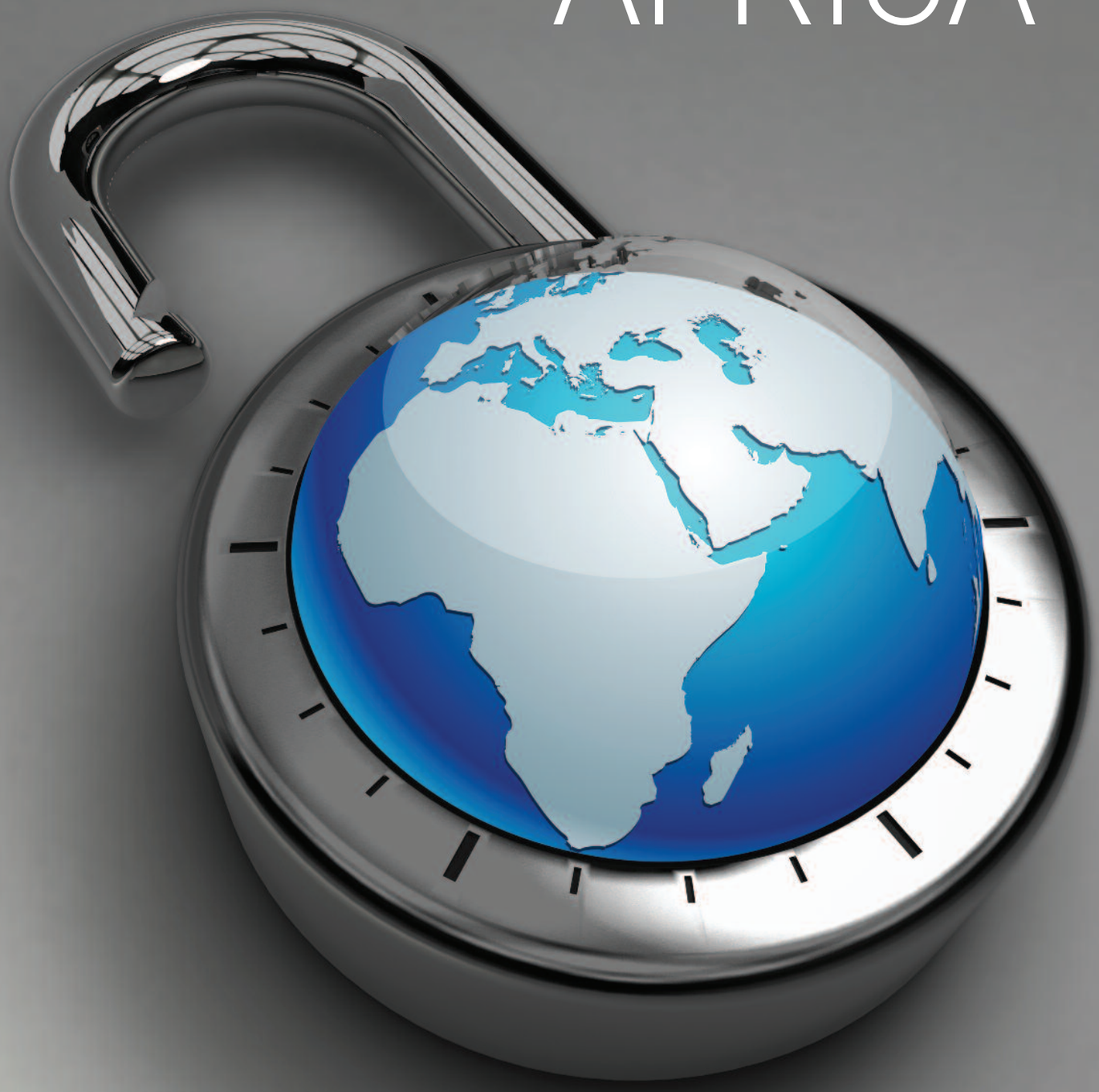
DealMakers AFRICA



Vol 10: No 1

TRANSACTION TABLE BY COUNTRY INCLUDING ADVISORS | BUSINESS IN AFRICA

81/1000
CHILDREN BORN
IN AFRICA IN **2015** DIED BEFORE **AGE 5**

5 children under 5 years of age dying every minute

2/3 DEATHS ARE PREVENTABLE

1/3 OF DEATHS ARE IN THE **NEONATAL PERIOD**

THE RED CROSS CHILDREN'S HOSPITAL IS A BEACON OF HOPE IN AFRICA

IT MANAGES **260 000** PATIENT VISITS EACH YEAR

1/3 of Red Cross Children's Hospital patients are UNDER THE AGE OF 1

THE CHILDREN'S HOSPITAL TRUST has fundraised for the Hospital since 1994

The Trust has raised over **R678m** since inception

The only specialized dedicated burns unit in Africa

Only surgical skills training centre of its kind in sub-Saharan Africa

Only **2%** of registered nurses in Southern Africa are trained in paediatrics

THE TRUST HAS HELPED FUND THE TRAINING OF OVER **300** AFRICAN DOCTORS AND NURSES

These trained paediatric specialists take their skills back into African countries

Clinical research at the Hospital has influenced global WHO guidelines

OVER **R100m** WAS RAISED IN **2016** FOR AFRICA'S LARGEST **PAEDIATRIC ICU**

SAVING LIVES of children from all over Africa

Help the Children's Hospital Trust Give Back Childhood.

childrenshospitaltrust.org.za

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www.facebook.com/childrenshospitaltrust

@chtrust1

The Children's Hospital Trust
Giving Back Childhood

from the editor's desk

The conundrum which is Africa remains, regardless of choice, on the investment radar of all serious players in the investment arena. There is no doubt that this is a sobering time for sub-Saharan Africa – continental economic growth, according to IMF figures, tumbled in 2016 to the lowest point in more than a decade from the levels in 2007 when the intercontinental average was 7,4%. Having said this, research, using growth projections by the World Bank, shows that Africa is the home to four of the ten fastest-growing economies in the world – Ethiopia, Ghana, Cote d'Ivoire and Tanzania - and even in those countries that have experienced slow growth, there are still strong returns to be made.

