

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 92/LM/Aug08

In the matter between:

RTZ Zeply 5504 (Pty) Ltd

Acquiring Firm

and

Dynamic Bedding (Pty) Ltd

Target Firms

Dyna Mattress (Pty) Ltd

Panel : D Lewis (Presiding Member), Y Carrim (Tribunal Member) and N Manoim (Tribunal Member)

Heard on : 8 October 2008

Order issued on : 8 October 2008

Reasons issued on : 24 November 2008

Reasons for Decision

Introduction

- [1] On 8 October 2008 the Tribunal approved the acquisition by RZT Zeply 5504 (Pty) Ltd of Dynamic Bedding (Pty) Ltd and Dyna Mattress (Pty) Ltd. The reasons follow below.

The transaction and parties

- [2] RTZ Zeply 5504 (Pty) Ltd ("RTZ Zelpy") is a newly formed company which is controlled by Corvest 6 (Pty) Ltd, a subsidiary of FirstRand Limited.
- [3] The primary target firms are Dynamic Bedding (Pty) Ltd ("Dynamic Bedding") and Dyna Mattress (Pty) Ltd ("Dyna Mattress") which are controlled by Richard Meyer Family Trust.

[4] Post the transaction the shareholding in RTZ Zeply will be:

- Covest 6 80 %
- Management 20%

Rationale for the transaction

[5] According to the owner of the target firms the transaction presents an ideal opportunity to exit the businesses while ensuring management's participation. Corvest regards the transaction as an attractive investment opportunity.

Effect on Competition

[6] There is no product overlap in the activities of the merging parties. Dynamic Bedding and Dyna Mattress are engaged in the manufacture, distribution and marketing of a wide range of bed bases and mattresses which is sold exclusively to 98 independently owned Bed City and Bed Shop franchisees located throughout South Africa. RTZ Zeply is a newly formed shelf company which has not traded before. It forms part of the FirstRand Group which is a specialist banking group that provides a diverse range of financial products and services. It is not involved in the target firms' product markets.

[7] The proposed transaction is therefore unlikely to substantially prevent or lessen competition.

PUBLIC INTEREST

[8] The transaction does not raise any significant public interest concerns.

D Lewis

24 November 2008
Date

N Manoim and Y Carrim concurring.

Tribunal Researcher: R Badenhorst

For the merging parties: Cliffe Dekker Hofmeyr

For the Commission: K Mahlakoane and A Constantinou