

**COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case no: 09/LM/Feb05

In The Large Merger Between:

Standard Bank of South Africa Limited

And

Worldwide African Investment Holdings (Pty) Ltd

Reasons for Decision

Approval

On 13 April 2005 the Competition Tribunal issued a Merger Clearance Certificate approving the transaction between Standard Bank of South Africa Limited and Worldwide African Investment Holdings (Pty) Ltd. The reasons for this decision follow.

The transaction

The parties to the transaction are Standard Bank of South Africa Limited ("Standard Bank"), Khathuma Investments (Pty) Ltd ("Khathuma") and Worldwide African Investment Holdings (Pty) Ltd ("Worldwide") as well as certain existing shareholders of Worldwide.

The terms of the transaction are as follows:

Release Investments (Pty) Ltd ("Release"), Mr K Ngqula ("Ngqula") and the Jani Family Trust ("Jani"), all existing shareholders in Worldwide, will transfer their Worldwide shares to Khathuma, in return for which they will acquire 74% of the issued ordinary shares in Khathuma. Standard Bank will thereupon acquire the balance of the 26% of the issued ordinary share capital of Khathuma for a subscription price of approximately R20 million, and 80 000 redeemable preference shares in Khathuma for a subscription price of approximately R140 million. Khathuma will use the proceeds of the Standard Bank subscriptions to purchase Nedcor Investments (Pty) Ltd shares in Worldwide (12.15%), as well as the majority of Mr Lot Ndlovu's shares in Worldwide (1.51%). It will also subscribe for additional new shares in the issued share capital of Worldwide.

Following implementation of the transaction Khathuma will hold approximately 31% of the issued shares in Worldwide.

Prior to the merger transaction, no one party controlled Worldwide, although pursuant to a voting pool arrangement, approximately 32% of the shareholders voted as a block and were thereby able to exercise certain negative controls over the affairs of Worldwide.

Post merger the Voting Pool, which comprises black shareholders, will increase to approximately 41%.

According to the parties, the transaction is intended to capitalise Worldwide to assist it in meeting its medium term cash flow requirements, and to increase its empowerment profile.

Impact on competition

Standard Bank is a commercial bank providing corporate, investment and merchant banking services, retail banking, insurance banking, short-term insurance, life assurance and property and investment services. Khathuma is a new company and has not traded before. Worldwide is an investment holding company for a group of companies and does not sell any products or provide any services.¹

According to the information provided by the Commission and the parties, there is no horizontal overlap in the activities of the merging parties or their subsidiaries. In addition, there appears to be no vertical concerns arising from this merger. In the circumstances we find that the merger is unlikely to substantially prevent or lessen competition in any market. There are no significant public interest concerns and we therefore agree with the Commission's recommendation that the transaction be unconditionally approved.

N Manoim

19 April 2005
Date

Concurring: Y Carrim and M Mokuena

For the merging parties: James Pitman (Tabacks and Associates)

For the Commission: Edwell Mtantato (Mergers and Acquisitions)

¹ Through its wholly owned subsidiaries, Afric Energy Resources (Pty) Ltd, Ndibano Investments (Pty) Ltd, Worldwide is indirectly involved in the refining, marketing and distribution of diesel, petrol, kerosene and a range of lubricants and the manufacture, marketing and distribution of telecommunications infrastructure products and services. Through its 51% shareholding in Worldwide Capital Ltd it is involved in the provision of a range of investment products and services.