M&A activity in West Africa appears to be recovering from the low oil price regime of recent years with renewed interest in commodities. The Francophone countries are also presenting interesting opportunities for investors. In the East African region growth appears on-going, though deals are not massive in size but reflect rather M&A activity characterised by family businesses and private equity partnerships. In the South, there are some levels of domestic deal activity and a definite increase in transactions outbound into Africa and more specifically internationally, in a move to diversify away from weak currencies.

Due to shallow pools of African institutional capital, most private equity firms raise funds offshore primarily in the US and Europe. Currency volatility remains a challenge to fundraising efforts and to transaction execution in general.

According to information from the 'SAVCA Quarterly Deals Tracker' prepared in collaboration with Webber Wentzel, 27 private equity transactions in sub-Saharan Africa were recorded in the year to end-March.

The lack of financial information remains the key challenge for not only doing business in Africa, but also for derailing potential M&A transactions. PwC research "biennial Valuation Methodology Survey" indicates that half of the deals that enter the due diligence process in growth markets fail to be completed. Other reasons include exchange rate fluctuations, geopolitical uncertainty and poor macro-economic growth.

Investing in Africa is dynamic and knowledge is key. Investors have to have a certain appetite for risk and with this risk rewards can be reaped. Funds flowing into Africa are no longer dominated by the Chinese. India has in recent years become more visible as an investor. Political changes in the US, UK and Europe will undoubtedly bear influence on policies towards investment in Africa, although money will always follow opportunities. •

MARYLOU GREIG

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The magazine may be purchased on subscription. These rates are available on request from: reception@gleason.co.za

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contents

Growth in competition law across African jurisdictions

DR MOHAMED ELFAR AND LEANA ENGELBRECHT


Elfar


Engelbrecht

The enforcement of competition law is growing across key jurisdictions in Africa. Developments in this area of law in Egypt, Botswana, Kenya and Namibia are noted here.

Egypt

The Egyptian Competition Authority (ECA) delivers an infringement finding against the Confédération Africaine de Football (CAF)

In January 2017, the ECA delivered its infringement decision against CAF, accusing it of abusing its dominant position by engaging in four different abusive conducts. Most importantly, the ECA accused CAF of tying football tournaments broadcasting rights into viewing bundles and forcing them on customers. In addition, CAF has refused to supply its broadcasting rights to TV broadcasters other than Lagardere and extended the eight-year exclusive agreement with Lagardere for 12 more years.

The ECA issued a number of remedies including requiring CAF to allow other broadcasters to screen the African Championship 2017 and to refrain from bundling the broadcasting rights as they had been. After delivering its infringement decision, the ECA referred leading figures of CAF to the prosecutor's office and instituted criminal action against them.

Immediately after delivering its infringement decision, the ECA reported the infringement to the COMESA Competition Commission (CCC), highlighting the main finding and sharing information and evidence with the CCC.

The CCC then announced they were opening an investigation against the alleged abusive conduct of CAF in the COMESA Common Market. This case is the first investigation by COMESA of anti-competitive practices. Previously, the CCC's efforts were limited to receiving and appraising mergers. The case also highlights the effectiveness and cooperation between the ECA and the CCC. The ECA has not only reported the case but also provided evidence and material, and guidance to the CCC.

The Executive Regulations of the Egyptian Competition Law (ECL) are amended

The Executive Regulations have introduced important amendments, including details and procedures of obtaining an exemption for non-hardcore horizontal restraints. In addition, it has expanded the concept of the Single Economic Unit, creating a rebuttable presumption that undertakings managed or owned by relatives up to the second degree (parents, grandparents, grandsons, siblings, partners) would be deemed as a single economic unit.

This development has raised doubts and criticism from international commentators but the ECA holds the position that given the special sociocultural bonds and ties in Egyptian society, this kind of rebuttal presumption is necessary. Furthermore, it was argued that the number of anti-competitive conduct cases detected between close relatives generally has been quite limited globally and therefore, this amendment does not adversely affect effective competition enforcement.

Imports

Regulations were changed introducing a new sanction for engaging in anti-competitive conduct. The law regulating the registration of importers in Egypt was amended and the amendment was issued on March 7, 2017. It is clearly stated that an imports licence would be cancelled if the director/manager of the company was convicted of an anti-competitive conduct, which is prohibited by the ECL.

This development reflects a more competition-focused legislative policy by introducing more effective sanctions that would add to competition enforcement. Companies are now more likely to start taking ECL enforcement more seriously in order not to risk the disruption of their imports businesses.

Dawn raids conducted by the ECA

Recently, the ECA has started relying more frequently on dawn raids as an inspective tool. In previous years, dawn raids were quite limited but are now being used more effectively. The ECA announced that it had raided several companies at the same time and was able to detect direct evidence on cartels. This has been reported recently in the heart valves cartel and in the pharmaceuticals distribution cartel. The ECA does not normally announce dawn raids until the investigation is finished. In addition, in almost all dawn raids the ECA teams are accompanied by police. This gives effective support to the ECA efforts and ensures that the process goes smoothly.

Heart valves cartel

On March 7, 2017, the ECA board issued its infringement decision revealing a bid-rigging cartel between seven of the biggest companies active in the market of medical equipment supplies related to heart valves and antioxidants related to heart and chest surgeries, and referred them to the Prosecutor's Office for rigging governmental bids.

According to the ECA, it was able, during its one-year investigation, to prove that these companies had colluded to submit identical commercial offers. This was to force hospitals to divide the bid among those companies and enable them to control supplies to those hospitals and increase their supply prices. It was noted that the investigation covered the period from 2013 until 2015.

