



## COMPETITION TRIBUNAL OF SOUTH AFRICA

**Case No: 83/LM/Sep11**

In the matter between:

**CAPITAL PARTNERS GROUP HOLDINGS LTD**      Acquiring Firm

And

**PREMIER GROUP (PTY) LTD**      Target Firm

Panel : Andreas Wessels (Presiding Member)  
Andiswa Ndoni (Tribunal Member)  
Medi Mokuena (Tribunal Member)  
Heard on : 13 December 2011  
Order issued on : 13 December 2011  
Reasons issued on : 21 December 2011

### **Reasons for Decision**

#### **Approval**

- 1] On 13 December 2011 the Competition Tribunal ("Tribunal") approved the large merger between Capital Partners Group Holdings Ltd and Premier Group (Pty) Ltd. The reasons for approving the proposed transaction follow below.

#### **Parties to the transaction**

- 2] The primary acquiring firm is Capital Partners Group Holdings Ltd ("CPGHL"), a company incorporated in Mauritius. CPGHL is a wholly owned subsidiary of Brait Malta Ltd, which is in turn a wholly owned subsidiary of Brait Societe Anonyme ("Brait SA"). CPGHL is an investment holding company. The Brait group's

business involves the raising and management of investment funds classified as alternative assets.

- 3] The primary target firm is Premier Group (Pty) Ltd (“Premier”), a private company incorporated in terms of the laws of the Republic of South Africa. Premier is involved in the milling, selling, distribution and marketing of branded maize and flour products, the operation of wholesale bakeries and the baking, selling, distribution and marketing of bread for human consumption.

### **Proposed transaction and rationale**

- 4] Brait SA presently holds 49.9% of the issued share capital in Premier. In terms of a suite of agreements concluded, Brait SA will, through CPGHL, increase its shareholding in Premier to 62.5%.
- 5] According to the merging parties the proposed transaction will enable Premier to acquire a secure investor in CPGHL which will allow Premier to pursue investment and expansion opportunities.

### **Competition analysis**

- 6] There is no horizontal overlap in the activities of the merging parties or any vertical integration between the merging parties. Thus the proposed deal has no effect on competition in any relevant market.

### **Public interest**

- 7] The merging parties submitted that the implementation of the proposed merger will not have any adverse effect on employment in South Africa since there will be no retrenchments or redundancies arising as a result of the proposed merger.<sup>1</sup>
- 8] The Competition Commission’s investigation found that although there have been retrenchments at Premier, these retrenchments took place as a result of operational restructuring at Premier and are unrelated to this merger. The Commission at the Tribunal hearing confirmed that it contacted the relevant trade unions and that they did not raise any concerns in relation to the proposed merger.
- 9] No other public interest concerns arise as a result of the proposed merger.

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<sup>1</sup> See Form CC4(1), record page 12.

## CONCLUSION

10] We approve the proposed merger without conditions.

**ANDREAS WESSELS**

21 December 2011  
**DATE**

**Andiswa Ndoni and Medi Mokuena concurring**

Tribunal researcher: Thabo Ngilande  
For the merging parties: Read Hope Phillips Attorneys  
For the Commission: Lerato Monareng  
Seema Nunkoo