

# COMPETITION TRIBUNAL OF SOUTH AFRICA

**Case No.:** 30/LM/Mar07

In the matter between:

**ET Cayman Holdings LTD**

Acquiring Firm

and

**The Emission Technology Business of  
Arvin Meritor Inc**

Target Firm

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Panel: Y Carrim (Presiding Member), N Manoim (Tribunal Member), and M Mokuena (Tribunal Member)  
Heard on: 25 April 2007  
Order delivered on: 25 April 2007  
Reasons delivered on: 11 May 2007

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## REASONS FOR APPROVAL

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### Approval

- 1] On 25 April 2007, the Competition Tribunal unconditionally approved the proposed acquisition by ET Cayman Holdings Ltd (“ET Cayman”) of the Emission Technology Business of Arvin Meritor Inc (“The Emissions Business of ARM”).

## **The parties and the merger transaction**

- 2] ET Cayman will acquire all the shares and assets comprising the Emissions Business of ARM.
- 3] JP Morgan Chase & Co ultimately controls the primary acquiring firm, ET Cayman, via its subsidiary, One Equity Partners, II, L.P (“OEP”), a private equity company.

## **Rationale for the transaction**

- 4] The proposed transaction provides an opportunity to invest in an area where OEP is presently not active. It provides ARM with an opportunity to concentrate on its core competencies which excludes the emissions business.

## **Relevant Market**

- 5] JP Morgan is an investment bank which provides a full range of investment banking and commercial banking products and services. ARM emissions business produces car exhaust systems for original equipment manufacturers. It also provides exhaust components and systems to the free aftermarket. The target business of the transaction is the emissions business for OEMs. Post merger ARM will continue to provide the exhaust components systems to the free aftermarket.

## **Competition analysis**

- 6] There is no overlap in the activities of the merging parties and the

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proposed transaction is therefore unlikely to substantially prevent or lessen competition in the relevant market.

**Public Interest**

7] There are no job losses or any other significant public interests issues that arise from the transaction.

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**Y Carrim**

**11May 2007**

**Presiding Member**

**Concurring: M Manoim and M Mokuena**

Tribunal Researcher: R Badenhorst  
For the merging parties: R Read (Read Hope Phillips Thomas and Cadman Inc)  
For the Commission: M Matsimela and M Mohlala (Mergers & Acquisitions)