The ECA added that this cartel had caused a material damage to governmental and university hospitals as it had led to a price increase that affected the purchasing power of those entities and their ability to buy sufficient medical supplies, which directly affected patients.

This is the first competition bid rigging case in Egypt. It is another success that can be added to the enforcement record of the ECA.

Immediately after delivering its infringement decision, the ECA reported the infringement to the COMESA Competition Commission (CCC), highlighting the main finding and sharing information and evidence with the CCC.

With very limited resources, the ECA is proving that it can investigate big cases and effectively use its powers. Recently, the ECA has been focusing on more strategic cases and cases where infringements are affecting a wider range of consumers, which is a welcome approach given the scarcity of resources.

Botswana

In early March 2016, the Botswana Competition Authority (BCA) published a practitioners' notice listing additional information that should be included in a merger submission to the BCA. The additional information required by the BCA is focused mainly on public interest issues, rather than pure competition concerns. This is in line with current trends in merger control in Africa where there is an increasing focus on how a proposed merger transaction will not only impact on competition in a market, but also on various public interest considerations such as employment, safeguarding supply by or to local companies and the development of the local economy.

Kenya

The Kenya Competition Authority (CAK) concluded a MOU with the CCC on June 14, 2016. The MOU is aimed at facilitating and promoting cooperation and coordination between the CCC and the CAK.

Notably, the CAK has disputed any exclusivity of jurisdiction for the CCC and has, accordingly, insisted that transactions that have a regional dimension (and hence require notification to the CCC) must also be notified to the CAK. The MOU does not clarify this aspect and multi-jurisdictional transactions that require notification to the CCC and involve Kenya, must also be notified to the CAK.

The Competition (Amendment) Bill, 2016 was passed by Kenyan National Assembly on December 1, 2016 and assented to by the President of Kenya on December 23, 2016.

Regarding mergers, the Bill clarifies that a change of control can occur through the acquisition of an asset; introduces penalties for merging parties who submit incorrect information to the CAK as part of a merger filing; provides for a regime to revoke a merger approval or conditional merger approval if the decision was based on materially incorrect or false information; and introduces criminal liability for merging parties who implement a merger, despite the CAK revoking a merger approval (where the decision was based on false or misleading information or where the merging parties fail to comply with any conditions imposed by the CAK).

Namibia

Early in 2017, the merger filing fees payable to the Namibian Competition Commission were amended. The basis for calculation of merger filing fees remains substantially unchanged and a minor amendment was made to reflect the method of calculation of merger filing fees applied in practice - in particular, the "combined figure" is calculated by combining any combination of the turnover in, into and from Namibia or the assets (whichever is the higher) held in Namibia of the acquirer and target firm. The amendments to merger filing fees result in an overall increase in the merger filing fees payable for merger notifications in Namibia.

Investors in Africa should expect further developments in competition law across the continent as local, regional and African competition agencies continue to focus on implementing and enforcing competition legislation. ●

Elfar is a senior associate with Baker McKenzie, Cairo, and Engelbrecht a senior associate, Competition with Baker McKenzie Johannesburg.

Uganda M&A activity rises as politics settle and economy recovers

DANIEL GUNTANGO

Renewed political stability, investor-friendly tax relief and slowly recovering commodity prices have seen Uganda enjoying an uptick in merger and acquisition activity so far in 2017.


Gantungo

The economy is looking up and the M&A environment is quite active compared with this time last year, with some major deals either completed or reaching completion. Among the transactions announced are Tullow Oil Uganda's $900m asset sale to a joint venture between Total of France and the China National Offshore Oil Corporation (CNOOC), and Japanese paint company Kansai's $87,5m acquisition of Sadolin Paints Uganda.

Deals are also under way in Uganda's insurance, healthcare and renewable energy sectors and the heightened M&A activity partly reflects the country's improved economy and greater political stability since last year's elections.

There has been a slight recovery in commodity prices, mainly in oil prices, which has injected excitement into the energy-related market, especially in oil and gas, as we have seen from the Tullow Oil megadeal.

Uganda's improving political stability is also helping the M&A environment. Election and post-election fever has cooled off and we are now in a settled period, which has contributed to the recent increase in transaction activity. There is still some unpredictability however; this is the President's last term and it is not yet known if he will seek to change the constitution to allow him to continue in office after turning 75 or if there will be a change in President - but that is still four years away.

Tax breaks back for industrial investment

Government is hoping to stimulate investment in Ugandan industrial parks and manufacturing as a whole by reintroducing tax incentives. The tax incentives that were repealed in 2014 are coming back, according to the draft Tax Amendment Bills published in the Uganda Gazette on March 30, 2017.

The tax breaks are specifically for investment in industrial buildings and plant machinery. Subject to a few exceptions, a person who puts plant and machinery into service for the first time outside a 50km radius of the capital city of Kampala is entitled to a 50% deduction on gross income before tax. Similarly, a person who puts a new industrial building into service (irrespective of location) for the first time is entitled to a 20% deduction of the cost base of the building.

The tax incentive is being reintroduced to stimulate industrial development, interest in which has not been as great as government had perhaps hoped.

There has been a slight recovery in commodity prices, mainly in oil prices, which has injected excitement into the energy-related market, especially in oil and gas, as we have seen from the Tullow Oil megadeal.

Tax relief is also in the pipeline for Uganda's fast-growing casino and sports betting sector, where growth has been exponential in the past 10 years. The tax on these operators is being reduced from 35% to 20% and government is reintroducing 15% withholding tax on gambling winnings.

Labour and pension issues in the spotlight

Two issues that should be on the radar of companies undertaking mergers or acquisitions in Uganda are labour law matters and pending changes in the country's pension laws.

Although unionisation is low and the unions in Uganda are relatively weak, labour issues do occur and have led to delays in transactions. Usually, this has been about pension or employment benefits, or job security, prompting a few employees to act.

In 2012, four Shell Uganda employees went to court to block the sale of the company, saying they had not been consulted. In 2014, more than 400 Uganda Orange were granted an urgent injunction halting a transfer of a majority stake to Africell until a dispute over retirement benefits had been settled.

