

## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 13/LM/Jan07

In the matter between:

**Investec Bank Limited**

Acquiring firm

And

**DCD Dorbyl (Pty) Ltd**

Target firm

Panel: N Manoim (Presiding Member), M Holden (Tribunal Member)  
and M Mokuena (Tribunal Member)

Heard on: 14 March 2007

Order issued on: 14 March 2007

Reasons issued on: 08 May 2007

### Reasons for Decision

#### APPROVAL

1] On 14 March 2007, the Tribunal approved the merger between **Investec Bank Limited and DCD Dorbyl (Pty) Ltd**. The reasons for approval follow.

#### THE TRANSACTION

2] The acquiring firm is Investec Bank Ltd (“Investec”) which is controlled by Investec Limited. Investec Limited is listed on the JSE and according to the parties, no single shareholder controls Investec Limited. <sup>1</sup> The target firm is the business of DCD Dorbyl (“DCD Dorbyl”) which is jointly controlled by DCD Investment Trust, Calshelf Investments 116 (Pty) Ltd (“Calshelf”) and Mediro Industrial Holdings (Pty) Ltd (“Mediro”). DCD Investment Trust also holds 51% of Calshelf. <sup>2</sup>

3] The proposed transaction involves the sale and transfer of the target business to

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<sup>1</sup> Please refer to pages 72-94 of the Commission’s record for the Investec group structure.

<sup>2</sup> Please refer to page 95 of the Commission’s record for a diagram of the DCD Dorbyl group.

Clidet No. 74 (Pty) Ltd (“Newco”) by shareholders of DCD Dorbyl, as a going concern. Investec Bank is to acquire 43% of the shares of Newco with minority protection rights. Therefore, post merger, the transferred business will be directly owned and controlled by Newco and indirectly by the Investec group.

- 4] For Investec, the transaction is purely an investment opportunity with a potential for good returns, in light of government’s increased spending on infrastructural development. DCD-Dorbyl is expected to benefit from the abovementioned large capital expenditure projects which have already begun through its three operating divisions in the heavy engineering, rail and marine sectors.

## **COMPETITION ANALYSIS**

- 5] Newco has not yet commenced trading as it is to acquire the transferred business after completion of the proposed transaction. The Investec group is a global specialist banking group involved in the provision of a diverse range of financial products and services. DCD Dorbyl is a multi-faceted engineering company offering a wide range of products and services in the heavy engineering, rail and marine ship industries.<sup>3</sup>
- 6] In light of the fact that there is no overlap in the activities of the merging parties, we are of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in any of the markets in which the parties are active.
- 7] There are no other significant public interests issues which would alter our view and we accordingly approve the transaction without conditions.

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**N Manoim**

**M Holden and M Mokuena concurring.**

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<sup>3</sup>Please see the parties competitiveness report for more detail on the activities.

Tribunal Researcher: M Murugan-Modise

For the merging parties: Andries le Grange and Janine Simpson (Hofmeyr  
Herbstein & Gihwala)

Tsakani Mhlanga (Cliffe Dekker Inc)

For the Commission: L Lamola (Mergers and Acquisitions)