

## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 104/LM/Sep07

In the matter between:

**BT Triple Crown Merger Co, Inc**

Acquiring Firm

And

**Clear Channel Communications Inc**

Target Firm

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Panel : D Lewis (Presiding Member), M Manoim (Tribunal Member),  
and Y Carrim (Tribunal Member)  
Heard on : 15 November 2007  
Order Issued : 15 November 2007  
Reasons Issued: 14 January 2008

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### Reasons for Decision

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#### Approval

[1] On 19 December 2007 the Tribunal unconditionally approved the merger between BT Triple Crown Merger Co Inc and Clear Channel Communications Inc. The reasons for approving the transaction follow.

#### The transaction and parties

[2] This is a private equity transaction between two listed companies on the New York Stock Exchange. Clear Channel Communications Inc ("Clear Channel") is being acquired by BT Triple Crown Merger Co Inc ("BT Triple Crown"), B Triple Crown Finco LLC and T Triple Crown Finco LLC ("the parents"), and CC Media Holdings (formely known as BT Triple Crown Capital Holdings III, Inc).

[3] Post the transaction BT Triple Crown will cease to exist, its parent companies will dissolve and Clear Channel will be wholly owned by a new limited liability company named Clear Channel Capital I, LLC, which will be wholly-owned by a

new limited liability company named Clear Channel Capital II, LLC. Clear Channel Capital II, LLC will in turn be wholly-owned by the New Holdco (formerly known as BT Triple Crown Capital Holdings III, Inc). As part of the equity financing for the acquisition, entities led by Bain Capital (CC) IX, L.P. ("Bain") and Thomas H. Lee Equity Fund VI, L.P. ("Thomas H Lee") will invest in New Holdco. Bain and Thomas H Lee will each hold 50% of the voting power in Clear Channel IV which in turn will hold the majority (over 60%) of the voting control in New Holdco.

#### **Rationale for the transaction**

- [4] Both Bain and Thomas H Lee regard the transaction as an investment opportunity. From Clear Channel's perspective the transaction will enhance Clear Channel's shareholder value.

#### **The parties' activities**

- [5] BT Triple Crown is a newly established company which has not previously traded.
  
- [6] Bain holds controlling interests in several entities that trade in South Africa namely, Samsonite, FCI SA, SigmaKalon BV, MEI Conlux and Edgars Consolidated Stores Ltd. Through these interests, it is involved in manufacturing and distribution of luggage, production of electrical connectors, manufacturing of protective and decorative coatings and paints, manufacturing of vending machines and retail sale of clothing, footwear, textiles and stationary.
  
- [7] Thomas H Lee controls Nortek Holdings Inc and Simmons Company in South Africa and through these subsidiaries provides outsourced communications solutions and distributes indoor environmental control products.
  
- [8] The primary target company, Clear Channel rents advertising space on outdoor billboards and other advertising devices throughout South Africa.

#### **Competition analysis**

- [9] The proposed transaction does not result in any horizontal overlap and is therefore unlikely to substantially prevent or lessen competition in any market.

**Public Interest**

[10] There are no public interest issues.

**Conclusion**

[11] The transaction is accordingly approved without conditions

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**Y Carrim**  
**Tribunal Member**

**14 January 2008**

**Date**

**Concurring: D Lewis and N Manoim**

Tribunal Researcher : R Badenhorst  
For the merging parties: Goldman Judin Inc  
For the Commission : L Madihlaba and M Mohlala (Mergers and  
Acquisitions)