As far as pensions regulation is concerned, liberalisation is on the agenda. Pensions liberalisation legislation is going through parliament at the moment to remove the monopoly of the National Social Security Fund and make provision for private pension providers.

Currently, even when companies operate private pension schemes, they are obliged to contribute to the National Social Security Fund unless they obtain a special waiver from the minister. This will no longer be the case under the new dispensation.

Another new development, this time in the insurance sector, is the overhauling of the entire Insurance Act, which is being repealed and replaced. The new Act, which is intended to bring about stronger regulation in the insurance sector, awaits Presidential assent. All in all, business is brisk in Uganda as an integral part of the dynamic, vibrant East Africa region. ●

Gantungo is a partner at Bowmans in Uganda.

Transversing the boundaries of competition law

Understanding regulatory risk is imperative when doing business in Africa

MMADIKA MOLOI AND ELISHA BHUGWANDEEN

In the current times of widespread economic uncertainty, managing regulatory risk is no easy feat. The multi-faceted aspects of competition law add to the challenge and pose unique complexities when doing business in Africa, particularly from a mergers and acquisitions perspective. Competition law across Africa is evolving at a rapid pace and being cognisant of potential competition law regulatory hurdles will enable businesses to exercise vigilance and adopt proactive strategies to manage legal risk. .

In instances where parties wish to acquire businesses or expand operations in Africa, certain transactions may not be implemented until they have been reviewed and approved by the relevant competition regulator in the country involved. The primary purpose of the assessment is to ascertain the effect of the merger on competition in a country or within a region. Such regulatory requirements

may impact a number of aspects of any proposed transaction, including the suspensive conditions, the proposed closing date and the conduct of the merger parties until such time as the transaction has been approved by the relevant competition regulator.


Moloi


Bhugwandeen

Understanding the competition law climate

In our experience, a fundamental first step is to understand the competition law climate in the relevant African jurisdictions. In comparison to other areas of law, competition law in most African countries is still at its early stages of development, although steady strides are being made. A recent World Bank Group Report[1] states that the number of jurisdictions with competition law in Africa has tripled in 15 years. Countries such as Algeria, Botswana, Cameroon, Egypt, Ethiopia, Kenya, Malawi, Mauritius, Namibia, Swaziland, Tanzania, Tunisia, Zambia and Zimbabwe all have merger control regimes.

Countries such as Ghana, Mozambique and Rwanda are on the brink of establishing competition regulators and many countries that do not have an active merger control regime, have some form of draft legislation waiting in the wings. Although much of Western Africa is yet to implement competition law legislation, there is no doubt that the drive for competition law and active merger control regimes will accelerate in the years to come.

To add to the complexity, merger filings may also need to be submitted to regional bodies, such as the Common Market for Eastern and Southern Africa (COMESA) Competition Commission, in circumstances where the proposed transaction meets certain prescribed regional dimension and financial threshold tests.

Understanding the consequences of non-compliance

Ignorance of merger control requirements in a particular country is no excuse and, in some instances, the consequences of failing to notify a merger or implementing a merger before approval are potentially severe. Parties may be liable for fines of up to 10% of their turnover or in some instances, criminal sanctions. Furthermore, transactions that span across a number of jurisdictions usually receive media attention and it is not uncommon for merger parties to be called upon to notify (or face sanctions) in certain jurisdictions.

Understanding the practical considerations

Timing is imperative to planning effectively and managing stakeholder expectations in relation to a proposed transaction. In our experience, competition regulators in countries such as Botswana have approved mergers in a matter of weeks, while in other jurisdictions, such as COMESA, the maximum review periods are often utilised. That being said, in some jurisdictions such as Zimbabwe and Ethiopia there are no prescribed statutory review periods. Accordingly, timing and processes are not always clear, and non-competition law related issues can derail or delay the process. In some instances these hurdles can be attributed to a lack of capacity or inexperience on the part of domestic regulators. We would caution that it is critical to ensure that the agreements which give effect to the proposed merger include appropriate suspensive conditions providing for approval by the appropriate competition authority and that any proposed closing date makes provision for the applicable review period.

Given the gravity of the consequences discussed above, parties are also cautioned to become increasingly vigilant in ensuring that there is no risk of prior implementation of a transaction. Generally, "implementation" may be said to occur where the acquiring firm is able to determine or influence key matters (typically strategy, budgets and management) related to the business of the target firm; and/ or the business activities of the merger parties are co-ordinated in some way, usually through the exchange of what is commonly referred to as "competitively sensitive information". Competitively sensitive information generally relates to a party's current/ recent pricing, customers or suppliers, business and marketing or sales strategies, detailed costs or profits, output and distribution channels.

Understanding complexities and preparing for all eventualities

The economic and political climate within a jurisdiction may also have an effect on the manner in which the merger is assessed and the type of conditions imposed. In countries such as South Africa, we have seen far-reaching, expansive conditions being imposed, such as the establishment of development funds, and commitments to B-BBEE ownership and local procurement. In other jurisdictions, conditions primarily relate to employment and commitments to local supply. The Botswana Competition Authority recently issued a notice requesting additional information from merger parties in respect of employment creation opportunities, citizen empowerment initiatives, SMME advancement, skills transfer and consumer benefits. In Kenya, the Competition Authority of Kenya recently approved the transaction between Giro Commercial Bank by I&M Holdings Ltd - subject to retention of the 108 Giro Commercial Bank employees. We anticipate that public interest related conditions will begin to feature more prominently in mergers across African jurisdictions in 2017.

Preparation is key and compliance is unavoidable

Over the past year, competition authorities across Africa have entered into a number of cooperation agreements to ensure collaboration and strengthen the effective enforcement of competition law. As a result, the net is growing wider and high profile multi-jurisdictional transactions may not escape scrutiny. There can be no doubt that advanced preparation is the only effective way to navigate the murky waters of merger control across Africa. ●

Moloi is a partner and Bhugwandeen a professional support lawyer with Webber Wentzel.

