

COMPETITION TRIBUNAL SOUTH AFRICA

Case No: 78/LM/Jul08

In the matter between

Shock Proof Investments 145 (Pty) Ltd

Acquiring firm

And

Intaka Manufacturers (Pty) Ltd

Target firm

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

Heard on : 03 September 2008

Decided on : 03 September 2008

Reasons Issued : 02 October 2008

Reasons for Decision

Approval

[1] On 03 September 2008 the Competition Tribunal issued a Merger Clearance Certificate approving the merger between Shock Proof Investments 145 (Pty) Ltd and Intaka Manufacturers (Pty) Ltd unconditionally. The reasons appear below.

Parties

[2] The primary acquiring firm is Shock Proof Investments 145 (Pty) Ltd ("Shock Proof"), a company incorporated in accordance with the laws of the Republic of South Africa. Shock Proof is controlled by Mvelaphanda Holdings (Pty) Ltd ("Mvelaphanda").

[3] The primary target firm is Intaka Manufacturers (Pty) ("Intaka"), a company incorporated in accordance with the laws of the Republic of South Africa. Intaka is a wholly owned subsidiary of Intaka Tech (Pty) Ltd ("Intaka Tech").

Transaction

[4] In terms of the proposed transaction Shock Proof intends to acquire 50% of the issued share capital in Intaka from Intaka Tech. On completion of the proposed transaction Intaka will be jointly controlled by Shock Proof and Intaka.

Rationale of transaction

[5] From the acquiring firm's perspective the transaction will provide Mvelaphanda with access to the water purification, medical air business. The parties submit that the demand of these products and the inherent patented technology ensures a financially viable investment opportunity for Mvelaphanda.

[6] From the sellers perspective the rationale is that the merger will enable Intaka to achieve its Black Economic Empowerment ("BEE") objectives and will furthermore enable Intaka to have access to a broader target market for the purposes of marketing and selling its core products as a result of such improved BEE contributor status.

Parties Activities

[7] Shock Proof is a newly created special purpose vehicle and accordingly does not have any activities. Mvelaphanda is an investment holdings company that holds investments in a range of operating firms in the financial services, healthcare, construction and general industrial sectors, as well as mining and resources, property and information technology.¹

[8] The primary target firm manufacturers' portable water purification plants and oxygen generation plants.

Competition Analysis

[9] There is no overlap in the activities of the merging parties as the acquiring firm is not active in the provision of portable water purification plants and oxygen generation plants. We therefore agree with the Commission's conclusion that the proposed transaction is unlikely to substantially prevent or lessen competition. There are no public interest issues.

Conclusion

[10] Based on the above the transaction will not result in a substantial lessening or prevention of competition and is accordingly approved unconditionally.

D Lewis

Tribunal Member

N Manoim and Y Carrim concurring

Tribunal Researcher : Jabulani Ngobeni

02 October 2008

Date

¹ For a list of Mvelaphanda subsidiaries' activities please refer to pages 37-38 of the record.

For the merging parties : Edward Nathan Sonnenbergs
For the Commission : Themba Mahlangu (Mergers and Acquisitions)