

**COMPETITION TRIBUNAL  
REPUBLIC OF SOUTH AFRICA**

**Case no.: 15/LM/Mar05**

**In the large merger between:**

Investec Bank Ltd

and

Main Street 57 (Pty) Ltd, Corobrik (Pty) Ltd and Corovest (Pty) Ltd

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**Reasons**

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**Introduction**

On 26 April 2005 the Competition Tribunal unconditionally approved the merger between Investec Bank Ltd and Main Street 57 (Pty) Ltd, Corobrik (Pty) Ltd and Corovest (Pty) Ltd. The reasons are set out below.

**The transaction**

This transaction is an equity investment transaction by the Private Equity Division of Investec Bank Limited for investment purposes. The primary acquiring firm is Investec Bank Limited ("Investec") and the target firms are Main Street 57 (Pty) Ltd ("Main Street"), its wholly owned subsidiary Corobrik (Pty) Ltd ("Corobrik") and Corovest (Pty) Ltd ("Corovest"). The latter is controlled by SBS Investments Ltd.

Investec will acquire –

- the entire issued share capital of Corovest, which holds 29.99% of the share in Main Street;
- 1.33% of the shares in Main Street from Capstone; and
- 16% of the shares in Main Street from SBM.

This will result in Investec holding a total interest of 47.32% in Main Street.<sup>1</sup> The remaining shares in Main Street will be held by:

- |                                      |        |
|--------------------------------------|--------|
| • Capstone 240 (Pty) Ltd             | 13.67% |
| • Coromanco (Pty) Ltd                | 14%    |
| • Eglin Investments No. 31 (Pty) Ltd | 25.01% |

### **Competitive assessment**

There is no horizontal overlap in the activities of the merging parties since they operate in different market sectors.

Investec is involved in the broad financial services market and provides a diverse range of financial products and services, which include investment banking, treasury and a range of specialised finance services to private clients.

Main Street and Corobrik are involved in the manufacture and marketing of face bricks, non-face bricks, clay pavers, concrete pavers and concrete blocks. Corovest is an investment holding company. Its only investment is its shareholding in Main Street.

Since the merging parties are not involved in the same relevant product markets we found that the transaction is unlikely to substantially prevent or lessen competition in the relevant markets.

### **Public Interest**

The merger would not result in any job losses.

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24 May 2005  
**Date**

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<sup>1</sup> Investec may, at its election, sell up to a maximum of 10% of its shareholding in Main Street to Mr Gary Zulberg in his personal capacity.

Concurring: D Lewis and N Manoim