

**COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case No: 66/LM/Sep02

In the large merger between:

Clidet No. 408 (Pty) Ltd

and

MB Technologies Limited

Reasons for Decision

Approval

On 9 October 2002 we unconditionally approved the merger between Clidet No 408 (Pty) Ltd (“Clidet”) and MB Technologies Limited (“MBT”). The reasons for our decision follow.

The transaction

The transaction involves a management buy-out by a consortium, which currently holds the majority shares in the target firm, and ABSA Corporate and Merchant Bank (“ACMB”).

The primary acquiring firm is Clidet, a special purpose vehicle, which will acquire the shares and hold the investment on behalf of the management consortium and ACMB. Although the consortium will be the majority shareholder, ACMB will enjoy significant minority shareholder rights. Clidet will purchase MBT’s entire business as a going concern.

The primary target firm is MBT, a JSE-listed company, which has various subsidiaries active in the information technology sector.

The parties state that adverse market conditions have been detrimental to MBT's ability to raise capital and to its share price. The transaction will provide MBT with the opportunity to re-inforce its cash resources.

Evaluating the merger

MBT, through its subsidiaries, is involved in the information and internet technology sector. In particular, it provides storage and distribution of computer hardware services software and service solutions, internet services and customized point of sale solutions. As a special purpose company, Clidet is not active in any business sector, thus there is no product overlap between the parties. No further competition analysis is required.

Conclusion

We conclude that the merger will not lead to a substantial lessening of competition. The Tribunal therefore approves the transaction unconditionally. There are no public interest concerns, which would alter this conclusion.

N. Manoim

12 November 2002
Date

Concurring: D. Lewis, M. Holden

For the merging parties:	Cliffe Dekker Attorneys
For the Commission:	A. Coetzee, Legal Services Division, Competition Commission