[1] The World Bank Group.2016, "*Breaking Down Barriers: Unlocking Africa's Potential through Vigorous Competition Policy*", Washington, DC: World Bank Group

Competition agencies work together in Africa

CLAIRE REIDY

A growing number of African competition authorities are working together to promote coordination and harmonisation of national and regional laws and policies, holding out the prospect of smoother deal flows across the continent. The key to their success will be their ability to maintain their integrity, both individually and collectively.


Reidy

Encouraging and safeguarding competition in African markets, through the active involvement of competition authorities, is one of the key ingredients for sustainable development in Africa. A lack of competition would stifle economic growth and welfare distribution, and worsen poverty. While competition authorities play a central role in ensuring competition in national markets, cooperation between these agencies (both across national borders and regionally) is important for greater effectiveness and alignment.

In recent years, competition laws and enforcement agencies have been on the increase across Africa, as has the advent of active regional or supranational competition agencies such as the Common Market for Eastern and Southern Africa (COMESA) Competition Commission. COMESA also overlaps with two other trade blocs, the Southern African Development Community (SADC) and the East African Community (EAC). The EAC Competition Authority has already been constituted and is expected to be operational in the near future.

The role of the supranational agencies is significant when it comes to dealing with cross-border activity, such as merger control and the detection and combatting of anti-competitive practices in Africa. The establishment of regional competition rules and organisations requires businesses to adopt a pan-African approach to assessing risks and compliance with (sometimes overlapping) competition laws.

Over the past 18 months, 25 competition regulators in Africa and BRICS have signed more than 10 memoranda of understanding (MoUs) to facilitate cooperation between competition regimes on competition policy and enforcement. One regional grouping that has been particularly active is the COMESA Competition Commission. It has signed MoUs with competition authorities in Egypt, Kenya, Madagascar, Malawi, Seychelles, Swaziland and Zambia, among others. These MoUs are aimed at fostering relationships between agencies, sharing information and harmonising, to greater and lesser degrees, regional and national laws and policies, so that markets remain competitive and deals proceed smoothly and efficiently.

The key to the success of both regional and national competition authorities is maintaining the integrity of the agencies. This includes adopting an engaging rather than adversarial or punitive approach to market participants. It also involves implementing a pragmatic and "substance-over-form" approach in appropriate circumstances, for instance where agencies have overlapping jurisdictions or different requirements in relation to information to be provided by parties to a transaction or under investigation. Agencies should also share the positive aspects of a transaction, and not only concerns, with other agencies and with the businesses themselves, in order to achieve a well-balanced and fair determination when assessing mergers or anti-competitive practices. •

Reidy is a partner in the Competition Practice at Bowmans.

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

M&A action shifts from West to East Africa

Despite market deal volumes being down by nearly a third for Africa M&A in 2016, there was an increase in M&A instructions in Africa in the same period.

The power sector was particularly active in Africa in 2016, with the firm acting on almost twice as many deals in the sector as in the previous year.

The power sector was particularly active in Africa in 2016, with the firm acting on almost twice as many deals in the sector as in the previous year. Other sectors which saw significant growth were agribusiness and education, with performance in financial services remaining strong.

There was also a noticeable continental deal shift from West to East Africa. While concerns over FX risk and an economy adjusting to a sustained period of low oil prices dampened appetite for M&A in Nigeria, Kenya and other East African jurisdictions became more favoured investment destinations.

Delivering deals in difficult markets requires investors to be creative in their approach to agreeing and structuring transactions. There has been an increased use of bespoke purchase price mechanisms to protect against key risks and to bridge valuation gaps.

Other risk mitigation strategies include investing in countries perceived to be regional hubs through which growth in nearby economies can be accessed, and establishing multi-jurisdictional platforms to build scale and a natural hedge against FX and individual country risk.

Multiple years of significant economic growth have made Kenyan companies operating in many sectors appealing targets for international private equity houses.

Despite some high profile bank failures in the region, businesses active in the insurance and broader financial services sector continue to attract new capital. A surge of investment in off-grid solar companies has cemented East Africa's reputation as a global leader in this rapidly growing industry. •

Clifford Chance is an international law firm, **this is an extract from its recent annual Global M&A Trends report, "A Global Shift".**

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.

RANKING THE TOMBSTONE PARTIES Q1 2017

RANKINGS BY VALUE

INVESTMENT ADVISERS*

No	Company	Values $'m	Market Share %
1	Morgan Stanley	900	38,08%
	Rothschild	900	38,08%
3	BMO Capital Markets	400	16,92%
4	Standard Bank Group	53	2,22%
5	GMP FirstEnergy Capital	30	1,27%
6	Coast2Coast Capital	29	1,22%
7	Verdant Capital	23	0,97%
8	Cytonn Advisory	10	0,41%
	I&M Burbidge Capital	10	0,41%
10	Beaumont Cornish	7	0,30%
11	N+1 Singer	2	0,08%
12	Sasfin Capital	1	0,02%
13	BellHouse Capital	undisclosed	n/a
	Cantor Fitzgerald Europe	undisclosed	n/a
	Citi	undisclosed	n/a
	FBN Capital	undisclosed	n/a
	IC Securities	undisclosed	n/a
	Investment One Financial Services	undisclosed	n/a
	KPMG	undisclosed	n/a
	MCB Capital Markets	undisclosed	n/a
	Pratul Shah	undisclosed	n/a

