

## DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 5804

31 January 2025

## NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:

**NOVUS PRINT PROPRIETARY LIMITED; FREE 4 ALL PROPRIETARY LIMITED;  
INTREPID PRINTERS PROPRIETARY LIMITED; AND VICTORY TICKET 376  
PROPRIETARY LIMITED**

**AND**

**THE MEDIA SUPPLY CHAIN MANAGEMENT DIVISION OPERATED AND CONDUCTED  
BY MEDIA24 PROPRIETARY LIMITED (“MEDIA24”) REFERRED TO AS “ON THE DOT”;  
THE LOCAL NEWS PORTFOLIO OF MEDIA24 AS MORE FULLY DESCRIBED IN THE  
MERGER FILING; AND THE FOOTBALL PUBLICATION DIVISION OF MEDIA24 TITLED  
“SOCCER LADUMA AND KICK OFF”**

**CASE NUMBER: 2024AUG0015**

The Competition Commission hereby gives notice, in terms of Rule 38 (3)(c) of the ‘Rules for the Conduct of Proceedings in the Competition Commission’, that it has approved the transaction involving the abovementioned firms subject to conditions set out below:

**Background**

1. On 06 August 2024, the Competition Commission (the “Commission”) received a notification of an intermediate merger whereby Novus Print Proprietary Limited, through its wholly owned subsidiaries Free 4 All Proprietary Limited, Intrepid Printers Proprietary Limited and Victory Ticket 376 Proprietary Limited (collectively “Novus”), intends to acquire the following businesses from Media24 Proprietary Limited (“Media24”):
  - 1.1. the media distribution and supply chain management business known as “On the Dot” (“OtD”);
  - 1.2. a portfolio of 20 community newspapers circulated in specific geographic areas within the Eastern Cape, Free State, Northern Cape and Western Cape (the “Community Newspapers”);

- 1.3. the national soccer newspaper titles known as “Soccer Laduma” and “Kick-Off”, a national newspaper covering local and international soccer news.  
(collectively the “Target Firms”).
2. Following implementation of the merger, Novus will control the Target Firms in their entirety.

#### **Parties and activities**

3. Novus is controlled by Paarl Media Holdings Proprietary Limited (“Paarl Media”) (99%), a company registered in accordance with the laws of South Africa. Paarl Media is controlled by Novus Holdings Limited (“Novus Holdings”) (100%), a public company registered in accordance with the laws of South Africa, and which is listed on the Johannesburg Stock Exchange. Novus Holdings is controlled by A2 Investment Partners Proprietary Limited (“A2”) (61.2%), a company registered in accordance with the laws of South Africa.
4. A2 is, in turn, controlled by Marble Head Investments Proprietary Limited (75%) (“Marble Head Investments”) and Zariv Investments Proprietary Limited (25%) (“Zariv Investments”). **[CONFIDENTIAL]**.
5. Apart from Novus Holdings, A2 does not control any firms. Apart from A2, Marble Head Investments controls the following firms: MHG Gaming Proprietary Limited (“MHG Gaming”) (100%); Wiltron Projects Proprietary Limited (“Wiltron Projects”) (50%); Marblewave Proprietary Limited (“Marblewave”) (55%); and A2 Private Equity Partners Limited (“A2 Private Equity Partners”) (82%).
6. **[CONFIDENTIAL]**.
7. Novus and its controlling firms are collectively referred to as the “Novus Group”.
8. The merging parties submit that Novus Holdings (the ultimate controller of the Primary Acquiring Firms) has 36.33% shareholding held by historically disadvantaged persons (“HDPs”).
9. The Novus Group is active in the provision of printing services to customers across multiple sectors, including education, retail, government and media. In addition, it is also active in the publishing and sale of educational materials.

