



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 74/LM/Oct09

In the matter between:

TP Hentiq 6128 (PT) LTD
And

Acquiring Firm

PARTCORP HOLDINGS LTD

Target Firm

Panel	:	N Manoim (Presiding Member), A Wessels (Tribunal Member) and A Ndoni (Tribunal Member)
Heard on	:	09/12/2009
Order issued on	:	09/12/2009
Reasons issued on	:	22/12/2009

Reasons for Decision

Approval

[1] On 9 December 2009 the Tribunal unconditionally approved the merger between the above mentioned parties. The reasons follow below.

The Transaction

- [2] The primary acquiring firm is TP Hentiq 6128 (“Holdco”), a new shelf company which is wholly owned subsidiary of Corvest 6 (Pty) Ltd (“RMB Corvest”), which is ultimately controlled by FirstRand Ltd. Holco wholly owns TP Hentiq 6129 (“Opco”) which is also a newly formed shelf company.
- [3] The target firm is Partcorp Holdings Ltd (“Autozone”) which is controlled by Super Group Trading (Pty) Ltd, a wholly owned subsidiary of Super Group Ltd.
- [4] The transaction has two steps to it. In the first step RMB Corvest will form Holdco in which it will hold 100% of the shares. Holdco will then acquire 100% of the shares in Autozone. After this acquisition the shareholding in Holdco will be distributed in the following manner: the current management of Autozone – 40.5%; Zico, a wholly owned subsidiary of Zungu Investments Company - 25.1%; Hilton Mer – 3.76%. RMB Corvest’s shareholding in Holdco will consequently be reduced to 30.64%. In the second step Opco which is wholly owned subsidiary of Holdco, will acquire the business and assets of Autozone.
- [5] The parties seek approval for both steps of the transaction, and at the hearing they explained that the way in which the transaction is structured is the most efficient from a commercial perspective.

The Rationale

- [6] RMB Corvest considers the transaction to be a good investment and growth opportunity for its investor funds. Super Group seeks to dispose of Autozone since it does not consider it as its core business asset.

The parties and their activities

- [7] Holdco and Opco are new shelf companies that have previously not traded. FirstRand Group is an international specialist banking group active in a range of financial products and services. Zico and Zungu are BEE private equity and investment funds which hold minority shares in different firms active in a variety of services, but not in the type of services provided by Autozone, which is a wholesaler and retailer of replacement parts, and supplier to the

automotive industry including, franchisees, independent spare shops, workshops, fleets and various outlets and chain stores in South Africa.

Competition Analysis

[8] The proposed transaction does not raise any competition concerns as there is no horizontal overlap in the activities of the merging parties, and no vertical concerns arise.

[9] In light of the above, we find that the transaction would not substantially prevent or lessen competition in any of the relevant markets.

CONCLUSION

[10] There are no significant public interest issues.

N Manoin
A Wessels and A Ndoni concurring

22/12/2009
DATE

Tribunal Researcher: Londiwe Senona
For the merging parties: Cliffe Dekker Hofmeyr
For the Commission: M Matsimela