LEGAL ADVISERS

No	Company	Values $'m	Market Share %
1	Dentons	900	27,26%
	DLA Piper	900	27,26%
	Latham & Watkins	900	27,26%
4	Aird & Berlis LLP	400	12,12%
5	Bowmans	76	2,30%
6	ENSafrica	52	1,57%
7	Tugendhaft Wapnick Banchetti	35	1,06%
8	Cliffe Dekker Hofmeyr	29	0,87%
9	Taibjee and Bhalla	10	0,29%
10	Anjarwalla & Khanna	undisclosed	n/a
	Banwo & Ighodalo	undisclosed	n/a
	Bentsi-Enchill, Letsa & Ankomah	undisclosed	n/a
	C&A Law	undisclosed	n/a
	Crosswrock Law	undisclosed	n/a
	Debevoise & Plimpton	undisclosed	n/a
	N. Dowuona & Co	undisclosed	n/a
	Norton Rose Fulbright	undisclosed	n/a
	Pelesa and Associates	undisclosed	n/a
	Watson Farley & Williams	undisclosed	n/a
	Webber Wentzel	undisclosed	n/a

RANKINGS BY FLOW (ACTIVITY)

No	Company	No	Market Share %	Values $'m
1	Citi	3	12,50%	undisclosed
2	Beaumont Cornish	2	8,33%	7
3	Morgan Stanley	1	4,17%	900
	Rothschild	1	4,17%	900
	BMO Capital Markets	1	4,17%	400
	Standard Bank Group	1	4,17%	53
	GMP FirstEnergy Capital	1	4,17%	30
	Coast2Coast Capital	1	4,17%	29
	Verdant Capital	1	4,17%	23
	I&M Burbidge Capital	1	4,17%	10
	Cytonn Advisory	1	4,17%	10
	N+1 Singer	1	4,17%	2
	Sasfin Capital	1	4,17%	1
	Cantor Fitzgerald Europe	1	4,17%	undisclosed
	IC Securities	1	4,17%	undisclosed
	BellHouse Capital	1	4,17%	undisclosed
	Pratul Shah	1	4,17%	undisclosed
	KPMG	1	4,17%	undisclosed
	Investment One Financial Services	1	4,17%	undisclosed
	MCB Capital Markets	1	4,17%	undisclosed
	FBN Capital	1	4,17%	undisclosed

No	Company	No	Market Share %	Values $'m
1	Bowmans	8	25,00%	76
2	Cliffe Dekker Hofmeyr	3	9,38%	29
3	Latham & Watkins	2	6,25%	900
	ENSafrica	2	6,25%	52
	Anjarwalla & Khanna	2	6,25%	undisclosed
6	Dentons	1	3,13%	900
	DLA Piper	1	3,13%	900
	Aird & Berlis LLP	1	3,13%	400
	Tugendhaft Wapnick Banchetti	1	3,13%	35
	Taibjee and Bhalla	1	3,13%	10
	Banwo & Ighodalo	1	3,13%	undisclosed
	Bentsi-Enchill, Letsa & Ankomah	1	3,13%	undisclosed
	C&A Law	1	3,13%	undisclosed
	Crosswrock Law	1	3,13%	undisclosed
	Debevoise & Plimpton	1	3,13%	undisclosed
	N. Dowuona & Co	1	3,13%	undisclosed
	Norton Rose Fulbright	1	3,13%	undisclosed
	Pelesa and Associates	1	3,13%	undisclosed
	Watson Farley & Williams	1	3,13%	undisclosed
	Webber Wentzel	1	3,13%	undisclosed

* Investment Advisers incorporating Financial Advisers and others claiming this category

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Africa							
Disposal by	Wendel to Capital Group Private Markets of a 35% stake in Tsebo					undisclosed	Jan 4
Disposal by	Europ Assistance to International SOS of International Health Solutions which operates in Angola, Chad and Niger					undisclosed	Jan 12
Acquisition by	Capitalworks from Aon of Aon's shareholding in 10 employee benefit, insurance and reinsurance brokerage operations in Angola, Kenya, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Uganda and Zambia			Bowmans		undisclosed	Feb 20
Disposal by	Glencore to Trevali Mining of a portfolio of Zinc assets	BMO Capital Markets		Aird & Berlis LLP		$400m	Mar 13
East Africa							
Acquisition by	Kansai Plascon Africa of Sadolin Paints' operations in Kenya, Uganda, Tanzania, Zanzibar and Burundi	Citi		Bowmans		undisclosed	Feb 7
North Africa							
Acquisition by	SDX Energy of Circle Oil Egypt (with holds a 40% interest in the NW Gemsa concession) and Circle Oil Maroc (which holds a 75% stake in both the Sebou and Lalla Mimouna concessions) from Circle Oil Jersey	GMP FirstEnergy Capital				$30m	Jan 24
Southern Africa							
Acquisition by	Ascendis Health from Cipla India of the southern African veterinary operations (Cipla Vet and Cipla Agrimed)	Coast2Coast Capital	Investec Bank	ENSafrica; Cliffe Dekker Hofmeyr		R375m	Mar 6
Acquisition by	The Direct Pay Online Group (DPO) of the Botswana and Namibia operations of Virtual Card Services					undisclosed	Mar 9
Acquisition by	China Sinopec from Chevron of 75% stake in Chevron South Africa and 100% stake in Chevron Botswana	Rothschild (SA); Morgan Stanley		DLA Piper (London); Latham & Watkins (London)		$900m	Mar 29
Benin							
Acquisition by	Moringa SICAR SCA of a stake in Tolaro Global					undisclosed	Jan 11
Burkina Faso							
Disposal by	Injaro Investments of its remaining 30% stake in NAFASO SA					undisclosed	Feb 16
Côte d'Ivoire							
Acquisition by	DekelOil of the remaining 14,25% stake in CS DekelOil Siva from Biopalm Energy	Cantor Fitzgerald Europe	Beaufort Securities; Optiva Securities			€469 780	Jan 9
Acquisition by	Endeavour Mining of and additional 25% stake in the Ity mine from SODEMI (total stake increased to 80%)					to be advised	Mar 22
Acquisition by	Eni of a 90% stake in two offshore exploration blocks (CI-101 and CI-205)					undisclosed	Mar 22
DRC							
Disposal by	BSI Steel Africa (BSI Steel) to The Willberfies Trust of Prosteel Investissements	Sasfin Capital	Sasfin Capital			$500 000	Feb 7
Acquisition by	Glencore from Flerette Group of a 31% stake in Mutanda Mining and a further 10,3% interest in Katanga Mining	Barclays Africa				$960m	Feb 15
Joint Venture	Cape Lambert Resources and Paragon Mining : to develop the Kipushi Cobalt Copper Tailings Project, The Kasombo Copper Cobalt Projects and operate the Kipushi Processing Plant (50:50)			Pelesa and Associates		undisclosed	Feb 21
Egypt							
Acquisition by	Nestle of Caravan Marketing Company					undisclosed	Jan 17
Acquisition by	EOH from shareholders of a 50% stake in ASSET (Egypt, UAE and Saudi Arabia), aSAY Group (Turkey, Azerbaijan and Uzbekistan), Metro CIS (Dubai), Virtuoso Consulting (UAE and Bahrain)		Merchantec Capital			undisclosed	Jan 27
Investment by	Africa Finance Corporation in Carbon Holdings					$25m	Mar 9
Ethiopia							
Acquisition by	Bagir of the remaining 50% shareholding in Nazareth Garments	N+1 Singer	N+1 Singer			$1,9m	Feb 6
Investment by	The Norwegian Investment Fund for Developing Countries (Norfund) in Verde Beef Processing					$7,4m	Mar 24
Gabon							
Acquisition by	Assala Energy (Carlyle Group) of Shell's onshore assets in Gabon					$587m	Mar 24
Gambia							
Disposal by	Erin Energy to FAR of an 80% interest and operatorship of offshore A2 and A5 blocks in Gambia		Sasfin Capital			$5,18m	Mar 27
Ghana							
Acquisition by	QG Africa Hotel (Quantum Global) of the Mövenpick Ambassador Hotel Accra from Knigdom Holding Company					undisclosed	Jan 10
Acquisition by	Letshego of 100% of afb Ghana from Jumo World	Verdant Capital		ENSafrica		$23m	Jan 13
Acquisition by	The Beige Group of Universal Pensions Master Trust					undisclosed	Jan 13

