

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 020008

In the matter between:

Business Venture Investments 1858 (Pty) Ltd Primary Acquiring Firm

And

Tiger Automotive Investments (Pty) Ltd Primary Target Firm

Panel : Norman Manoim (Presiding Member),
Anton Roskam (Tribunal Member)
Yasmin Carrim (Tribunal Member)
Heard on : 12 December 2014
Order issued on : 12 December 2014
Reasons issued on : 14 January 2015

Reasons for Decision

Approval

- [1] On 12 December 2014 the Competition Tribunal ("Tribunal") unconditionally approved the large merger between Business Venture Investments 1858 (Pty) Ltd ("OpCo") and Tiger Automotive Investments (Pty) Ltd ("TiAuto"). The reasons for approving the proposed transaction follow.

Parties to transaction

- [2] The primary acquiring firm is OpCo, a newly created company that was established for purposes of the proposed transaction. OpCo is a wholly-owned subsidiary of Business Venture Investments 1857 (Proprietary) Limited ("HoldCo"). The shareholders of HoldCo are certain funds managed by affiliates of

The Carlyle Group, L.P ("Carlyle") and Old Mutual Private Equity, a division of Old Mutual Investment Group (Proprietary) Limited, on behalf of certain funds advised by it ("OMPE Fund IV").

- [3] The primary target firm is TiAuto, a private company which is involved in the wholesale and retail supply of passenger car tyres and aftermarket alloy wheels in Southern Africa.

Proposed transaction

- [4] Through a series of transactions OpCo will acquire the business of TiAuto and its subsidiaries. We were advised at the hearing that present management will acquire shares in OpCo at a later stage but that does not form part of the present notified transaction.

Competition assessment

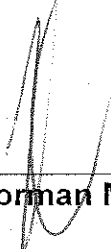
- [5] The Commission submitted that the proposed transaction does not give rise to any horizontal or vertical overlaps. This is because the acquiring firms are largely investment entities and they do not have any interest in firms directly involved in similar businesses as the target firm; as such no accretion in market shares will take place. The Commission thus came to the conclusion that the proposed transaction is unlikely to substantially prevent or lessen competition in any market.

Public Interest

- [6] The proposed transaction will not result in any retrenchments as the business of TiAuto will continue to operate on a standalone basis and will not be integrated into the acquiring firms. The proposed transaction will result in no other public interest concerns and the Commission thus recommended that the proposed transaction be approved unconditionally.

CONCLUSION

- [7] We agree with the Commission that the proposed transaction is unlikely to substantially prevent or lessen competition or harm the public interest and thus approve the transaction without conditions.



Mr Norman Manoim

14 January 2015
DATE

Mr Anton Roskam and Ms Yasmin Carrim concurring.

Tribunal Researcher:	Caroline Sserufusa
For the merging parties:	Shawn Van Der Meulen of Webber Wentzel
For the Commission:	Relebohile Thabane