

**COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case No: 49/LM/Sep01

In the large merger between

AMB Holdings Ltd

and

AMB Private Equity Partners Ltd

REASONS FOR THE TRIBUNAL'S DECISION

Approval

The Competition Tribunal issued a Merger Clearance Certificate on 2 November 2001 approving the merger between AMB Holdings Ltd and AMB Private Equity Partners Ltd ("AMB Paartners") without conditions. The reasons for approving the merger are set out below.

The Transaction

AMB Holdings intends to increase its shareholding in AMB Partners from 29.69% to 50% by purchasing shares in AMB Partners on an ongoing basis, thereby gaining control of the target company.

AMB Holdings indicated that the reasons for the transaction were, *inter alia*, that certain of the major unit holders in AMB Partners were concerned about the continuing discount at which the units traded to the underlying net asset value of AMB Partners. The repurchasing of the shares will provide those who wish to sell their shares in AMB Partners the opportunity to do so while simultaneously creating liquidity, which in turn should result in a higher unit price. The parties hope that this will address the concerns of unit holders regarding the discount at which the unit currently trades. AMB Holdings also wishes to increase its share holding because it has identified private equity as an area for future growth.

The Parties

AMB Holdings is a holding company, which provides banking and non-banking services through its subsidiary companies.

AMB Partners who is managed by AMB Capital Management Ltd is involved in private equity and was listed in the Private Equity Funds sector of the JSE in May 1999. Its largest shareholders are AMB Holdings Ltd, Nedcor Nominees, Standard Bank Nominees, CMB Nominees and Iscor Pension Fund. None of the shareholders currently control AMB Partners.

Evaluating the merger transaction

There are no products or services that are substitutable between the two companies. AMB Holdings provides various financial services, through its subsidiaries, in the form of banking and non-banking (i.e. advisory) activities while AMB Partners is involved in private equity and invests, through a fund, capital on behalf of its shareholders.

The transaction will, therefore, not affect competition substantially.

Public Interest

None of the public interest grounds are affected by the acquisition.

D. Lewis

19 November 2001

Date

Concurring: N. Manoim and D. Terblanche