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Ghana (continued)							
Joint Venture	Imperial Logistics (Imperial) and LMI Holdings : Imperial LMI Logistics					undisclosed	Jan 20
Joint Venture	Gulf Industrials and Cassius Mining iro the Gbane gold project in Bolgatanga (20% : 80%)					$1m plus 75m Gulf shares	Jan 25
Disposal by	Development Partners International of it's 27,7% stake in CAL Bank to Arise	IC Securities		Norton Rose Fulbright; N. Dowuona & Co; Webber Wentzel; Bentsi-Enchill, Letsa & Ankomah		undisclosed	Feb 12
Merger of	Tigo Ghana (Millicom International) and Airtel Ghana (Bharti Airtel)					undisclosed	Mar 3
Kenya							
Acquisition by	Cytonn Investments of a 25% stake in Superior Homes (Kenya)	I&M Burbidge Capital; Cytonn Advisory		Bowmans; Taibjee and Bhalla	Grant Thornton	Ksh1bn	Jan 31
Acquisition by	Nation Media Group of KenyaBuzz (including its subsidiary - UgandaBuzz)					undisclosed	Feb 1
Acquisition by	Imperial Logistics (Imperial) of a 70% stake in Surgipharm		Merrill Lynch	Tugendhaft Wapnick Banchetti; Bowmans		$35m	Feb 15
Acquisition by	Amethis Finance and Metier of a significant minority stake in the Kenafric packaged food business	BellHouse Capital; Pratul Shah; KPMG		Bowmans; Anjarwalla & Khanna		undisclosed	Feb 20
Acquisition by	Lake Oil of Hashi Energy					undisclosed	Feb 20
Disposal by	General Motors co to Isuzu Motors of its 57,7% stake in General Motors East Africa					undisclosed	Mar 1
Acquisition by	Seven Seas of the assets of Coast Hauliers			Bowmans; Anjarwalla & Khanna		undisclosed	Mar 5
Investment by	CDC and IFC in Africa Logistics Properties					$35m	Mar 10
Acquisition by	Ascent Capital of a stake in Kisumu Concrete Products					undisclosed	Mar 16
Acquisition by	Diamond Trust Bank of Kenya of Habib Bank in Kenya					Ksh1,8bn	Mar 21
Acquisition by	Public Investment Corporation of an additional 5.33% stake in Kenya Electricity Generating Company (KenGen)			Bowmans		Ksh2,3bn	Mar 22
Acquisition by	Sanlam Emerging Markets (Sanlam) from PineBridge Investments of a major stake in PineBridge Investments East Africa (PIEAL), Kenya					undisclosed	Mar 22
Listing of (Secondary)	Newgold ETF's : 400 000 gold bullion debentures		Barclays Financial Services	Mboya Wangong'u & Waiyaki		KSH494m	Mar 27
Investment by	Credtinfo in Alternative Circle					$1,1m	Mar 27
Acquisition by	Healthcare Global Enterprises subsidiary of a majority stake in Cancer care Kenya					undisclosed	Mar 29
Lesotho							
Acquisition by	Lucapa Diamond Company of a 70% stake in Mothae Diamonds which holds the mining lease and other assets to the Mothae Kimberlite Diamond Project			Bowmans		$9m	Jan 31
Malawi							
Acquisition by	CDC and AgDevCo of a stake in Jacoma Estates					$11,5m	Mar 20
Mali							
Acquisition by	AfricInvest III of a stake in Azalaï Hotels					€17,3m	Jan 3
Acquisition by	Shandong Mingrui of a 100% stake in the Bougouni Lithium Project from Birimian					A$107,5m	Jan 3
Mauritius							
Acquisition by	SGG Group of CIM Global Business	MCB Capital Markets				undisclosed	Mar 23
Acquisition by	Imara Trust of 100% of FiducieForte Management Services			C&A Law		undisclosed	Mar 26
Morocco							
Disposal by	CDG Capital Private Equity of its stake in Intelcia to Altice Group					undisclosed	Jan 10
Mozambique							
Acquisition by	Mustang Resources of a 65% interest in a new Ruby license (License 8245L) which borders its existing Montepuez Project					$100 000 plus 30m Mustang shares	Feb 28
Acquisition by	ExxonMobil of a 35,7% stake in Eni East Africa which gives it a 25% indirect stake in Area 4, offshore					$2,8bn	Mar 9
Namibia							
Acquisition by	BW Kudu (BW Offshore) of a 56% stake in the Kudu offshore license (farm-in agreement)			Watson Farley & Williams		undisclosed	Feb 7

