

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 09/LM/Jan09

In the matter between:

Investec Bank Ltd

Acquiring Firm

and

Anglo-V3 (Pty) Ltd

Target Firm

Panel : N Manoim (Presiding Member), U Bhoola (Tribunal Member) and M Mokuena (Tribunal Member)
Heard on : 11 March 2009
Order issued on : 11 March 2009
Reasons issued on : 18 March 2009

Reasons for Decision

Introduction

[1] On 11 March 2009 the Tribunal approved the acquisition by Investec Bank Ltd of 60% of the issued share capital in Anglo-V3 Crane Hire (Pty) Ltd. The reasons follow below.

The transaction and parties

[2] Investec Bank Ltd ("Investec") will, by means of a leveraged buy-out, acquire 60 "B" ordinary shares in the issued ordinary share capital of Anglo V3 Crane Hire (Pty) Ltd ("Anglo V3"). This shall constitute 60% of the entire issued share capital of Anglo V3 and entitle Investec to 50% of the voting rights accruing to shareholders in Anglo V3.

- [3] Investec is controlled by Investec Bank Ltd. The target firm, Anglo V3, is a family owned crane hire business which is controlled by three different family trusts, the JVS Trust No1 (holds 40% of the shares in Anglo V3), the JVS Trust no 2 (30%) and the HVS Trust (30%).
- [4] Investec, the JVS Trust no 1 and the HVS Trust will jointly control Anglo V3 post this transaction.
- [5] Following the acquisition the business will be transferred to a newly formed private company; the parties to the transaction will procure that a private company be formed as a subsidiary of Anglo V3 to acquire the said business. The new company will be owned 74% by Anglo V3 and 26% by BEE investors.

Rationale for the transaction

- [6] The transaction presents an attractive investment to Investec as it is one of the largest crane companies in South Africa. From the sellers perspective the transaction will facilitate the partial exit of the shareholders in Anglo V3 and will also result in the introduction of a broad based BEE shareholder.

Effect on Competition

- [7] Investec Ltd is an international specialist banking group that provides a diverse range of financial products and services to a niche client base. Its services include investment banking, treasury and special finance, private banking services and asset management. Anglo V3 specialises in mobile crane hire, specialised transport of loads with abnormal dimensions, rigging and other associated services. It offers its services nationally.
- [8] The Commission found that there is no horizontal overlap in the activities of the merging parties.
- [9] In light of the above the Tribunal finds that the proposed transaction is unlikely to substantially prevent or lessen competition.

Public Interest

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

N Manoim

18 March 2009
Date

U Bhoola and M Mokuena concurring.

Tribunal Researcher: R Badenhorst
For the merging parties: DLA Cliffe Dekker Hofmeyr
For the Commission: Kwena Mahlakoane