

**COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case no.: 92/LM/Sep05

In the large merger between:

Industrial Partnership Investments Limited

and

Kagiso Trust Investments (Pty) Limited

Reasons

Introduction

1. On 8 December 2005 the Competition Tribunal approved the merger between Industrial Partnership Investments Limited and Kagiso Trust Investments (Pty) Limited.

The transaction

2. Industrial Partnership Investments Ltd ("IPIL"), a special purpose vehicle wholly owned by Remgro Ltd will acquire from Nedcor Investment Holdings Ltd and Liberty Group Ltd approximately 37.155% of the issued share capital in Kagiso Trust Investments (Pty) Ltd ("KTI"). In terms of the Shareholder's agreement IPIL and Kagiso Trust, which holds 50.32% in KTI, will jointly control KTI.

Rationale for the transaction

3. The proposed transaction constitutes a financial investment opportunity for Remgro and its shareholders.

Impact on Competition

4. Although both KTI and Remgro make equity investments in strategic firms, either through minority positions or controlling interests, there are no overlaps in respect of the products produced or services provided.
5. Remgro is mainly focussed on investments in tobacco products, banking and financial services,¹ printing and packaging, building and motor components, life assurance, medical services, mining, petroleum products, food, wine and spirits and various other trade mark products. It is not involved in the day-to-day management of these businesses and mainly concentrates on the management of investments and the provision of support.
6. KTI is the investment arm of Kagiso Trust, an empowerment group, which mainly focuses on investment banking activities that do not require a banking licence.
7. In light of the above we find that the transaction will not substantially lessen or prevent competition.

Public interest issues

8. The transaction does not raise any public interest concerns.

N Manoim

15 February 2006
Date

Concurring: D Lewis, Y Carrim

¹ Remgro holds a 23% non-controlling interest in Rand Merchant Bank Holdings, a 17.2% non-controlling interest in Glenrand M.I.B Limited and 18% in FirstRand.