



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM155Oct15

In the matter between:

OMPE GP IV (Pty) Ltd acting in its capacity as Acquiring Firm
ultimate general partner of the
OMPE Fund IV Partnership

and

Aldbalm Trading (Pty) Ltd Target Firm

Panel	:	Yasmin Carrim (Presiding Member)
		Mondo Mazwai (Tribunal Member)
		Fiona Tregenna (Tribunal Member)
Heard on	:	18 November 2015
Order issued on	:	18 November 2015
Reasons issued on	:	11 January 2016

Reasons for Decision

Approval

1. On 18 November 2015 the Competition Tribunal (the "Tribunal") unconditionally approved an acquisition by OMPE GP IV (Pty) Ltd ("OMPE"), acting in its capacity as ultimate general partner of the OMPE Fund IV Partnership ("OMPE Fund IV") of Alderbalm Trading (Pty) Ltd ("New Holdco").
2. The reasons for the approval of the proposed transaction follow.

The Parties and their activities

3. The primary acquiring firm is OMPE, acting in its capacity as ultimate general partner of the OMPE Fund IV. OMPE is a company incorporated in accordance with the laws of the Republic of South Africa. OPME is jointly controlled by Winter Breeze Investment Holding Company (Pty) Ltd ("Winter Breeze") and OPME Fund IV Co-Investment Trust ("the OMPE Trust"). Winter Breeze is controlled by Old Mutual Alternative Investments (Pty) Ltd ("OMAI"), which is ultimately controlled by Old Mutual Group Holdings (South Africa) (Pty) Ltd ("OMSA"). OMSA is ultimately controlled by Old Mutual plc ("OM plc"), which is incorporated in the United Kingdom. OM plc is not controlled by any single shareholder. Its five shareholders as at 31 December 2014 are as follows: the Public Investment Corporation Ltd (8.65%), Black Rock Incorporated (5.78%), Allan Gray (Pty) Ltd (5.68%), Sanlam Ltd (3.99%) and Investec Group (3.25%).
4. OMPE is the ultimate general partner of the OMPE Fund IV and does not control any firm. Winter Breeze controls African Infrastructure Investment Fund 2 General Partner (Pty)- Ltd and Friedshelf 1168 (Pty) Ltd. The OMPE Trust and OMAI do not control any other firm. OMSA controls a number of firms including OM Portfolio Holdings (South Africa) (Pty) Ltd and Old Mutual Investment Administrators (Pty) Ltd.
5. The Old Mutual Group is an international long-term savings, banking and investment group. OMPE is responsible for the management and operation of OMPE Fund IV, and does not provide any other products or services. OMPE Fund IV is primarily involved in private equity investments by purchasing controlling and non-controlling interests in the share capital of unlisted businesses that are active in the asset management, life insurance, banking and investment products or services and short term insurance markets.
6. The primary target firm is New Holdco, a newly established firm incorporated in accordance with the laws of the Republic of South Africa.

According to the merging parties, it is intended that New Holdco will house MoreCorp (Pty) Ltd ("MoreCorp") and its subsidiaries. Morecorp is not controlled by any firm. It controls the following firms: MoreGolf (Pty) Ltd, MoreCycle (Pty) Ltd and Centurion Golf Driving Range (Pty) Ltd. Newco does not control any firm.

7. New Holdco was established for the purposes of the proposed transaction. MoreCorp is involved in the retail of golf and cycling equipment, accessories and related products and services in South Africa.

Proposed transaction and rationale

8. In terms of the proposed transaction, OMPE will acquire 70.62% of the issued shares in New Holdco. Upon the implementation of the proposed transaction, OMPE will control New Holdco and have indirect control over MoreCorp.
9. OMPE submitted that the proposed transaction represents it with an opportunity to invest in a quality company backed by highly competent and experienced management team.
10. According to New Holdco, the proposed transaction allows it to realise the value of its investment.

Competition Analysis

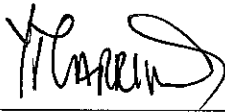
11. After considering the activities of the merging parties, the Commission found that there is no overlap, as the OMPE Group is not involved in the retail of golf and cycling equipment, accessories and related products and services. Further, the Commission found that the OMPE Group does not have investments in firms that are active in the retail of golf and cycling equipment, accessories and related products and services.
12. The Commission therefore concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any market.

Public interest

13. The merging parties confirmed that the proposed transaction will have no adverse effect on employment and will not result in any retrenchments in South Africa. The proposed transaction raises no other public interest concerns.

Conclusion

14. In light of the above, we agree with the Commission that the proposed transaction is unlikely to substantially prevent or lessen competition in any market. Further, we agree with the Commission that proposed transaction is unlikely to result in significant public interest concerns. We therefore approve the proposed transaction unconditionally.



Ms Yasmin Carrim

11 January 2016
Date

Ms Mondo Mazwai and Professor Fiona Tregenna concurring

Tribunal Researcher : Ipeleng Selaledi
For the merging parties : Nazeera Mia of Cliffe Dekker Hofmeyr
For the Commission : Thato Mkhize