10. The Target Firms are controlled by Media24, a company registered in accordance with the laws of South Africa. Media24 is, in turn, wholly controlled by Naspers Limited, a public company listed on the Johannesburg Stock Exchange.
11. The Target Firms do not control any firms.
12. The merging parties submit that Media24 has an HDP ownership of 45.02%, as reflected in its latest B-BBEE certificate.
13. The activities of the Target Firms are outlined in turn below:
  - 13.1. Soccer Laduma and Kick Off: Soccer Laduma and Kick Off provide news, interviews, opinion and analysis of local and international soccer. Soccer Laduma has both a print and a digital media presence, while Kick Off is only available online through snl24.com.
  - 13.2. Community Newspapers: is comprised of 20 community newspapers titles (with a total of 37 editions) each focused on very specific geographic areas or communities, covering neighbourhood events, local businesses, community meetings, school activities and other topics that directly impact residents' daily lives. The Media24 community newspapers are all free publications, with the exception of Paarl Post and Weslander, and are published weekly. The Media24 community newspapers include:
    - 13.2.1. Boland Media: District Mail & Helderberg Gazette, Eikestadnuus, Hermanus Times, Paarl Post, Standard & Breederivier Gazette, Swartland Gazette, Weskusnuus, and Weslander;
    - 13.2.2. WP Media: TygerBurger (various editions), People's Post (various editions), and City Vision;
    - 13.2.3. EP Media: Kouga Express, Mthatha Express, PE Express, and UD Express; and
    - 13.2.4. Central24: Bloemnuus, Express, Vista, Vrystaat Kroon, and Noordkaap Bulletin.
  - 13.3. On the Dot "OtD": OtD is a division of Media24 that distributes print media. It offers comprehensive, integrated logistics solutions for media products, such as magazines, newspapers (community and paid for daily and regional

newspapers), leaflets, books, bookazines, partworks, and collectibles. It also provides forecasting and demand planning services for publishers nationally, as well as in-store merchandising solutions, promotions, online sales and management of debtors.

### **Competition Assessment**

14. The Commission found that competition concerns may arise if the merged entity requires its customers to either (i) exclusively procure coldset printing services and distribution services from the merged entity or (ii) procure printing/distribution on condition that the customer also procures distribution/printing services. That is because the merged entity's competitors are not able to offer a similar bundle.
15. To address this concern, the Commission and the parties have agreed that for 3 years after the implementation of the merger, the merged entity will offer coldset printing and distribution services separately. These conditions are set out in **Annexure A** hereto.
16. Given the conditions, the Commission concluded that the merger is unlikely to result in a substantial lessening or prevention of competition in any relevant market.

### **Public interest considerations**

17. In order to address employment concerns, the merging parties have tendered the commitments set out in **Annexure A**.
18. The merger does not raise any other public interest concerns that require further intervention.

### **Conclusion**

19. The Commission therefore approves the proposed transaction on the conditions set out in **Annexure A** hereto.

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**ANNEXURE A**

**NOVUS PRINT PROPRIETARY LIMITED, FREE 4 ALL PROPRIETARY LIMITED,  
INTREPID PRINTERS PROPRIETARY LIMITED AND VICTORY TICKET 376  
PROPRIETARY LIMITED**

**AND**

**THE MEDIA SUPPLY CHAIN MANAGEMENT DIVISION OPERATED AND CONDUCTED  
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AND THE FOOTBALL PUBLICATION DIVISION OF MEDIA24**

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**CONDITIONS**

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**1. DEFINITIONS**

The following expressions shall bear the meanings assigned to them below and cognate expressions bear corresponding meanings –

- 1.1 **“Acquiring Firms”** means Novus Print Proprietary Limited, Free 4 All Proprietary Limited, Intrepid Printers Proprietary Limited and Victory Ticket 376 Proprietary Limited (collectively referred to as **“Novus”**);
- 1.2 **“Act”** means the Competition Act 89 of 1998, as amended;
- 1.3 **“Affected employees”** means not more than approximately 233 employees within the Target Firms that may be retrenched post-merger as a worst-case scenario for operational reasons unrelated to the Merger;
- 1.4 **“Approval Date”** means the date the Commission issues a Clearance Certificate (Notice CC15) in terms of the Act;
- 1.5 **“Commission”** means the Competition Commission of South Africa;
- 1.6 **“Commission Rules”** mean the Rules for the Conduct of Proceedings in the Commission;
- 1.7 **“Conditions”** mean, collectively, the conditions referred to in this document;

