue ●	Guiness Nigeria : 684,494,631 shares at NGN58.00 per share (5 new shares for every 11 shares held)	Stanbic IBTC Capital	Stanbic IBTC Stockbrokers	Aluko & Oyebode	PricewaterhouseCoopers	NGN39,7bn	Jul 4
Acquisition by	Prudential of a majority stake in Zenith Life					undisclosed	Jul 12
Acquisition by	Flour Mills of Nigeria of an additional 5% stake in Rom Oil Mills (total stake now 95%)					undisclosed	Jul 19
Acquisition by	Verod Capital Management of a significant minority stake in Greensprings Educational Services					undisclosed	Jul 24
Open Market	Dangote Industries disposed of a 2.3% stake in dangote Cement to foreign investors					$236m	Aug 1
Merger of	International Breweries, Intafact Beverages and Pabod Breweries	Stanbic IBTC Capital		Udo Udoma & Belo-Osagie		$770m	Aug 29
Rights Issue ●	Union Bank of Nigeria : 12,133,646,995 shares at NGN4.10 per share (5 new shares for every 7 held)	Chapel Hill Advisory Partners; Stanbic IBTC Capital; FSDH Merchant Bank	Chapel Hill Denham Securities; APT Securities & Funds; FCSL Asset Management; FSDH Securities; Stanbic IBTC Stockbrokers	Udo Udoma & Belo-Osagie	KPMG	NGN49,75bn	Aug 30
Acquisition by	Allianz of 98% of Ensure Insurance from Greenoaks Global					undisclosed	Aug 30
Acquisition by	Promasidor Nigeria (Promasidor) of Champion House (a mixed-use development situated along the Oshodi-Apapa Expressway)					N2,5bn	Sep 11
Acquisition by	Apis Growth Fund I of a stake in Bankers Warehouse	Stanbic IBTC Capital		Udo Udoma & Belo-Osagie; Olajide Oyewole		undisclosed	Sep 12
Acquisition by	Gatanntor of Bytes Hosting					undisclosed	Sep 14
Investment by	Advanced Finance and Investment Group (AFIG Funds) in FSDH Merchant Bank			Aluko & Oyebode		undisclosed	Sep 22
Acquisition by	Milost Global of a stake in Primewaterview plus $700m debt	Palewater Advisory				$1,3bn	Sep 25

● Non-ranking transaction

DEALMAKERS AFRICA Q3 2017 (excl SA)

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Republic of Congo							
Disposal by	African Potash of 100% of its stake in the Lac Dinga Project to African Agronimox					5m African Argonomix shares	Sep 19
Rwanda							
Disposal by	Newrest ASK Nigeria of its stake in ASL Rwanda					undisclosed	Sep 22
Acquisition by	Highland Group from Symbion Energy of a stake in the methane power generation project on Lake Kivu in Rwanda					$100m	Sep 24
Senegal							
Disposal by	Millicom of its Senegal operations to a consortium consisting of NJJ, Sifima and Teyliom Group					undisclosed	Jul 31
Sierra Leone							
Investment by	CDC Group in Solon Capital					$20m	Aug 30
Tanzania							
Listing ●	Vodacom Tanzania : 2,240,000,300 shares at TZS850 per share	Orbit Securities	Orbit Securities	ENSafrica	EY	TZS1,9trn	Jul 15
Acquisition by	Lindian Resources of up to a 75% stake in the Lushoto bauxite project					A$1,8m	Aug 3
Acquisition by	Helios Towers Tanzania of all unique sites of the mainland tower portfolio of Zanzibar Telecom					undisclosed	Aug 9
Tunisia							
Loan by ●	Africa Finance Corporation to Topic SA to develope the Halk El Menzel offshore oil concession block					$28m	Jul 4
Acquisition by	MonBat of a majority stake in ASSAD					undisclosed	Aug 17
Uganda							
Investment by	XSML in Qualicoff					undisclosed	Jul 31
Acquisition by	Agilis Partners of Joseph Initiative from minorities including DOB Equity					undisclosed	Aug 22
Acquisition by	Centum Investment of 14,000 acres of agricultural land in Masindi					undisclosed	Sep 2
Acquisition by	Sanlam from various Masawara of Lion Assurance					$5,7m	Sep 19
Zambia							
Acquisition by	Industrial Development Corporation of Zambia of a 90% stake in Zampalm from Zambeef	Strand Hanson	FinnCap			$16m	Jun 9
Acquisition by	Reunert International Investments [Mauritius] (Reunert) from minority shareholders of the remaining 25,61% stake in Metal Fabricators of Zambia [only 4,23% or 1,145,143 shares tendered]	Investec Bank	Stockbrokers Zambia	Corpus		undisclosed	Jul 10
Disposal by	African Rainbow Minerals and Vale International of their 80% indirect interest in Lubambe Mine to EMR Capital Bidco	Standard Bank	Standard Bank; Deutsche Securities	Bowmans		$97,1m	Aug 15
Disposal by	Reunert International Investments (Mauritius) of 1,250,770 (4.62%) of Metal Fabricators of Zambia	Investec Bank; Stockbrokers Zambia	Stockbrokers Zambia	Corpus		undisclosed	Aug 30
Joint Venture	Galileo Resources and BMR Group (51%:49%) : Enviro Mining (Star Zinc project)	Beaumont Cornish; WH Ireland	Beaufort Securities; WH Ireland; Peterhouse Corporate Finance			$591 600	Aug 31
Zimbabwe							
Acquisition by	Stalap Investments of up to the remaining 59% of shares not already held in CFI (mandatory offer to minorities - holds 41%) - $0.22 per share : no shares offered	IH Advisory; KPMG	FBC Securities	Mawere Sibanda	Deloitte	nil	Jul 12
Acquisition by	First Mutual of NicozDiamond Insurance	Corporate Excellence; Imara Corporate Finance	MMC Stockbrokers	Atherstone & Cook Legal Practitioners	PwC	share swop	Aug 10
Rights Issue ●	First Mutual : 210,371,395 shares at $8.20 per share	Corporate Excellence; Imara Corporate Finance	MMC Stockbrokers	Atherstone & Cook Legal Practitioners	PwC	$17,25m	Aug 10
Acquisition by	Gideon Gono of a 76% stake in The Heritage School					undisclosed	Aug 10
Acquisition by	Arise of stakes in NMBZ from FMO and Norfund (total shareholding now 69,14m shares)					undisclosed	Aug 27

● Non-ranking transaction