

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: 91/LM/Oct06

In the matter between:

EXTREME LIFESTYLE CENTRE (PTY) LTD

Acquiring Firm

and

MILL AND MINE SPARES CC

Target Firm

Panel: Y Carrim (Presiding Member), M Moerane (Tribunal
Member), and T Orleyn (Tribunal Member)
Heard on: 22 November 2006
Order delivered on: 22 November 2006
Reasons delivered on: 5 December 2006

REASONS FOR APPROVAL

Approval

- 1] On 22 November 2006, the Competition Tribunal unconditionally approved the proposed merger between Extreme Lifestyle Centre (Pty) Ltd and Mill and Mine Spares CC.

The parties and the merger transaction

- 2] Extreme Lifestyle Centre (Pty) Ltd (“Extreme”) is acquiring Mill and Mine Spares CC (“Mill and Mine”) as a going concern.
- 3] The primary acquiring firm, Extreme, is a wholly owned subsidiary of Super Group Holdings (Pty) Ltd which in turn is one of the subsidiaries of Super Group Ltd, collectively referred to as Super Group. Super Group’s largest shareholders are the Public investment Corporation (17.45%), Old Mutual PLC (10.88%) and Peu Group (Pty) Ltd (9.95%), a BEE group. A single shareholder does not control it.
- 4] The primary target firm, Mill and Mine, is a closed corporation that is jointly controlled by Richard and Kenneth Terry, each owning 50% interest.

Rationale for the transaction

- 5] The proposed transaction provides Mill and Mine with the required working capital to enable it to acquire cranes from manufacturers abroad so as to satisfy the local demand. It also presents Mill and Mine with an opportunity to become part of a BEE group.
- 6] According to Extreme the transaction not only provides it with the opportunity to expand its product range so as to include the sale of cranes but also to gain the expertise and know-how of Richard and Kenneth Terry.

Competition analysis

- 7] Super Group is involved in the provision of a wide range of products and services such as supply management services, long distance and cross border transport brokerage, fleet solutions for transportation of bulk items such as foodstuffs, consumables and agricultural produce, retail supply chain business, commercial and passenger dealership businesses and certain in-house treasury and insurance services.
- 8] Mills and Mine is involved in the import and sale of cranes for use in mining and construction.
- 9] There is no overlap in the activities of the merging parties and the proposed transaction is therefore unlikely to substantially prevent or lessen competition in the relevant market.

Public Interest

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

Y Carrim

Presiding Member

Concurring: M Moerane and T Orleyn

Tribunal Researcher:

R Badenhorst

For the merging parties: P Coetser (Brink Cohen Le Roux)

For the Commission: M Ngobese (Mergers & Acquisitions)