

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 99/LM/Sep08

In the matter between:

Old Mutual Life Assurance Company SA Ltd
Ethos Private Equity Fund V

Acquiring Firms

and

Idwala Industrial Holdings (Pty) Ltd

Target Firm

Panel	:	D Lewis (Presiding Member), N Manoim (Tribunal Member) and M Mokuena (Tribunal Member)
Heard on	:	15 October 2008
Order issued on	:	15 October 2008
Reasons issued on	:	24 November 2008

Reasons for Decision

Introduction

- [1] On 15 October 2008 the Tribunal approved the acquisition by Old Mutual Life Assurance Company (SA) Ltd and Ethos Private Equity Fund V of Idwala Industrial Holdings (Pty) Ltd. The reasons follow below.

The transaction and parties

- [2] The primary acquiring firms, Old Mutual Life Assurance Company (SA) Ltd (“OMLACSA”) and Ethos Private Equity Fund V (“Ethos Fund V”), are acquiring 17.2% and 26.8% respectively in Idwala Industrial Holdings (Pty) Ltd (“Idwala”). Idwala will not be controlled by any single shareholder post the transaction. Idwala’s shareholders will be:

- Ethos Fund V 26.8%
- The Management Trust 26%
- OMLACSA 17.2%
- Tiswala 30%

[3] Ethos Fund V is a private equity company which through private equity funds makes investments on behalf of investors. It is advised by Ethos Private Equity Ltd. Ethos Fund V controls five companies namely: Brandcorp, Moresport, Plumblink, Busby and TiAuto.

[4] OMLACSA controls more than 22 subsidiaries and is ultimately controlled by Old Mutual PLC.

[5] Idwala controls the following firms:

- Idwala Investments (Pty) Ltd,
- Idwala Industrial (Pty) Ltd,
- Lewis & Everett (Pty) Ltd,
- Lime Distributors (Pty) Ltd;
- Nicanel Investments (Pty) Ltd,
- Pybus 31 (Pty) Ltd

Rationale for the transaction

[6] Both Ethos Fund V and OMLACSA regard the transaction as an attractive investment opportunity that will expand their current portfolio of investments while the transaction will provide the exiting shareholders with an opportunity to realise significant value from their investment.

Effect on Competition

[7] There is no product overlap in the activities of the merging parties. Idwala is a vertically integrated supplier of lime and industrial minerals. Ethos V is a private equity fund that invests in medium to large size companies in South Africa in a range of different industries, none of which currently overlaps with the businesses of the target company. OMLACSA provides pension fund, retirement annuity and risk assurance products held through different policies.

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

PUBLIC INTEREST

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

D Lewis

24 November 2008
Date

N Manoim and M Mokuena concurring.

Tribunal Researcher:	R Badenhorst
For the merging parties:	Webber Wentzel
For the Commission:	M Matsimela