- 1.8 **“Days”** mean business days, being any day other than a Saturday, Sunday, or official public holiday in South Africa;
- 1.9 **“Implementation Date”** means the date, occurring after the Approval Date on which the Merger is implemented by the Merger Parties;
- 1.10 **“Media24”** means Media24 Proprietary Limited;
- 1.11 **“Merger”** means the Acquiring Firms’ acquisition of control over the Target Firms;
- 1.12 **“Merged Entity”** means the Target Firms subject to the control of the Acquiring Firms, following the Implementation Date;
- 1.13 **“Merger Parties”** means the Acquiring Firms and the Target Firms;
- 1.14 **“Moratorium Period”** means a period of 3 (three) years from the Implementation Date, and includes a period between the Approval Date and the Implementation Date;
- 1.15 **“On the Dot”** means the Media Supply Chain Management Division Operated and conducted By Media24, and is one of the Target Firms;
- 1.16 **“South Africa”** means the Republic of South Africa;
- 1.17 **“Target Firms”** means the Media Supply Chain Management Division Operated and conducted By Media24 referred to as “On The Dot”; The Local News Portfolio Of Media24; and the Football Publication Division Of Media24 Titled “Soccer Laduma And Kick Off”;
- 1.18 **“Tribunal”** means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Act; and
- 1.19 **“Tribunal Rules”** means the Rules for the Conduct of Proceedings in the Tribunal.

## **2. EMPLOYMENT CONDITIONS**

- 2.1 Save for the Affected Employees, the Merging Parties shall not retrench any employees as a result of the Merger for a period of 3 (three) years from the Implementation Date.
- 2.2 For the avoidance of doubt, Merger specific retrenchments do not include (i) voluntary retrenchment and/or voluntary separation arrangements; (ii) voluntary early retirement packages; (iii) unreasonable refusals to be redeployed in accordance with the provisions of the Labour Relations Act, 66 of 1995; (iv) resignations or retirements

in the ordinary course of business; (v) retrenchments lawfully effected for operational requirements unrelated to the Merger; and (vi) terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance.

2.3 Novus will seek to redeploy as many of the Target Firms' potentially Affected Employees as possible should vacant positions become available at Novus and its subsidiaries, provided the employees are sufficiently qualified and experienced for such roles.

2.4 Media24 will offer the Affected Employees preferential employment as and when opportunities arise at its operations, for a period of 3 (three) years, and provided the employees are sufficiently qualified and experienced for such roles.

### **3. TYING / BUNDLING**

3.1 For a period of 3 (three) years post the Implementation Date, the Merged Entity shall offer customers coldset printing services and On the Dot's distribution services separately. For the avoidance of doubt, the Merged Entity will not require that customers of the Merged Entity procure coldset printing on condition that they also procure distribution services from the Merged Entity (or vice versa).

### **4. MONITORING OF COMPLIANCE WITH THE CONDITIONS**

4.1 Novus shall within 5 (five) Days of the Implementation Date notify the Commission of the Implementation Date.

4.2 The Acquiring Firms and the Target Firms shall circulate a copy of the Conditions to all employees, relevant trade unions and employee representatives within 10 (ten) Days of the Implementation Date.

4.3 As proof of compliance with clause 4.1, the Acquiring Firms and the Target Firms will within 10 (ten) Days of circulating the Conditions, inform the Commission of the circulation of the Conditions and provide a copy of the notices that were circulated to the employees and trade unions.

4.4 As proof of compliance with clause 2 and clause 3, the Acquiring Firms shall submit a report on an annual basis to the Commission within 3 months after the anniversary of the Implementation Date detailing compliance with these Conditions, for a period of 3 (three) years following the Implementation Date.

**5. APPARENT BREACH**

- 5.1 In the event that the Commission receives any complaint in relation to non-compliance with the Conditions, or otherwise determines that there has been a breach by the Merger Parties of the Conditions, the breach will be dealt with in terms of Rule 37 of the Tribunal Rules read together with Rule 39 of the Commission Rules.

**6. VARIATION**

- 6.1 The Merging Parties may at any time, on good cause shown, apply to the Commission for the Conditions to be waived, relaxed, modified and/or substituted. Should a dispute arise in relation to the variation of the Conditions, the Merging Parties shall apply to the Tribunal, on good cause shown and on notice to the Commission, for the Conditions to be waived, relaxed, modified and/or substituted.

**7. GENERAL**

- 7.1 All correspondence in relation these Conditions must be submitted to the following email addresses: [mergerconditions@compcom.co.za](mailto:mergerconditions@compcom.co.za)

Enquiries in this regard may be addressed to the Manager: Mergers and Acquisitions Division at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3298