— Failed deal

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Namibia (continued)							
Acquisition by	Deep South Resources from Teck Namibia of the remaining 70% stake in Haib Minerals not already held					$400 000 plus 13,6m Deep South shares	Feb 14
Acquisition by	Stimulus Investments of a 67.6% stake in Khomas Solar Saver					undisclosed	Feb 17
Disposal by	Bannerman Resources of a 5% stake in the company to One Economy Foundation					undisclosed	Mar 14
Joint Venture	Auroch Minerals and Dynamic Geo-Consultig Services cc : 90% : 10% iro EPL 5751 in the Erongo region (exercise of option)					$27 500 plus 100 000 Auroch shares	Mar 22
Project financing by	Global Climate Partnerships Fund to Aloe Investments Number Twenty seven iro a 5 megawatt Solar Plant at Rosh Pinah			Webber Wentzel		undisclosed	not announced Q1
Acquisition by	CA Sales (PSG) from A Wulow Trading Company of the remaining 50% stake in Wulow			Cliffe Dekker Hofmeyr		undisclosed	not announced Q1
Nigeria							
Share swap	MTN and IHS Group : 51% stake in Nigeria Tower InterCo for a further 14% stake in HIS Group	Citigroup Global Markets				undisclosed	Feb 1
Acquisition by	Elixir Global Manufacturing of 100% of the Procter & Gamble Ibadan Healthcare Plant					undisclosed	Feb 4
Disposal by	Access Bank of its 17,65% stake in Stanbic IBTC Pension Managers to Stanbic IBTC	Stanbic IBTC Capital				$52,5m	Feb 10
Acquisition by	Bizfeat Ventures of a 7,4% stake in Paints and Coatings Manufacturers Nigeria from The Asset Management Corporation of Nigeria (AMCON)					NGN61,593m	Feb 13
Acquisition by	Silvertree Internet of TopCheck					undisclosed	Feb 16
Acquisition by	Private investors of Universal Steel	Investment One Financial Services				undisclosed	Feb 20
Acquisition by	Liberty of a 75% stake in Nigerian long-term insurer					R160m	Feb 24
Investment by	Sahel Capital and CardinalStone Capital Advisers in Crest Agro Products					undisclosed	Mar 1
Acquisition by	TA Associates of a minority stake in Interswitch from Helios Investment Partners			Latham & Watkins; Debevoise & Plimpton		undisclosed	Mar 6
Acquisition by	Hygeia Nigeria of Gold Cross Hospital and Gold Cross MRI Diagnostics					undisclosed	Mar 7
Acquisition by	Biogaran of Swiss Pharma Nig (Swipha)					undisclosed	Mar 21
Acquisition by	Sigma Gold Nigeria and Riverbank Investment Resources of the entire issued share capital of Keystone Bank	Citibank Nigeria; FBN Capital		Banwo & Ighodalo; Crosswrock Law		undisclosed	Mar 21
Republic of the Congo							
Disposal by	Cape Lambert Resources of its 100% owned royalty in the Mayoko iro ore project					$1m	Feb 13
Rwanda							
Acquisition by	Madhvani group of the Umubano Hotel					$20m	Feb 14
Senegal							
Disposal by	Millicom of its Tigo business in Senegal to Wari Group					$129m	Feb 7
Acquisition by	Godrej Consumer Products of the remaining 49% of Weave Senegal					undisclosed	Mar 14
Tanzania							
Acquisition by	African Infrastructure Investment Managers of a 60% effective interest in DSM Corridor Group Tanzania					undisclosed	Feb 2
Acquisition by	Solo Oil of a 10% stake in Helium One	Beaumont Cornish	Beaumont Cornish; Shore Capital; Beaufort Securities			£2,55m	Mar 22
Acquisition by	Danone of the remaining 60% stake in Brookside Dairy's Tanzanian dairy business					undisclosed	Mar 27
Uganda							
Disposal by	Tullow oil of a 21,57% stake of the Lake Albert project licenses to Total E&P Uganda			Dentons		$900m	Jan 9
Acquisition by	dfcu Bank of some of the assets and liabilities of Crane Bank from Bank of Uganda					undisclosed	Jan 31
Zambia							
Acquisition by	ADvTECH of a 51% stake in the University of Africa, Zambia		Bridge Capital	Cliffe Dekker Hofmeyr		undisclosed	Jan 30
Acquisition by	Varun Beverage of an additional 30% stake in Varun Beverages (Zambia). Total stake now 90%					undisclosed	Feb 23
Acquisition by	Argonaut Resources of an additional 25% stake in the Nyungu copper-cobalt deposit (part of the Lumwana West project)					$4m	Feb 28
Disposal by	African Energy Resources of its Zambian uranium projects to GoviEx Uranium					3m GoviEx shares plus 1,6m warrents	Mar 7
Zimbabwe							
Disposal by	Vast Resources of 49,99% of its 50% stake in the Pickstone-Peerless Gold Mine and the Giant Gold Mine to SSA Group	Beaumont Cornish	Brandon Hill Capital; Peterhouse Corporate Finance			$4m	Jan 30
Disposal by	Zimplats (Impala Platinum) to employees of a 10% stake in Zimbabwe Platinum Mines					$95m	Feb 1